



Parliamentary Debates

(HANSARD)

FORTIETH PARLIAMENT
FIRST SESSION
2018

LEGISLATIVE ASSEMBLY

Wednesday, 12 September 2018

Legislative Assembly

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THE SPEAKER (Mr P.B. Watson) took the chair at 12 noon, acknowledged country and read prayers.

PAPERS TABLED

Papers were tabled and ordered to lie upon the table of the house.

ARTHUR LEGGETT, OAM

Statement by Minister for Veterans Issues

MR P.C. TINLEY (Willagee — Minister for Veterans Issues) [12.04 pm]: I rise to acknowledge an outstanding member of the veterans community Mr Arthur Leggett, OAM, president of the Ex-Prisoners of War Association of Western Australia, who turned 100 just four days ago. I wish to acknowledge Mr Leggett; his daughters Sue Meagher and Maureen Rayson; his mate Ray Galliot; and Lesley Street, principal of Mount Lawley Senior High School, who are all seated in the Speaker's gallery this afternoon.

Arthur was a signaller in the Second World War and was captured in early 1941 on Crete. He spent most of the remaining years of the war as a POW, working in the coalmines in northern Poland, before being part of what has come to be labelled by historians as "The Great March", "The Black March", "The Death March Across Germany" and other similar names. Arthur was forced to march from Poland across the Czechoslovakian Alps to Bavaria, all in the middle of the European winter and in starvation conditions.

Arthur not only lived out this incredible survival story during the Second World War, but also, in more recent years, has been a major contributor to our society, specifically through his connection to Mount Lawley Senior High School. Arthur has forged a long connection with the school, contributing to its Anzac Day ceremonies, but also taking time to educate generations of students about the meaning of Anzac and the history he knew firsthand through lived experience. He has also contributed for decades to the annual prisoner of war services held at Kings Park.

Earlier this year, the school community recognised him by inducting him as a "Lawley Legend" for "his character, good humour, his sacrifice as a prisoner of war and his dedication to keeping alive the memory of his fallen comrades with generations of Mount Lawley Senior High School students". What is more, just last month the school unveiled its new library, the Arthur Leggett OAM Library. This is a fitting tribute to a veteran and a man who has given so much to younger generations of Australians. Today we acknowledge not just an outstanding veteran, but an outstanding human.

I personally thank him for his service in uniform and also for all he has done to enrich our society since. Thank you, Arthur.

[Applause.]

SANDFLY CIRCUS — A MOVEABLE FEAST

Statement by Minister for Culture and the Arts

MR D.A. TEMPLEMAN (Mandurah — Minister for Culture and the Arts) [12.06 pm]: I would also like to pay my respects to Mr Leggett and acknowledge his contribution to our Australian story.

I rise to inform the house of a spectacular show I attended recently in Broome. The Department of Local Government, Sport and Cultural Industries recently granted Theatre Kimberley just over \$39 000 to promote participation and active engagement in a new circus production. The community engagement project's \$15 000-plus grant provided Theatre Kimberley with the opportunity to offer the Pitts Family Circus an extended residency, offering local artists, who are isolated geographically, the rare opportunity to develop their skills and relationships with experienced and well-connected artists.

A Moveable Feast is a Sandfly Circus skills and creative development residency and production, directed by Bronte Webster and Gareth Bjaaland. Over six weeks, the highly acclaimed Pitts Family Circus principals, Bronte Webster and Gareth Bjaaland, were in residence with Theatre Kimberley's Sandfly Circus. They engaged with local artists to develop important skills, which culminated in the major production *A Sandfly in My Soup* in collaboration with Theatre Kimberley's artistic team. This project provided further opportunities for arts engagement, including two mentorships, additional Pitts and Sandfly performances and trainer training. This grant allowed locals in Broome to see a performance that not only was great fun, but also showed off the talents of people in their community.

After seeing *A Sandfly in My Soup*, I am glad this funding was able to support the development of new work and new skills for performers and those working behind the scenes in Broome. I was amazed at the aerial acrobatics and the brilliant talent on display by local children of the Kimberley. Theatre Kimberley has a two-year waitlist in Broome and it is not hard to see why. Not only was it a highly entertaining production, but also it supported the local community and boosted the local economy. It embraces the arts and encourages personal development through play. I must congratulate Jael Johnson, the Theatre Kimberley manager, and Meredith Bell, the artistic director, who worked tirelessly to get this production up and running.

SWIMMING POOLS — SAFETY BARRIER INSPECTIONS

Statement by Minister for Commerce and Industrial Relations

MR W.J. JOHNSTON (Cannington — Minister for Commerce and Industrial Relations) [12.10 pm]: Drowning continues to be a leading cause of accidental death of children under the age of five. To address this, the Building Regulations 2012 require that all local governments arrange for an authorised person to inspect the safety barriers to private swimming pools within their districts at intervals of no more than four years for the purpose of monitoring compliance. In November 2017, the Western Australian Ombudsman tabled a report titled “Investigation into ways to prevent or reduce deaths of children by drowning”. One finding of that report was that 43 per cent of local governments had overdue inspections as at 30 June 2015 and that that accounted for 8 639 overdue inspections across the state. The Ombudsman made 25 recommendations in his report. Recommendation 7 requires the Building Commissioner to monitor the progress of pool barrier inspections undertaken by local government. He requested that the Parliament be updated with this information annually. I therefore table the Department of Mines, Industry Regulation and Safety’s “Progress report: Local government’s four yearly inspections of private swimming pool safety barriers 2017/18” for information.

It is pleasing to note that local governments have cooperated fully with the Building Commissioner and have voluntarily provided the data. It is also pleasing to note that there is a general improvement in the number of overdue inspections.

Additionally, I have asked the Department of Mines, Industry Regulation and Safety’s Consumer Protection division to lead a national research project, which involves active participation from all state and territory Australian consumer law regulators and, at the federal level, the Australian Competition and Consumer Commission. The project will examine issues around the use of portable swimming pools, the argument for further regulatory intervention and consideration of a range of regulatory options, including a permanent ban on their sale in Australia. The project will include the examination of data regarding portable pool deaths from drowning and serious injuries from non-fatal near-drowning incidents, causal factors, previous work undertaken on this issue, and the effectiveness of interventions in Australia and overseas.

[See paper 1655.]

GRAHAME SEARLE — RESIGNATION

Statement by Minister for Community Services

MS S.F. McGURK (Fremantle — Minister for Community Services) [12.12 pm]: It is with regret that I rise to inform the house of the resignation of the director general of the Department of Communities, Mr Grahame Searle. Mr Searle has led the Department of Communities since the machinery-of-government changes last year. Appointed as director general in January this year, he brought together the former Department of Child Protection and Family Services, the Housing Authority, the former Disability Services Commission, the communities component of the former Department of Local Government and Communities, the regional coordination aspects of the Department of Aboriginal Affairs and the Regional Services Reform Unit. Bringing these components together and breaking down the many silos that existed for years was no easy feat, but Mr Searle used his extensive experience and skill to do just that.

Mr Searle has been a public service leader for a long time, having served both in this state and in Victoria for a total of 47 years. He was director general of the former Department of Housing from 2008 to 2015 after having previously been the chief executive officer of Landgate from 2004 to 2008. It was his work with the Regional Services Reform Unit that shed light on the issues faced by Western Australians living in regional and remote locations, particularly those of Aboriginal Australians. He knew, however, that he could not do this genuinely as, and I quote, “an old white guy based in Perth”, which is why he packed up and moved to Kununurra. It is this dedication to public service that has seen Mr Searle become widely respected in government and by Aboriginal leaders for his ability to facilitate collaboration and achieve results.

As minister, I am grateful for his advice, experience and knowledge, and his focus on achieving important outcomes for the most vulnerable members of our community. I wish Mr Searle all the best, good health and thank him for his service to Western Australia.

MINISTER FOR WATER — SINGAPORE VISIT*Statement by Minister for Water*

MR D.J. KELLY (Bassendean — Minister for Water) [12.14 pm]: I rise to inform the house about my recent visit to Singapore for a series of meetings focused on strengthening Western Australia's ties with Singapore and sharing our learned experiences in responding to climate change and the associated impacts on water supplies. The mission to Singapore was my first as minister and I found the visit very productive and rewarding. I have always been interested in travelling to Singapore to learn about innovative water practices that have enabled Singapore to continue to supply water to its population of 5.6 million in the face of climate change.

My trip was based around the Singapore International Water Week Leaders Summit, which was held in conjunction with the World Cities Summit and Clean Enviro Summit. The Public Utilities Board took me on a tour of Singapore's NEWater Visitor Centre, the Changi Water Reclamation Plant, the Deep Tunnel Sewerage System, Bishan-Ang Mo Kio Park and its Sustainable Singapore Gallery at the Marina Barrage. It was refreshing to see that the Singaporean national government not only uses the phrase "climate change", but also is planning for the future impacts of climate change on that country and is seeking to help those abroad as well as sharing its innovations and plans.

However, water was not the only theme of my visit. I also met with innovators, innovation incubators and technology companies such as SGInnovate, Gemstar and ST Engineering. I also attended a meeting with the Agency for Science, Technology and Research.

Growing investment in WA aquaculture and driving fisheries exports was another theme of my trip. I met with Hai Sia Seafood and Commonwealth Capital, the company that recently purchased Cone Bay barramundi from Marine Produce Australia. I would like to thank the Department of Jobs, Tourism, Science and Innovation for its assistance in organising this trip. I would also like to particularly acknowledge Ms Natalie Tan and Mr Melvin Sico from the WA government Singapore office for guiding me on my visit.

I now table a detailed itinerary.

[See paper 1656.]

BUSINESS OF THE HOUSE — PRIVATE MEMBERS' BUSINESS*Standing Orders Suspension — Withdrawal of Notice*

Notice of motion, given 11 September, withdrawn by **Mr D.A. Templeman (Leader of the House)**.

TRANSPORT (ROAD PASSENGER SERVICES) AMENDMENT BILL 2018*Appropriations*

Message from the Governor received and read recommending appropriations for the purposes of the bill.

HERITAGE BILL 2017*Returned*

Bill returned from the Council with amendments.

**NATIONAL REDRESS SCHEME FOR INSTITUTIONAL CHILD SEXUAL ABUSE
(COMMONWEALTH POWERS) BILL 2018***Second Reading*

Resumed from 22 August 2018.

DR M.D. NAHAN (Riverton — Leader of the Opposition) [12.18 pm]: Although I am not the lead speaker for the opposition, I would like to make a few comments on the National Redress Scheme for Institutional Child Sexual Abuse (Commonwealth Powers) Bill 2018. Firstly, the opposition supports the legislation in full and congratulates the commonwealth for its leadership on this matter. This legislation essentially brings the matter into the state's remit and allows the state to join a national scheme, which was needed. This bill is an offshoot and a response to the Royal Commission into Institutional Responses to Child Sexual Abuse, which proceeded for five years and found many, many cases of systemic institutional abuse of children. It is more harrowing because many of those institutions were set up specifically to safeguard, take care of, educate and nurture our children, but, instead, individuals within those institutions were allowed to do the opposite. Some of those institutions are not secular groups; many of them are church-based and faith-based—organisations that exist to provide nurture from a higher being. That this happened systemically, over decades, is one of the greatest blemishes on our society. Many of us who as young children saw this happening were scarred; not so much me, but others. Many people who, like me, went to a boarding school, saw this happening over decades. Thankfully, the government set up the Royal Commission into Institutional Responses to Child Sexual Abuse to tackle the issue head-on. It spent a lot of money over five years. It required the evidence to tackle and peer through many of the institutional barriers that protected the abusers for decade after decade. Indeed, it had to expose systemic cover-ups and protection of abusers.

To return to the National Redress Scheme for Institutional Child Sexual Abuse (Commonwealth Powers) Bill 2018, these institutions were established, and these people were placed in them, to protect and nurture our children, but they did the opposite; they abused them in the most terrible manner. As we know and as the royal commission has outlined in gruesome detail, this abuse has affected many of these people throughout their lives, and it is often passed on through generations because people who are so affected often in turn become abusive to their families, their children and others. It is systematic. We as a state and as a nation, and our institutions, must do something about this—not only to stop it from happening in the future, but also to go back and provide redress. We owe it to them, and that is what this scheme does.

The royal commission often had to peer through the legal protections that had been built up to protect the institutions that, in turn, protected the abusers. Those institutions have to be part of the redress scheme. They have accumulated a great many assets under the protection of law—for instance, lower tax rates than others—and they have accumulated large asset bases for their churches or institutions, and they need to participate in this redress scheme. For someone who has gone through those institutions, I know it will not be easy to peel away those protections, but that is what must be done.

I congratulate the commonwealth government for taking on this issue, and the state government for participating in this redress scheme. I will not go through the details of the scheme, but it is one that we need to join. It will be expensive; exactly how much it will be, I do not know—perhaps the Attorney General can give us some indication—but it is not a matter of money. It is a matter of redressing a clear wrong that has been done in both state and other institutions. Redress is absolutely necessary. It is not only an issue of fairness, although that is part of it, but also one of helping people get on with their lives and perhaps helping to stop the bleeding, the pain and the suffering they have endured up until now. But the most important part of this process is to not allow this type of abuse to continue to happen, or to happen again. That is simply not part of a humane society.

The opposition fully supports the National Redress Scheme for Institutional Child Sexual Abuse (Commonwealth Powers) Bill 2018. When the government first announced that Western Australia would be joining the scheme, it tied it to the sale of an asset, Landgate. We do not accept that. Our view is that we should join the redress scheme by itself, because it is right, and then worry about where we get the money from. It might come from various sources, but the scheme should stand on its own basis, not tied to the privatisation of a government monopoly, which was at least mooted earlier by both the Attorney General and the Treasurer. It should not be tied to that, and we would like to have clarification from the government that it is going to support the redress scheme regardless of whether Landgate or any other state government asset is sold, because it should not be tied to that. We assume that that is the case—that there is no tie—but that is not clear from the statements we have heard today.

This redress scheme is right. It has been well researched and documented, and has to be done on a national basis, because many of the people who have suffered sexual and other forms of abuse in institutions have travelled around the nation, and many of those institutions are interstate. Indeed, this is actually a global issue. Many other like countries have gone through very similar processes and, indeed, some of those institutions are global institutions.

It needs to be a national scheme that we adopt here in Western Australia. We are going to contribute to it, in part because some state government-owned institutions were part of the process and the problem, and because some of the other non-government institutions were located here. This is a scheme that, whatever the cost, we have to do, to provide redress. We also have to put in place processes to ensure that this does not continue to happen or happen again. Otherwise, we will be letting down the very people that the scheme is designed to provide redress for. If we allow such abuses to continue, we will be perpetuating a terrible stain on our governance and our society.

The Liberal Party congratulates the federal government for the National Redress Scheme for Institutional Child Sexual Abuse (Commonwealth Powers) Bill 2018 and the McGowan government for bringing it forward. We will have some queries about certain aspects, but we will support it fully, and we would like an official statement from the government that the scheme will go ahead regardless of the sale of an asset or an additional tax or revenue stream. This scheme and the funding of it must stand in its own stead, which is fully justified. The Liberal Party fully supports the legislation.

We also encourage the government, with our support, to do whatever is necessary to stop the perpetuation of sexual and other forms of abuse in institutions, churches, and state and non-government organisations. That is the major lesson from the royal commission. It has perhaps diminished in recent years, but it is still there and we have to stop it from happening again.

MR P.A. KATSAMBANIS (Hillarys) [12.28 pm]: I rise to speak as the lead speaker for the opposition on the National Redress Scheme for Institutional Child Sexual Abuse (Commonwealth Powers) Bill 2018. As the Leader of the Opposition indicated, we welcome and certainly support this legislation, and we join with all Australians and Western Australians in expressing our strong desire, as a society and as a community, to learn from the recommendations of the Royal Commission into Institutional Responses to Child Sexual Abuse. We must make sure that we eliminate the scourge of child sexual abuse from our society. We need to eliminate it. There is

no point reducing it until we actually eliminate it and I think that is the point that the Leader of the Opposition rightly made. We know that the Royal Commission into Institutional Responses to Child Sexual Abuse made 409 recommendations to governments and institutions. That is important and the implementation of those recommendations will go a long way towards eliminating this scourge from our society.

The work of the royal commission cannot be praised enough. It is an extraordinarily difficult subject area, something that went on for many years. The courageous people who appeared to give evidence to the commission, either in person or in writing, also need to be highly commended for doing so, often telling stories that revived memories that they did not want to revive. In these circumstances, for some people, it is a catharsis, for other people it dredges up past hurt and past pain and continues that hurt and pain. Each individual is different. Each story is different but at the heart of it all is the gross breach of trust by institutions and individuals in those institutions over many decades. It was a gross breach of the trust that was placed upon these institutions and these individuals to care and nurture our most vulnerable children—those who needed care and support. Yes, in many cases, those children did receive care and support but far too many got the absolute reverse of that. They got abused in the most vile of ways. When reading the royal commission report, it is clear that we can describe some of that abuse as systematic abuse, whether formal or informal structures were put in place in some of these institutions that aided, abetted and enabled this horrible and nasty criminality. It is not a crime just because it is on the statute books but because it destroys the lives of so many thousands of people who carry that burden throughout the entirety of their lives.

One of the saddest aspects of this whole area is how some institutions in particular have had to be dragged—I do not use this term lightly; I use it advisedly—kicking and screaming to accept that what occurred under their watch was evil of the highest order. Unfortunately, some of these institutions and the people representing them have fought for decades to suppress the truth. They have lied to authorities. They have deliberately and systematically covered up not just grave criminal offences but also, as I said earlier, evil in their midst. They have treated victims in the most appalling of ways when this abuse has been reported. They have added to the burden of the victims. They have called them liars to their face; they have refused to accept. No matter how much light was shone on these practices in these various institutions and the individuals employed by those institutions, they simply denied that this was an issue. They paid hush money or go away money. They put the public reputation of their institution and the reputation of individuals within those institutions ahead of the rights of the victims. I think every right-minded Australian is glad that the royal commission finally managed to break down those barriers.

A lot remains to be seen in this area around these institutions. Have they simply responded to the royal commission report and all the other publicity around what has been happening for far too long? Have they responded in a way that they think will simply put good light on their institutions or have they accepted blame—first of all, accepted what went on—so that they can then commence putting in the structures and protections in place to protect vulnerable children in the future? Time will tell. I hope that all the institutions will make a genuine attempt, firstly, to apologise and accept what went on and then to do the right thing—contribute to the National Redress Scheme, to make the changes into the future and to basically implement a zero tolerance approach for both what went on in the past and what ought never to occur again—and take a zero tolerance approach, not an approach that protects the institution, not an approach that protects those individuals who may have been accused of criminality and evil, but an approach that says this must not be tolerated. It was wrong in the past; it is wrong now; it will always remain wrong. Let those institutions that consider sin to be an evil publicly acknowledge that this is a sin. It should never have been tolerated and should never be tolerated ever again in the future—no more mealy-mouthed comments, no more behind closed doors agreements and payments of hush money or go away money to protect the reputations of people in institutions, who, through their actions over a long period, do not deserve to ever be protected and whose real face in the past needs to be shown to everyone in Australia, not the air-brushed image that they have wanted for so long to portray.

It is an area that deeply affects everyone who comes into contact with any victim of child sexual abuse. I reach out to the people involved in the royal commission—the commissioners, the staff, the legal practitioner, the advisers—because I have seen the consequences for many other people who have received this sort of evidence in the past and how mentally traumatic it is for them. I thank them for their work in particular but I also think of them as individuals and the stress and distress they would have been under and will probably continue to be under, and I hope they are seeking the appropriate counselling for what they have experienced. The body of work is amazing. I recommend it to members. It is not an easy read; in many ways, it is extraordinarily difficult, but it shines a spotlight on the sick, evil and criminal behaviour that has occurred for far too long. The Royal Commission into Institutional Responses to Child Sexual Abuse made a recommendation in its “Redress and Civil Litigation Report” to establish a single National Redress Scheme to recognise the harm that has been suffered by survivors of institutional child sexual abuse. The scheme is a recognition and admission of the harm. It is not a scheme that ought to be described as a compensation scheme. As I am sure every member in this place and every right-minded Australian recognises, we can never compensate those victims. It is impossible. Millions of dollars cannot change what happened. It is, however, a recognition, which is hopefully a first step to healing for the thousands of people who were subjected to those evil things.

The commonwealth government, as the Leader of the Opposition pointed out, needs to be commended for taking the royal commission's recommendations seriously and working on that single National Redress Scheme. It is a difficult and expensive area. In many ways, dealing with six states and two territories is an experience in itself for all forms of nationally consistent legislation, let alone in this complex and difficult area that has almost an open-ended financial application, for both governments and institutions. The commonwealth government needs to be commended for taking the lead. The two commonwealth ministers also need to be commended. Firstly, Christian Porter, former member of this place and former Treasurer and Attorney General of Western Australia is to be commended. He is now the commonwealth Attorney-General. I also commend my friend Dan Tehan, the Minister for Social Services, I am pretty sure it is.

Mr J.R. Quigley: He was at the time.

Mr P.A. KATSAMBANIS: Yes, he was Minister for Social Services at the time.

Mr J.R. Quigley: Might I add former Prime Minister Julia Gillard, who called the royal commission?

Mr P.A. KATSAMBANIS: Yes, every Prime Minister from the calling of the royal commission—Julia Gillard should be deservedly commended for calling the royal commission. This is way beyond politics, “us and them”, Liberal–Labor or any of that. She should be commended for calling the royal commission, as should the subsequent Prime Ministers who received various reports and acted upon them. Tony Abbott and Malcolm Turnbull were the two Prime Ministers at the time that the scheme was being devised. The new Prime Minister Scott Morrison, as former Treasurer, obviously had to keep his eye on this. They ought to be commended. I commend Dan Tehan, in particular, and I think the Attorney General in this place has expressed his thanks to and support for Dan for the work he did to assist Western Australia coming on board.

The National Redress Scheme is essentially governed by an act of the commonwealth Parliament and various other instruments, regulations and the like that flow on under that act. That creates the national element of the scheme. However, the commonwealth can only make its scheme applicable to the entities that it owns. It cannot make it applicable to state government entities, and we have seen in Western Australia that state government entities have been, in the past, complicit with some of the abuse that happened. The commonwealth government also cannot make the scheme apply to institutions, particularly those that do not use a corporate structure under the commonwealth Corporations Act, but use various other structures such as trusts. Essentially, where they are governed—I use that term advisedly—they are essentially governed by state legislation. There is a requirement for a referral of state legislative authority—state powers—to the commonwealth to give effect to the scheme. This bill before the house today is really a referral bill. It adopts the commonwealth Parliament's National Redress Scheme for Institutional Child Sexual Abuse Act 2018 and it refers limited power to the commonwealth to deal with the scheme itself.

For applicants—victims of abuse who apply to the scheme—it provides three elements of redress. If the applicant wants to, they can request a direct, personal response from the responsible institution. That is the first limb. It is very important—extraordinarily important—for the healing process. It is an acceptance by the institution that under its watch, it failed the most essential test in our society: to protect vulnerable children. That failure led to abuse and harm that carries on for victims forever. I think that is critically important and, again, I repeat the comments I made earlier in urging those institutions to not be mealy-mouthed or just pay lip-service but to offer wholehearted acknowledgement and a full and decent apology. In addition—I know this is what victims want, too—they must change their practices to make sure that from now on, there is a zero-tolerance approach to this abuse.

The second limb of the redress scheme enables victims to access funding for counselling and psychological care. That is critically important. We could talk about the impact—the ongoing mental and physical scars—that remains for a long time. A lot of information is included in the royal commission's reports and we have heard from other sources as well. That is critically important. I urge the commonwealth government to be very generous in the provision of counselling and psychological care for victims because it is necessary on an ongoing basis for a lot of victims.

The third limb is a monetary payment to the victims. A monetary payment, as I said earlier, will never compensate victims for what they had to endure and continue to endure. An appropriate amount of compensation can never be struck, but a monetary payment may, firstly, give closure to those victims and, secondly, enable them to utilise the funds in a way that could assist their life in the future. That is a good thing.

As I said, the commonwealth implemented this scheme, and the intention was that the scheme would commence on 1 July 2018, and in other states it has. I am told—the Attorney General will correct me if I am wrong—that Western Australians can now make an application to the scheme, even though we have not formally referred our powers. They can go through the administrative process and then they will get the redress on the passing of this legislation.

Mr J.R. Quigley: It is on 1 January 2019.

Mr P.A. KATSAMBANIS: That brings me to the date. The Western Australian government held out for well-known reasons that I do not intend to delve into today. We can say that they were the right reasons, not-so-right reasons, or some of them were right and some of them were wrong. At the end of the day, as a state we have the right to consider how things will affect us, and the government of the day is the protector of the best interests of Western Australia and Western Australians, and that is what it chose to do. Western Australia has not come on board yet because it took us a while to reach agreement. I think we did not reach agreement until June.

Mr J.R. Quigley: On child migrants.

Mr P.A. KATSAMBANIS: Correct, and that is important. The child migrants issue is important, because there is a delineation of liability issue between the commonwealth government, which brought these child migrants to Australia under a commonwealth scheme, and the various state institutions that, effectively as subcontractors for the commonwealth, provided the care for those child migrants. Western Australia needed to address other issues. The aspiration of intent is to allow Western Australia to participate in the scheme from 1 January 2019. That is, of course, conditional on a number of factors. The first is the passage of this bill through this place. I certainly do not intend to hold it up. I wish it speedy passage. Either today, or by the end of the sitting week, we should be able to pass this bill through this place, considering that there is absolute bipartisan, indeed multipartisan, support for it in this chamber. It is then required to go through the procedures of the other place. Obviously, no bill could be drafted until we reached agreement at the end of June. The drafters got going, it was tabled in this place, and now we are debating it. When it goes to the other place, as a referral of Western Australian powers to the commonwealth government, it will need to go to a committee of the Legislative Council for consideration, under its standing orders. Hopefully, by the time the Council rises for the summer break, the bill will have gone through so that the scheme can start on 1 January.

I cannot stress enough how important it is that we implement this scheme as soon as possible. Long-suffering victims have been calling for this scheme for a long time. The establishment of the scheme at the commonwealth level has given them some great positivity and, allowing for what in layman's terms are technical reasons—those technical reasons being very important, passage of legislation through Parliament—they want to get to that scheme as soon as possible to seek their redress, a direct personal response, and access to counselling and psychological care, as well as, obviously, the monetary payment. I will speak about that in a minute. We have seen analogous circumstances in the recent case of Mr Paul Bradshaw in Western Australia. He utilised the removal of the time frame for liability from the civil jurisdiction in Western Australia to make a claim, which was expedited by the court process because he has a terminal illness and was unlikely to still be living if the normal court processes took their time. We know that people out there need this redress now before they either decease or get to a stage at which they can no longer comprehend what is going on. We need to get this through as soon as possible.

It would be great if the scheme were to start on 1 January. I do not know what other members have experienced, but I have already had inquiries at my electorate office from victims seeking more information and wanting to know when and how they can make their claim. I see from the nodding by the Attorney General and others that I am not alone in that. People come to their local member of Parliament. Whether it is a commonwealth or state matter, they go to the person whom they feel most comfortable with, or whose location they know, and they knock on the door, come into the office and expect us to assist them, and we try to do that. All members of Parliament try to do that.

The scheme will be costly. At a briefing the opposition was told that the financial imposition of joining the scheme would be included in the midyear review. I do not know whether the Attorney General will have any further update in his summing-up, but we would be keen to find out what the assessment is. It will be some form of actuarial assessment. I realise, as I am sure the Attorney General will tell us, that we are really asking the time-honoured question of how long a piece of string is in these cases, but Treasury and actuaries have a very good ability to come up with at least a ballpark figure, so we will look forward to that in the midyear review. As was pointed out by the Leader of the Opposition in his very good contribution, when the state government announced that it had reached agreement to participate in the national redress scheme, the Premier effectively tied participation and the financial impost of joining the scheme to what he determined as the commercialisation of Landgate. I hope that was either a rhetorical flourish or one of those political tactics to hide bad news, either in amongst good news or at a time in the news cycle when other things will be taking priority. The Leader of the Opposition highlighted this in his contribution. It is wrong, immoral and utterly reprehensible to make the funding of this important national redress scheme and its application to Western Australians contingent on the sale or commercialisation of a government asset. It is immoral and reprehensible because of the trauma that the victims have suffered and continue to suffer.

We should not be giving victims false hope and we should not be making their access to redress conditional. I note that this bill certainly does not make it conditional on the commercialisation of Landgate or anything else, so I am comforted by, and happy about, that. I recognise that the state's finances are not flush. The forward estimates show that it will always be tough to look for new money to fund important schemes such as this. However, I stress that the victims have suffered enough. They should not have their access to this scheme determined by some other government process. Since we have raised it, I will put my personal view on the record here. I have no philosophical objection whatsoever to the commercialisation of Landgate. I would look at every proposal on its

merits, obviously, to ensure it is a good deal for not only the state, but also the users and consumers of the services of Landgate, or any other commercialised entity and any other stakeholders. I am not reflexively opposed to it. However, we do not even know if or when that is going to happen. I think the government has commissioned one of those investment banking organisations to conduct a feasibility study on why and how it ought to do it. It will be a long, long time before the actual commercialisation of Landgate can even happen and any money is brought in.

As I said, I hope that the Premier's comments about Landgate back on 27 June, when the participation in the National Redress Scheme was announced, were really an attempt to ameliorate the political cost of a Labor Premier who campaigned so heavily against privatisation to get elected all of a sudden becoming converted on the road to Damascus in the privatisation and commercialisation of government assets. I welcome the Attorney General's comments on that. I ask him to clarify whether the state government in the midyear review, in which it determines how much money it believes the scheme will cost in this year and through the forward estimates, will provide appropriate funding. Will any funds brought in from Landgate go into consolidated revenue and assist in balancing the budget, rather than be tied directly to the payments that the state is responsible for under the redress scheme? Of course, other institutions will also be responsible for payment under the redress scheme, and I am sure others will point out that some of these organisations have seemingly endless pots of money in places that are difficult to untangle. That is probably a debate for another day. That is a serious issue and I would like the Attorney General to address that and clarify that the government is going to fund its costs under this scheme. If or when it commercialises Landgate and gets a return for that commercialisation is a separate issue. There is no nexus between the two. That is critically important.

There are still a lot of questions around how the scheme is going to run. It is a commonwealth scheme and I am told that the Department of Human Services, I think, is going to run the scheme at the commonwealth level. Is it the Department of Human Services?

Mr J.R. Quigley: I am not sure. There are operators, and we nominate the operators.

Mr P.A. KATSAMBANIS: Yes. I see that the Minister for Child Protection is indicating that she believes that is the case. But here we are; the Attorney General, the minister and I, as the lead speaker for the opposition, are still asking questions about how it will run. I am sure that the victims are asking questions too. I have great faith that no matter which department runs it, the staff in that department will do it diligently and they will recognise the sensitivity of this area, but those questions are still up in the air. I state that not as a criticism, but to highlight that this is still a work in progress, despite the scheme on a national level coming into place on 1 July.

Looking through the bill, we see that essentially there is some specific terminology. Clause 1 is the short title, clause 2 is the commencement and clause 3 is a definitions clause that defines some of the terms used in the bill. Part 2 provides that Western Australia adopts the National Redress Scheme for Institutional Child Sexual Abuse Act 2018 and then refers its powers to the commonwealth for the administration and other aspects of the national scheme. The bill also provides a mechanism by which the national act can be amended. Essentially, it allows for the fact that there might be a need for an amendment, but an amendment will be made by the agreement of the state and then the agreement of all the states. The bill refers to Western Australia's agreement, but I think—again, correct me if I am wrong, Attorney General—the intention is that all amendments will need to be ticked off by the states and territories in the scheme. I note that the Attorney General is agreeing with that. That is a good thing. We do not want to refer a power to the commonwealth so that the commonwealth can then do whatever it wants without reference back to our state.

In the same part, clauses 9 and 10 contain provisions for terminating the adoption or amendment reference from a state's perspective. I do not request that the Attorney General gives me a full legal opinion on this, but I think legal scholars are not all in agreement that once the state refers a power to the commonwealth, it can terminate the referral. That will be something that the High Court might want to determine in some instances. I am a states' rights man. My personal belief is that not only does the state have the power under the commonwealth Constitution—I think it is section 51(xxxvii) in this case—to refer powers to the commonwealth, but also it is implied in that section that the power to refer or to terminate a reference is held by the state. I do not think it has ever been litigated, but I just point it out here. Every time I see these sorts of clauses allowing for clawback, if members like, it strikes me that it is not a determined issue in our Federation.

There are some other parts that I want to refer to. I particularly want to refer to part 4, which is about the interaction between the Criminal Injuries Compensation Act 2003, which is a Western Australian act, and the National Redress Scheme for Institutional Child Sexual Abuse Act 2018.

Mr J.R. Quigley: To stop double dipping.

Mr P.A. KATSAMBANIS: Essentially, it stops double dipping. If someone applies to the redress scheme and is successful, they cannot come back into the state jurisdiction and claim criminal injuries compensation. If a person has already made an application to the criminal injuries compensation system and if there is a likely case that they can apply to the redress scheme, that state-based application to the criminal injuries compensation system will be stayed until that person makes an application to the redress scheme and gets their determination there.

Mr J.R. Quigley: That policy is in part because if the victim is the victim of a church, they should be going through redress because they will then get their redress through the church and not through the taxpayers of Western Australia under criminal injuries.

Mr P.A. KATSAMBANIS: The Attorney General occasionally has the habit of getting inside my mind and finding out what I am going to say. Yes, I agree. That is the point: the payments funded through the redress scheme are not just funded by government. Essentially, the buck stops with the institution that caused or was responsible for the harm, either vicariously or by its own acts or omissions. That is the way it should be. Why should the taxpayer be charged with payment of compensation through our taxation system, on which the Criminal Injuries Compensation Act largely relies, when there is another body that is responsible, has the capacity to pay and has the moral obligation to pay? That is what the National Redress Scheme does; it brings these institutions, whether they are a church or some other form of public institution, into the scheme and creates a mechanism for them to appropriately pay the victims. Obviously, there is the other issue that, on an evidentiary basis, the evidence an applicant would need to provide to the National Redress Scheme to obtain a payment would, in almost all circumstances, be easier to obtain. It would be a much lower threshold than the criminal injuries compensation system, which, at the heart of it, relies on a criminal conviction. Of course, it can be spread out to a finding that some form of criminality occurred. Because of the historic nature of many of these offences, in 2018 and beyond it is sometimes impossible to get that further evidence that would lead to a criminal conviction—important witnesses might not be alive, the perpetrator might not be alive and, in some cases, the institutions may no longer exist or, as I mentioned earlier, may exist in another form. We know that some institutions have seen the protection of the institution as a paramount consideration in this whole area, which has included putting in place structures and restructuring those structures to protect the assets of the institution. We need to get behind all that, which is what this scheme does.

The Attorney General made a lot of public comment around his intent that the National Redress Scheme would not preclude people convicted of criminal offences from accessing the scheme.

Mr J.R. Quigley: Not necessarily preclude.

Mr P.A. KATSAMBANIS: Included in that group are people convicted of child sex offences. They are not excluded from the scheme. They can make an application that will be determined on its merits by the federal scheme.

Mr J.R. Quigley: Can I comment?

Mr P.A. KATSAMBANIS: The Attorney General can interject; I do not have much time left, though.

Mr J.R. Quigley: They will be excluded, but there will be an exception. They can make an application and then the operator will ask the state Attorneys General whether the exception should apply to that particular person. We do not want to scandalise the scheme.

Mr P.A. KATSAMBANIS: I think so. I agree that we do not need to scandalise the scheme. At the same time, we need to be cognisant of the fact that a cycle has been clearly identified, as was highlighted by the royal commission. There is a cycle that commences with a victim of child sexual abuse. In many circumstances, it can spiral right out into that victim growing up and being completely and utterly displaced and engaging in criminal activity. Unfortunately, there is a clear link between abused persons who later in life become abusers. I recognise all of that. I understand the need to have a mechanism to allow victims of child sexual abuse to seek a determination of their application. I agree with the Attorney General, though, that we cannot scandalise the scheme; we cannot have examples coming out publicly. We know that elements of the media would love to highlight those examples. We cannot have examples in which there would be a public perception that undeserving people have been provided with monetary payments under the redress scheme. We cannot control that here in Western Australia; it will be controlled by the operator of the scheme, by reference to each Attorney General in each relevant case. It is something that we need to watch. My question to the Attorney General, which he can hopefully answer in his response, is: what public reporting mechanisms are in place to highlight how many of these types of applications by exemption have been made and approved through the commonwealth scheme, or are there any particular obligations on individual state Attorneys General who approve or accept payment under these schemes? I think that is critically important. This is one area in which transparency is important in order to maintain the integrity of the scheme. I know some people have a view that a person who has been convicted of a criminal offence ought to be excluded from the scheme. Some people have a view that a person who has been convicted of either sexual abuse or child sexual abuse ought to be excluded from the scheme. My personal preference—I express it again—is that a person who has been convicted of child sexual abuse ought to be given no access to the scheme. That is irrespective of whether they were part of that cycle. I think they have forfeited their right to access the scheme.

Ms S.F. McGurk: That is pretty understandable—that was sarcastic.

Mr P.A. KATSAMBANIS: I think they have forfeited their right to seek redress, as difficult as the circumstances might have been for some of these people. Again, I stress that there is an extremely low burden of proof in these

applications. I am not suggesting that we amend the commonwealth scheme—I think overall our Attorney General in Western Australia has done a very good job. However, it does not sit right with me that perpetrators of child sexual abuse could come into the system. I hope that in practice that is considered and rejected in most cases. I am a lot more sympathetic towards other elements of criminality. Of course, we know that victims can unfortunately spiral out and become perpetrators. I recognise that. It is an issue that ought to be addressed. The best way in which we can address it during the operation of the scheme is by transparent reporting, with the obvious protections for individuals, particularly victims, because that is an area in which the scheme could be brought into public scandal, as the Attorney General earlier rightly said.

In the time remaining to me, I want to highlight the interaction of various jurisdictions in this area. Earlier this year, we as a Parliament rightly agreed to remove the statute of limitations that applied to victims of child sexual abuse who sought to take a civil action against the perpetrators of the abuse or the institutions that aided and abetted or were vicariously liable for the abuse. All members said at the time, and I certainly did, that that is good, because it is something that victims have been asking for, and we will see how it operates in practice.

One very early example is the one to which I referred earlier of Mr Paul Bradshaw. He is an extremely commendable individual. He had suffered horrific abuse at the hands of, I think, the Christian Brothers order of the Catholic Church. Despite all his suffering, he built a family, and worked as well as he could. However, unfortunately, he is now suffering from an incurable terminal illness. His application was expedited. On the day the trial was scheduled to start, he was offered a settlement of \$1 million. I think that indicates once again that the maximum of \$150 000 payable under the redress scheme is not calculated to be compensation as we understand it in legal terms. In that civil litigation, Mr Bradshaw and his legal advisers accepted that \$1 million settlement. Mr Bradshaw is an extraordinarily strong and tough individual and he deserves our highest commendation.

I also want to make mention of the solicitor in that case, Michael Magazanik from Melbourne, who ran the case on behalf of Mr Bradshaw. He is another wonderful individual. I first came across Michael Magazanik when he was the Victorian political reporter for *The Australian*, at a time when I was serving in another Parliament. I knew him to be a man of the highest integrity as a journalist. He decided to go back to study as a mature age student. He became a lawyer and he entered the field of compensation. He shows great compassion and dedication to the protection of victims, and that drove him in the way in which he advocated and fought for Mr Bradshaw. I congratulate Mr Magazanik and the many lawyers like him who are trying to help victims in this very difficult area.

I read a news report not long ago that suggested that the courts in Western Australia have effectively been swamped by applications since the liability limitation period was lifted by this Parliament. I think 80 applications had been made in a very short time, which was more than one-third of the number that were anticipated to be made over a whole year, as the Attorney General told us during consideration in detail of that bill. That goes to show that many victims out there—many more than we know of already—are suffering. They suffered in silence at the time at the hands of the evil perpetrators, and they continue to suffer to this very day. They see the changes that we made earlier in the year, and they see the National Redress Scheme as an opportunity to come in from the shadows and from the darkness and seek recognition that they were wronged, seek an apology, seek an admission from the institutions and individuals who abused them, and then obviously seek either redress, or, in the case of a civil action, seek some form of compensation so that they can get on with their lives. I express my utmost sympathy and respect for the victims. I congratulate everyone involved—the commonwealth government, the Prime Ministers whom I mentioned earlier, the federal ministers, and our state Attorney General—for working to put this scheme in place. We cannot answer a lot of questions today because Western Australia is not the administrator of this scheme. All we can do is be ever vigilant to ensure that the scheme works.

On that note, I indicate my personal support and the Liberal Party's support for the bill. I wish the bill speedy passage and wish that the scheme achieves all its objectives.

DR D.J. HONEY (Cottesloe) [1.28 pm]: I also wish to speak in support of the National Redress Scheme for Institutional Child Sexual Abuse (Commonwealth Powers) Bill 2018. I congratulate the government for introducing this bill. Like everyone, I was completely horrified to hear about the systematic abuse that occurred in a range of institutions. In particular, like everyone, I was horrified to hear how often that issue had been raised with the authorities by children and parents and nothing was done. In fact, as previous speakers have said, it appears that in many cases the response of the institutions was to hide the issue and protect the perpetrators, and ignore the plight of the victims. I expect that once this scheme is in place, we will hear from many more victims. I suspect that the extent of this abuse is far greater than we imagine. I see that there were some 25 000 telephone inquiries to the royal commission and some 8 000 individual sessions were held with people, but I really do suspect that a substantially greater number of people will come forward. Clearly, it has been an enormously harrowing experience for people—they are brave people who came forward. I could imagine that for those people to come forward and to have to relive those experiences and in some cases to share very personal matters would be enormously hard. I really think that those people are trailblazers for others to come forward.

The insidious part of child sexual abuse generally and, in particular, in institutions is that it is largely a hidden crime. Children simply do not raise the issue, particularly when adults are the authority figures in the institution.

On this, I reflect on my own experience at a boarding school. I hasten to add that I was not a victim of abuse. However, it was common talk amongst students of abuse that occurred in the institution that I attended. A housemaster routinely showered with the boys, including me. Other boys also reported waking up and the housemaster would be massaging parts of their body. That was never reported to the adults; the students just talked about it amongst themselves. Equally, another housemaster at that institution was widely reported by students amongst themselves to be engaging in sexual activity with young women in the institution who were under the care of his wife. Again, that was never reported. The person who was alleged to be responsible for those actions is now dead, but, again, that was never reported. In fact, a priest left the institution and married a 16-year-old student. One would assume that a relationship was occurring that was completely inappropriate for someone in such a senior position, but that matter had not been reported before. A terrible thing about abuse, and why I suspect the numbers are much greater, is that children take it as being normal; they do not realise it is an issue and do not raise it with adults because it seems to be an acceptable behaviour. Certainly, in the case of some of that behaviour, other adults and senior staff had to be aware of what was occurring and nothing was done, so the students took the attitude that it was, if you like, normal within the institution and something a student in a boarding institution should expect.

The other part of abuse that clearly is not part of this legislation, but which was a significant behaviour, was the bullying and brutalisation that was undertaken by a number of the housemasters in particular. I believe that practice has been significantly stamped out in institutions these days, because it was, again, seen to be part of raising children at the time. However, I am not so confident that sexual abuse is not still occurring in some of these institutions.

Although the focus of this legislation is on appropriately recognising and compensating the historical victims of child abuse, I think, as has been said by other speakers, we should also ensure that we learn lessons previously learnt from this royal commission. Particularly, I recognise the role of former Prime Minister Gillard in raising this royal commission. I think it was a seminal moment in the history of Australia when she did that. I remember vividly when this issue was raised and widely recognised. It really was a great act of leadership on her part to raise this issue. I think of other seminal moments in our history; I remember I thought that Australian troops going in to defend East Timor was a seminal moment in Australian history as well, but I think this ranks as one of the most important. When former Prime Minister Gillard announced the royal commission, she said that we needed to make sure the terrible wrongs that had been done in the past to children in our country to the greatest extent possible never happen again.

I know that various things are happening, but this is a topic worthy of specific consideration in this place; that is, what processes and mechanisms do we have intrinsically to stop this happening again? What oversight, reporting and investigation mechanisms are there for ongoing abuse claims? I am sure that paedophiles target institutions with children and that improper behaviour will continue if we do not have really tough and appropriate mechanisms to make sure that it cannot happen.

The impact of abuse on people is corrosive. We have seen those harrowing reports. We have seen the pain on the faces of the people who were brave enough to go in front of the media and the lifelong pain that they had experienced. Obviously, abuse affects not only those people, but also their parents who find out about this sometimes decades later and have this enormous guilt that they did not do something about it even though, in all likelihood, they did not know it was occurring. The effect of abuse on families is something that came through really clearly—families suffer dysfunction because of the impact of the mental state of a parent and a partner.

Financial compensation clearly cannot compensate and erase those memories, but it certainly formalises the most important aspect of what I believe this legislation enables through the federal scheme—that is, recognising that abuse occurred and that the state, along with the institution, owes recompense for the lack of oversight and the lack of previous response. Clearly, that is pivotally important. Hopefully, as a result of this scheme, some people can improve their lives and move on, because it is very clear that a number of people have been trapped in this for their whole life. I fully support the inclusion of people who have served prison sentences in the compensation package. Whatever else those people have done in their lives, it is certain that institutional abuse must have played a significant detrimental role in their lives, and that must be recognised separately from considering any other matters.

I am hesitant to include this in this debate because it is such an important and personal matter to the people involved, but I believe that the government linking this legislation to the Landgate commercialisation was not at all appropriate. The sale, or commercialisation, of Landgate is a highly contentious issue. Properly recognising and compensating victims of child sexual abuse should not have been and should not be treated as a pawn to enable or somehow justify the sale or commercialisation of Landgate. It is really commercialising an asset by stealth. I do not intend to debate the merits of the Landgate sale, because I think it would be disrespectful and a disservice to the victims of institutional abuse who are the subjects of the bill. However, I reinforce that I believe it is completely wrong to link the passage of this bill to the Landgate sale. We all support this legislation, and the government has the responsibility to pass the legislation and not hold it hostage to that particular completely separate matter. I conclude my remarks by congratulating the government for introducing this legislation. I certainly offer my full support for the passage of this legislation.

MR P.J. RUNDLE (Roe) [1.39 pm]: I will make a brief contribution to the debate on the National Redress Scheme for Institutional Child Sexual Abuse (Commonwealth Powers) Bill 2018. The Nationals are certainly very supportive of this legislation, as other parties have been. Firstly, I would like to congratulate the federal government for its efforts to make this redress scheme come to fruition.

I agree with the member for Cottesloe that we should recognise former Prime Minister Julia Gillard for getting this underway in the first place. I think the royal commission was a massive step and I know that the commissioners took on a heavy load when they went into it. I know Andrew Murray, one of the royal commissioners, quite well. He thought long and hard about it. Going onto the commission, the royal commissioners subjected themselves to many stories that were very difficult to listen to over a three, four or five-year period. I congratulate not only Andrew, but also his fellow royal commissioners on the job they did and the way they took action to address the subject. I think they also did it relatively quickly. They took a lot of submissions, but there was talk that it could go on for seven, eight or nine years, as it did in Ireland. I congratulate them for their efforts.

I certainly support the state government and the Attorney General. I think he has tackled the subject pretty well, in fact, over the last year or so. He knows about my electorate and how I think about it. I know that there were initially problems when drafting the statute of limitations legislation, but, all things considered, I think the Attorney General has tackled the subject pretty well. I have spoken many times on how institutional child sex abuse has affected many of my constituents. I was reminded of this recently—in the last week or two—at a field day when one of those constituents, who was most distressed, came up to me. I was able to inform him that the National Redress Scheme legislation and the state legislation was well in train. I told him who he should talk to and how he should go about it, and I could see the look of relief on his face.

I also see how the lives of many of those victims from my electorate and all over the state have been affected. A lot of us cannot recognise how this affects people's ongoing lives. Some people can get past it and continue without too many problems, but for many people it affects their whole lives. I acknowledge those victims from my electorate. Our role here as legislators is to put important legislation such as this through Parliament, and this is one of the most important pieces of legislation. Abuse occurred at the likes of St Andrew's Hostel in Katanning, the subject of the Blaxell inquiry, and at Condingup Primary School. I would like to acknowledge the efforts of one of those victims—that is, Kirsty Pratt. She sat in the gallery for not only weeks but almost years. On behalf of all the other victims, she was determined to see the statute of limitations legislation get through this Parliament. This legislation is an extension of that.

One of the biggest breakthroughs is that the church groups and educational institutions have finally admitted wrongdoing and some responsibility. I am very pleased that around 93 per cent of those have opted into the scheme and that they are finally taking some responsibility. I think the public of Australia is pleased to see that as well. I have been appalled at the length and breadth of the institutions involved. At last, we are finally seeing some justice and redress for those victims. The likes of the Salvation Army, Scouts Australia and other groups support the scheme. To be honest, I do not think any of us would have expected that, but I am glad that they are finally taking some responsibility. I agree with the member for Cottesloe; I think many more victims will come forward in the years to come. One of the victims at St Andrew's Hostel was a 13-year-old boy. He went to the headmaster of the high school and the perpetrator, Dennis McKenna, was called in as well. That 13-year-old boy was basically thrown out the door and told, "No, this is not happening. Be on your way." It would have been very hard to be treated like that as a 13-year-old child. We have certainly improved on that over the last few years. I also recognise the parents of those kids. They sent their kids away on school buses to a school, a residential college, a church youth group or a church. Many of those parents must feel guilty and it must be very hard for them.

In closing, I will comment on the attachment of the Landgate legislation to the redress situation, which I do not believe is appropriate. It is a little bit like the tying of TAFE fees to the foreign buyers surcharge. We are seeing a disturbing trend when this sort of legislation has attachments to it. We do not need to go down that path. I congratulate the Attorney General for the work that he has done on this. I will close with a quote from Todd Jefferis. He said that enabling a wronged and powerless person access to a process for redress is a small thing that the government can do for survivors. I think that sums it up.

MRS L.M. HARVEY (Scarborough — Deputy Leader of the Opposition) [1.47 pm]: I also rise to contribute to the second reading debate on the National Redress Scheme for Institutional Child Sexual Abuse (Commonwealth Powers) Bill 2018. The opposition supports this legislation but, as my colleagues have mentioned, we have some concerns about it being linked with the sale—or commercialisation or privatisation—of Landgate. In this chamber we debated for several years lifting the statute of limitations to allow victims of child sex abuse to sue their perpetrators for compensation. During the debate and in the dying days of the Barnett government I was part of a subcommittee of cabinet that looked into how we could get the legislation right to lift the statute of limitations for child sex abuse victims to sue those perpetrators. I met with a large number of victims of child sex abuse. It was very concerning to hear how they had been treated. They were re-victimised when they reported the abuse, and many were treated very badly by the institutions that had been charged with their care when the abuse had occurred. They were taken advantage of and bought off with ridiculous offers of

compensation that were a further insult to the psychological and, in many cases, physical injuries that they had sustained. The redress scheme is an opportunity for those victims to have an easier pathway to compensation. Going through a court process to sue someone civilly takes a fair amount of mental and physical energy. People need a good support mechanism around them if they have to go through a court process and talk about dreadful things such as child sex abuse and the effects it had on them and their life.

A redress scheme provides a good opportunity for people to access compensation without having to go through an arduous process and navigate the court system. As I understand it, with the legislation that was passed in this Parliament, even if a victim of child sex abuse accesses this redress scheme, they will still have the opportunity further down the track to sue through the civil mechanism.

Mr J.R. Quigley: No.

Mrs L.M. HARVEY: No?

Mr J.R. Quigley: Under the commonwealth rules they will be required to sign a deed of release and they will get \$1 000 for independent legal advice before signing the deed.

Mrs L.M. HARVEY: Okay. I had thought that the way that our legislation was drafted, it did not preclude someone from suing civilly, but obviously the rules around the redress scheme —

Mr J.R. Quigley: These are the federal government's rules that are national, so that once a person applies and an offer of redress sum is made, they will have, I think, two months to consider that offer and they will get independent legal advice about whether it is a good offer or a bad offer. But then they will sign a deed and that's the end of it.

Mrs L.M. HARVEY: That is interesting. One of the major components of the debate we had was to enable individuals to take civil action against the perpetrator of their abuse or the institution charged with their care during the time that they were abused, regardless of whether they had received any redress offer in the past, having the value of that sum for a redress scheme deducted from whatever payment the court deemed appropriate. We will need to keep a very close watch on the National Redress Scheme and make sure that the sums that are being apportioned out to people as compensation are appropriate compensatory amounts, given that in a civil court one might expect potentially a greater amount awarded in some circumstances.

Mr J.R. Quigley: That is true, but the standard of proof under redress is so much lower that it is reasonably likely to have occurred. On the civil standard, people have to show on the balance of probability that it did, in fact, occur. If a person has no witnesses available or anything like that but they come forward with a story that is believable, then they will get their redress—they won't have to go to proof and prove it happened.

Mrs L.M. HARVEY: By way of interjection, Attorney General, my assumption then is that the \$1 000 that individuals receive for independent legal advice with regard to their offer is not binding on them accepting the offer. They receive the \$1 000 of legal advice so that they can then be advised if their case would be quite sound to take it down the civil litigation route. They might be best advised to take that route to receive higher compensation.

Mr J.R. Quigley: I was going to expand on this in my reply but I will give the member the advantage of it now so that she can ask further questions. What the federal government, through Mr Tehan, originally proposed was an \$800 cash payment so that people could get independent legal advice. Because there could be a spread of lawyers in country towns without expertise, the federal government eventually settled on a sum of \$1 000 per applicant, but the federal government would contract this legal advice out to independent people and an organisation of lawyers called "knowmore". Knowmore specialises in this area so that they will be able to give people advice about whether they are better off on the civil or redress path and what the deed would mean for them so that they are not shoehorned into giving up their rights.

Mrs L.M. HARVEY: I am pleased to hear that because it is quite concerning to think of victims—we have seen this in the past—with redress schemes offered by institutions whereby they have signed their rights away. In one circumstance, as I recall, the compensation for an individual was a trip to Bali. In one of the other circumstances it was a notebook computer. Out of that they signed away all rights to any action against, I think, a church institution in those two circumstances for any future claims. These are individuals whose lives were ruined by child sex abuse and they were bought out with a trip to Bali.

Mr J.R. Quigley: They can apply under Redress and that trip to Bali will then be netted out against the Redress amount. They might get \$103 000 from Redress minus \$1 500 for their luxury escape holiday in Bali.

Mrs L.M. HARVEY: I am not quite sure it was that luxurious, but anyway.

Mr J.R. Quigley: But whatever; you know.

Mrs L.M. HARVEY: That is interesting. I am aware of the time and that we will break for question time shortly. May I seek an extension, Mr Acting Speaker?

[Member's time extended.]

Mrs L.M. HARVEY: I just want to pocket that before we go to the break.

In looking at the redress scheme, part of the reason for the delay in negotiations during the Liberal–National government was ensuring that some of the matters between the commonwealth and the state were settled, such as who has the responsibility for the abuse that child migrants suffered when it was a commonwealth scheme that brought child migrants over and once they arrived they were managed by various institutions within the states. That matter needed to be settled. The other concern that we had when we were in government was that we did not want to be taking a bucketload of cash—taxpayers’ money—from Western Australia, shoving it into a national scheme and then having the commonwealth administer a scheme without us necessarily having some control and management over what was being paid out and understanding which government agency, for example, might be culpable for payments and all those sorts of things. We need to be careful with these schemes and ultimately, the people who we need to put front and foremost in determining if we participate in these schemes are the victims themselves. We want to make sure that the scheme operates in the most supportive fashion for victims. Many victims of child sex abuse bear the shame and the guilt of their perpetrators, and for that reason they carry that with them for such a long time that it often takes many, many years of counselling and support before victims can realise the full extent of the abuse that they suffered, let alone bring that to the attention of the authorities to try to get a prosecution and some sort of action against the abuser. In doing that, in understanding that a person might be dealing with 40 years of trauma before an individual gets to the point of making a claim for compensation, we want to ensure that victims are not re-traumatised. The best way to do that is to have a really easy process. I am pleased that the scheme enables victims to access counselling and psychological care. One of the areas that I will seek some clarity from the Attorney General on is a capacity issue around trauma counselling for victims of child sex abuse. There is quite a high burnout rate for counsellors who work in that area. I see that there is a need at both a national and a state level to address that, to try to encourage more people to go into that area of counselling and support, because for victims of trauma, particularly child sex abuse trauma, many of them will need contact with a trauma counsellor over the long term. We are talking two years for some victims who can recover quickly, and up to 10 years or even lifelong support for others. There is a significant capacity issue in getting access to trauma counselling. There is not much availability for people without sufficient means to access that kind of support.

There is a long waitlist for publicly funded clinical psychologists. For victims of abuse who do not have the means to access private counselling, there is a very long waitlist to access trauma counselling and support. The state and commonwealth governments need to address that capacity issue as we progress down this pathway with the National Redress Scheme. I suspect that still more victims will come forward as they get the confidence to raise aspects of their abuse knowing that the royal commission has given them permission to go public and name their abusers or the perpetrators. They will also have the support and friendship of other victims who have had the courage to stand up and talk about their experiences. Talking about experiences enables others who have been less confident to speak up and share aspects of their own abuse.

Debate interrupted, pursuant to standing orders.

[Continued on page 5726.]

QUESTIONS WITHOUT NOTICE

NORTH METROPOLITAN HEALTH SERVICE BOARD — MEMBERSHIP — RESIGNATION LETTERS

627. Mr S.K. L’ESTRANGE to the Minister for Health:

This relates to the Corruption and Crime Commission’s findings and governance issues at the North Metropolitan Health Service, in particular the resignation of six board members this year.

- (1) One of the letters said —

I refer to email correspondence received from, and a subsequent telephone conversation with, your Chief of Staff on 12 June 2018. It is my understanding the in-coming Chair of the North Metropolitan Health Service ... Board wishes to have an entirely new board appointed from 1 July.

Were board members coerced to resign?

- (2) Another letter said —

... the lack of transparency and provision of information to the Board has made it difficult for the Board to function ...

Is there a lack of transparency in how the North Metropolitan Health Service is being governed?

Mr R.H. COOK replied:

I thank the member for the question.

- (1) No, the incoming chair at the North Metropolitan Health Service did not request a renewal or refresh of the board; I did. I made it quite clear that I was not happy with the performance of the board. The North Metropolitan Health Service is the biggest of our health service providers and when it sneezes, the rest of the health system catches a cold. In this case, the cold was around budget management. I was not

happy with the performance of the north metropolitan health services in the way that they were functioning. In particular, I thought we needed to perform better in terms of the corrections I needed to see in the overall budget of the health system. Other health service providers are doing very well. East metropolitan health services have completely retrieved their financial situation. The south metropolitan health services, despite all the issues they had at Fiona Stanley Hospital, have retrieved the situation. North metro had not, so I wanted to see renewal of the leadership there and I made that quite clear.

- (2) The second point the member made was around transparency. Clearly, some of those board members, or one in particular, was unhappy with the way that board was operating and maybe shared my concerns. The fact of the matter is that I thought we needed to take control of the situation and I acted accordingly.

NORTH METROPOLITAN HEALTH SERVICE BOARD — MEMBERSHIP — RESIGNATION LETTERS

628. Mr S.K. L'ESTRANGE to the Minister for Health:

I have a supplementary question. Given that the minister shares the views of one of the board members about transparency, as he just said, will the minister commit to tabling the findings of his own inquiry into the North Metropolitan Health Service?

Mr R.H. COOK replied:

I did not say I had concerns around transparency. I said I had concerns around the performance of the board. Alluding to that particular board member's letter, maybe that board member shared my concerns; I do not know. Regarding the inquiries into what changes I need to see at that board, both through the Public Sector Commission and the changes it is making itself, I will seek advice from the State Solicitor on each of those and provide the information that it thinks is prudent to maintain transparency and openness.

RAILCAR MANUFACTURING STRATEGY

629. Mr M. HUGHES to the Premier; Minister for State Development, Jobs and Trade:

I refer to the McGowan Labor government's massive, job-creating, \$1.6 billion railcar manufacturing strategy.

- (1) Can the Premier update the house on how this significant investment will revive Western Australia's manufacturing industry and put Western Australian jobs first?
- (2) Can the Premier advise how this strategy compares with the approach to local manufacturing taken by the previous Liberal–National government?

Mr M. McGOWAN replied:

I thank the member for Kalamunda. On behalf of the member for Bunbury, I acknowledge the staff and students from Grace Christian School in Bunbury who have come along to Parliament this afternoon.

- (1) Over the last few months, we have heard some of the attacks by the Liberal Party on the Western Australian workforce—in particular, attacks on the workers and manufacturers who built Matagarup Bridge. We even heard the member for Scarborough, the Deputy Leader of the Liberal Party, say that they were not providing quality when it came to building the bridge. This government is supporting Western Australian manufacturers and Western Australian workers in providing important infrastructure for our state. That is what our railcar manufacturing strategy is doing. The Minister for Transport did a wonderful job of ensuring the strategy was put together, and we have set a target of at least 50 per cent of railcars being manufactured in Western Australia.
- (2) In contrast, considering that the member asked me, the last government managed to achieve two per cent local content when railcars were built.

Several members interjected.

Mr M. McGOWAN: I might add that the Leader of the Opposition proudly stated in September 2016, in answer to a question, that they were “keeping the Queensland factory going.” Former government members were proudly supporting Queensland jobs—advocating for Queensland. They were dodging taxes in America and advocating for Queensland, Mr Speaker!

Several members interjected.

The SPEAKER: Members! I want to hear the answer; it is a good answer.

Mr M. McGOWAN: Under this government, we have seen a strategy to bring railcar manufacturing back to Midland. We all recall in the early 1990s when the Liberal Party in government —

Mr A. Krsticevic interjected.

The SPEAKER: Member for Carine, I call you to order for the first time. You are dobbing, are you? I will call the member for Nedlands, too!

Mr M. McGOWAN: We all recall in the early 1990s when the Liberal Party in government closed the Midland railway workshops and broke the hearts of people in that community. We are now bringing rail manufacturing back to Midland, with Bellevue as the preferred location for the new railcar facility. It will be co-located with the Public Transport Authority's railcar depot, where Transperth will carry out maintenance on the broader train fleet. Overall, the new railcar facility will assemble most of the extra 246 railcars needed over the next decade, and, of course, it will mean local jobs are created. Under this government, 25 times as much local manufacturing as under the previous government will be carried out. Maybe members opposites can do the maths. It is at least 50 per cent local manufacturing versus two per cent under members opposite. It is at least 25 times more local manufacturing of railcars here in Western Australia. Using Western Australian workers and apprentices, we are bringing manufacturing back to Midland. It is a good day for Western Australia.

BROOME PORT — CRUISE SHIPS ACCESS

630. Ms L. METTAM to the Minister for Transport:

I refer to the Premier's comments at the opening of the recent WA Tourism Conference when he stated that the government had removed the rock and dredged the port at Broome to address critical access issues for cruise ships. When was the rock removed and dredge works completed?

Ms R. SAFFIOTI replied:

I thank the member. I think the Premier was saying "we are removing" the rock. I do not think the member caught the "ing" in that. We have a great plan for Broome port, supported by the Broome community. I understand that the Minister for Tourism is going up there today.

Mr A. Krsticevic: He's always going somewhere!

The SPEAKER: You will be going somewhere if you keep interjecting!

Ms R. SAFFIOTI: The Minister for Tourism is up there outlining our plan for regional Western Australia. We all recognise the work he is doing to promote tourism. Yesterday, we heard the great announcement about expanding the Gourmet Escape to the Swan Valley, for example—something that I know the member for Vasse opposes. The member opposes any work to bring down airfares across the state. The member opposes any work we are doing to encourage cruise ships to Western Australia. We have a plan, and we are sticking to that plan, to increase tourism across the state.

BROOME PORT — CRUISE SHIPS ACCESS

631. Ms L. METTAM to the Minister for Transport:

I have a supplementary question. Given that six major cruise ships have already pulled out as a result of the government's inaction on this issue, how much longer do we have to wait for an all-tide gangway?

Ms R. SAFFIOTI replied:

Mr Speaker —

Mr B.S. Wyatt interjected.

The SPEAKER: Treasurer, I call you to order for the first time. You have your own member on her feet.

Ms R. SAFFIOTI: Yes, Treasurer!

As I recall—I might have got the maths wrong—was it eight and a half years? Members opposite were in power for eight and a half years.

Ms L. Mettam interjected.

The SPEAKER: Member for Vasse!

Ms R. SAFFIOTI: As if the issue of access for cruise ships emerged only when we were in government. I remember that one of the first discussions we had was with a major cruise ship company, which told us it was dismayed at the lack of effort and attention paid by the previous government. We are working with the industry, and we are doing what we can.

Ms L. Mettam interjected.

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

Ms R. SAFFIOTI: She is so negative about Western Australia. Honestly, why does the member hate Western Australia? I do not know. She should be proud of WA and proud of what we are doing to encourage tourism.

METRONET — RAILCARS

632. Mr T.J. HEALY to the Minister for Transport:

I refer to the McGowan Labor government's massive expansion of the Perth rail network through the delivery of Metronet. Can the minister outline to the house how this government's significant investment in the next generation of railcars will support that expansion; and can the minister advise the house whether she is aware of anyone who does not support this expansion of the government's railcar manufacturing strategy?

Ms R. SAFFIOTI replied:

I thank the member for Southern River for the question. He is a great supporter of Metronet both in his electorate and across Western Australia. This morning the Minister for Housing and I outlined our exciting Metronet agenda in a speech to the Committee for Economic Development of Australia. It was great to see the member for Nedlands there, and the member for Moore, Colin Love, also appeared there. Colin was very excited about our Metronet agenda, so that was very good. I note the member for Nedlands was very excited when we put up the graphic of the inner-city college because, remember, it was his idea. When we talked about Subiaco east, he was very excited because it was the idea of the member for Nedlands.

It is an exciting program, and it is giving some certainty to industry. That is a key point. We have a plan, and we are executing that plan. The railcar project was the example the Premier outlined of how having a guaranteed program and certainty can encourage local industry. The previous government did ad hoc orders to continue the manufacturing facility in Queensland. It did not get value for money, and it had no plan. There was one instance when the previous government put \$5 million of a \$1 billion program in the budget for new rolling stock, and then pulled it out six months later. Industry was very angry and upset about that, because it was going to plan for something and then it was stripped away.

Mr D.C. Nalder: What about the cost-benefit analysis?

Ms R. SAFFIOTI: It is funny when you guys talk about cost-benefit. I find it hilarious.

Mr D.C. Nalder interjected.

The SPEAKER: Member for Bateman, it is not question time for you.

Ms R. SAFFIOTI: This government is building 72 kilometres of new rail lines and 246 railcars. That includes the railcars for the Metronet expansion and also to replace the A-series. We will have expanded capacity on the north-south line and across the network.

Mr D.C. Nalder: Feeding urban sprawl.

Ms R. SAFFIOTI: Urban sprawl? This is funny, member. Do you support the rail line to Byford?

Mr D.C. Nalder: Yes, I do.

Ms R. SAFFIOTI: The member supports it now. The opposition does not know where it is with Metronet. During the election campaign, it loved the Byford rail line. Now, outside of election campaigns, it believes we are feeding urban sprawl. If the member does not know, the people are there, and we are making sure that we deliver first-class rail services to everybody in the community, even including people in the outer suburbs, because we believe they deserve first-rate public transport.

REGENERATIVE AGRICULTURE — MINISTER FOR AGRICULTURE AND FOOD — ADVOCACY

633. Mr P.J. RUNDLE to the Premier:

I refer to the Minister for Agriculture and Food's sustained advocacy for regenerative agriculture and her comments at the Dowerin field days that the practices are based on good science and good economics. Is the Premier concerned that the minister is ostracising the thousands of agricultural enterprises that will not or cannot make regenerative practices work for their businesses?

Mr M. McGOWAN replied:

No.

REGENERATIVE AGRICULTURE — MINISTER FOR AGRICULTURE AND FOOD — ADVOCACY

634. Mr P.J. RUNDLE to the Premier:

Has the Premier read the book the minister is basing her advocacy on, which is titled —

Several members interjected.

The SPEAKER: Members!

Mr P.J. RUNDLE: This is a serious issue. Has the Premier read the book that the minister is basing her advocacy for the agricultural industry on, which is titled *Call of the Reed Warbler: A New Agriculture, A New Earth* by Charles Massy?

Mr M. McGOWAN replied:

Today the National Party's question is: have I read the book, *Call of the Reed Warbler*? Yesterday, its question was about the quality of camping in WA, and today it is: have I read *Call of the Reed Warbler*? It may surprise the member to know that I have not read that book. As the Minister for Transport just reminded me, there are other books out there, including Barnaby Joyce's memoir. I ask the member the question: have you read Barnaby Joyce's memoir?

Mr P.J. Rundle: I am working through it.

Mr M. McGOWAN: Can I ask another question: does Colin Love get a mention in it?

KARRAKATTA CEMETERY RENEWAL PROGRAM

635. Mr C.J. TALLENTIRE to the Minister for Local Government:

Can the minister update the house on the Karrakatta Cemetery renewal program; and can the minister advise whether he is aware of anyone who has backflipped on their support for the renewal program?

Mr D.A. TEMPLEMAN replied:

I thank the member for Thornlie for his question. It is a very important question. I am gravely concerned about the perceived backflip by the opposition. It is a serious matter. The renewal program has been going for a couple of decades. For those members who may not be aware, the renewal program essentially and respectfully allows for Karrakatta Cemetery to remain open. That is the fact. The renewal program allows the cemetery at Karrakatta to remain open. It has been supported by both sides of politics in successive governments, recognising that there is an important need to allow people who have relatives or loved ones interred or buried in the Karrakatta Cemetery to also be accommodated next to their loved ones when they themselves pass away. This policy has been around for some time; it is a sensitive policy, but it is important to allow Karrakatta to remain. Unfortunately, there appears to have been a backflip by the Liberal Party, through the member for Nedlands, who in fact represents the area in which Karrakatta Cemetery is located

Earlier this year, I was pleased that the member for Nedlands and the shadow spokesperson attended the cemetery, were briefed extensively and toured the cemetery to observe and get a greater understanding of what the renewal program involves. But it appears from a letter sent to me only late last month, that that bipartisan support of the renewal program has now halted, because the member for Nedlands, a senior member of the Liberal Party, is not only asking me to halt the program, according to his letter, but also saying that decisions related to the renewal program are made hastily.

I remind the member, as he would have had highlighted to him when he visited, that the renewal program is an extensive process in terms of the new areas of the cemetery that are selected for renewal. I also remind the member for Nedlands that employees and small businesses rely upon the future of the cemetery and it remaining open. If the renewal program did not exist or indeed had been halted, the cemetery would close. Is that what the member wants to happen?

Dr D.J. Honey interjected.

Mr D.A. TEMPLEMAN: What does the member want? The dunny doctor from Cottesloe wants to say something now, does he? Does he want to say something now? Does the member for Cottesloe support halting the renewal program and therefore support the closure of Karrakatta Cemetery? The renewal program is an important renewal process to ensure that the people of Western Australia who have loved ones interred there can be buried with their loved ones when they pass. It is an important policy area, and I am astounded that the member for Nedlands and the Liberal Party have now backflipped on a policy that has been supported for some time and are now advocating closure of the cemetery. I am astounded that the member for Nedlands is doing that when it is located in his area. Jobs rely on the activities and future activities of the cemetery. A number of small businesses are located in and around the precinct of the cemetery and the member is now wishing to deny them ongoing activity. I think that the member needs to understand what his backflip position really is calling for. It is not the right policy position that he should be holding and, indeed, he should reconsider his comments very, very carefully.

DEPARTMENT OF CORRECTIVE SERVICES — INVESTIGATIONS SERVICES UNIT

636. Mr Z.R.F. KIRKUP to the Minister for Corrective Services:

I refer to the highly concerning evidence provided today by the Commissioner of Corrective Services to the Joint Standing Committee on the Corruption and Crime Commission when he revealed that a total of eight positions are vacant out of 22 in the Department of Corrective Services investigations services unit, which is the unit that carries out internal affairs investigations.

Given all the corruption issues plaguing the corrective services portfolio under the minister's stewardship, can the minister explain to the house why these positions have not been filled or advertised on the WA jobs board, and why the commissioner cannot provide any explanation for these vacancies?

Mr F.M. LOGAN replied:

Yes, I can explain it to the member. It is because the investigation unit is going through an appropriate restructure. That will change significantly, and when that change has taken place, I will make a further announcement in due course.

DEPARTMENT OF CORRECTIVE SERVICES — INVESTIGATIONS SERVICES UNIT

637. Mr Z.R.F. KIRKUP to the Minister for Corrective Services:

I have a supplementary question. Given that was the same answer that was provided in estimates in May this year, why has that restructure taken so long and why has the minister continued to allow for insufficient oversight in this important area?

Mr F.M. LOGAN replied:

There is no evidence to say that at all. In terms of the advice that we have received from appropriate investigating agencies —

Mr Z.R.F. Kirkup: How long is the restructure going to take? It has been taking so long.

Mr F.M. LOGAN: Will the member just listen? If the member listens, I will give him the answer.

The SPEAKER: Member, you have had your supplementary.

Mr F.M. LOGAN: I will give the member the answer; that is, with the appropriate advice from other external investigating agencies, it is appropriate that that department gets overhauled, and it will be.

MIDLAND PUBLIC HOSPITAL — MAGNETIC RESONANCE IMAGING SERVICES

638. Ms J.J. SHAW to the Minister for Health:

I refer to those people in my electorate and across the eastern suburbs who have no affordable access to magnetic resonance imaging services at Midland Public Hospital.

- (1) Can the minister advise the house what a fully licensed MRI service would mean for those across the eastern suburbs?
- (2) Can the minister outline to the house the reasons that the federal government should match federal Labor's commitment to a fully funded MRI licence at Midland hospital?

Mr R.H. COOK replied:

I thank the member for the question and acknowledge her and the member for Kalamunda's tireless advocacy for the extension of the magnetic resonance imaging services licence at Midland Public Hospital, and also Hon Matthew Swinbourn, who has been active on this issue as well.

- (1)–(2) Health is the most important service that a government can provide. It underpins the wellbeing of people in the community, and that is true —

Mr D.C. Nalder interjected.

Mr R.H. COOK: That is as true for the people of the north-eastern suburbs as it is for any other people. It is important that people in the north-eastern suburbs have access to a full-time MRI licence so that those families do not have to travel out of their community and fork out large payments —

Mr D.C. Nalder interjected.

The SPEAKER: Member for Bateman, I call you to order for the first time. I let you get away with it the first time.

Mr R.H. COOK: We do not want people to have travel out of their community to get to these important services. We are committed to making sure that we put the patients first and provide the services they need. I am very pleased to say that the federal Leader of the Opposition, Bill Shorten, shares our commitment to putting patients first. I was delighted to see recently that federal Labor has committed in government to providing a full-time licence for an MRI machine at Midland hospital. I know the member for Bateman is supportive of this because he has been nodding and murmuring and making positive noises the entire way, so I am sure that the member for Bateman is as bemused, disappointed and angry as we are —

Mr D.C. Nalder interjected.

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

Mr R.H. COOK: I am sure that he is as angry as we are that the federal government has allocated just five MRI licences in the past five years nationally. In addition, the member for Bateman would be outraged to hear that Western Australia, on a population basis, has the lowest allocation of MRI licences in the nation.

Ms S.F. McGurk: Has he done any advocacy?

Mr R.H. COOK: I wonder whether the member for Bateman has done any advocacy and I wonder whether he cares about the people of the north-eastern suburbs. His comments now are just showing his utter contempt as he makes smart alec remarks about essential health services for people in the north-eastern suburbs. I have written to federal Minister for Health and Ageing Greg Hunt to ask the federal government to match the commitment from federal Labor to ensure that in addition to the commitment it has made around backing our promise on the Kalgoorlie MRI licence, it will also do so for the people of the north-eastern suburbs. The Australian Bureau of Statistics census demonstrated that Ellenbrook was one of the fastest growing regions in Western Australia. The people and families of that area deserve a full-time MRI licence. They will get it if we have a federal Labor government come the next federal election. We are looking to the federal Liberal government to match that commitment.

SCHOOLS OF THE AIR

639. Mr V.A. CATANIA to the Premier:

I refer to the government's backflip on the closure of Schools of the Air announced on 11 January this year and reports that no consultation has been undertaken regarding Schools of the Air's structural model for 2019. Can the Premier rule out moving Schools of the Air's offices from regional locations to Perth?

Mr M. McGOWAN replied:

I am unaware of what the member is referring to. Schools of the Air will continue to be funded. I am unaware of any offices, organisations or functions of that nature being moved to the city. I am aware that School of Isolated and Distance Education operates from the city and I would like it if the School of Isolated and Distance Education and Schools of the Air worked more cooperatively together. That is one of the things that of course should continue to happen. I am unaware of what the member is referring to.

SCHOOLS OF THE AIR

640. Mr V.A. CATANIA to the Premier:

I have a supplementary question. Will the Premier rule out any mean-spirited reduction in funding to Schools of the Air in Western Australia?

Mr M. McGOWAN replied:

We are funding the Schools of the Air exactly as it was funded before. I am unaware of what the member is referring to. There are no cuts planned or proposed; there is nothing of that nature. Obviously, the staffing of the Schools of the Air goes up and down in accordance with student numbers, as it does for every single school in the state. If school numbers go up, the staffing goes up; if school numbers go down, the staffing goes down.

Mr V.A. Catania: Have you ruled out any cuts?

Mr M. McGOWAN: Please; the member does not know anything about it.

If a school's population goes up significantly, its staffing level will go up significantly. I am unaware of whatever the member is referring to. I certainly do not intend to cut the Schools of the Air at all. Of course, if the level of students goes up, staffing will increase.

PUBLIC SERVICE — GENDER EQUITY

641. Ms J.M. FREEMAN to the Minister for Women's Interests:

Can the minister update the house on how the McGowan Labor government is promoting gender equity and supporting women to reach senior leadership positions across the public sector, and can the minister advise the house whether she is aware of any alternative approaches to gender equity that have been taken recently?

Ms S.F. McGURK replied:

I thank the member for her question. It is no surprise to anyone here that our party takes the principle of equity very seriously, within both our party and government. The state public sector workforce is 70 per cent women, but sadly, until recently, only 33 per cent of appointments to the senior executive service level were women. We are working hard to remove the barriers to women's leadership in the public sector. We do not want to be drawing from a smaller, limited cohort; we want to make full use of this state's talents. Announcements of recent appointments of women to important and influential roles in WA's public sector are very encouraging. Alongside WA's Auditor General, Director of Public Prosecutions and Public Sector Commissioner, we can now count two new directors general—Ms Rebecca Brown, director general of the Department of Jobs, Tourism, Science and Innovation; and Jodi Cant for the Department of Finance. These achievements are to be commended; they are fantastic appointments. I also want to acknowledge and give special mention to the lead the Attorney General has played in appointing women to judicial positions, including one woman to the Court of Appeal, two women to the Supreme Court, five to the District Court, three to the Magistrates Court and one to the Family Court of Western Australia—12 women appointed. There is no doubt that he is a modern guy! As I have mentioned, the Director of Public Prosecutions and the Deputy Director of Public Prosecutions are women as well. As a government and as a party, we want to be proactive in addressing the representation of women in leadership

roles. It is the kind of change that the McGowan government is all about. We are walking the walk and talking the talk to make sure that our public sector leadership team reflects the WA community.

I am interested in the federal debate that is going on at the moment about equity within the federal Liberal Party and within the National Party as well—the coalition generally. I would be interested to hear from across the chamber what the state parties are interested in doing to increase the number of women within their cohorts. Our party has had a proactive approach to that since the early 1990s and we are now starting to see the benefits—one need only look around this chamber and the upper house to see the number of women representing our party. I wonder what the other side is doing about it within their own ranks.

WATER CORPORATION — FEES AND CHARGES

642. Dr D.J. HONEY to the Minister for Water:

Mr Speaker —

Mr M. McGowan: Exhibit 1!

Several members interjected.

The SPEAKER: Members!

Dr D.J. HONEY: Mr Speaker, I refer to the Economic Regulation Authority report, which found that the government is overcharging struggling Western Australian families \$400 per year —

Several members interjected.

The SPEAKER: Is the question going to the Premier?

Dr D.J. HONEY: No; it is to the Minister for Water.

Several members interjected.

The SPEAKER: Members!

Dr D.J. HONEY: I continue to learn, members; I continue to learn.

The SPEAKER: Do you want to start again, member for Cottesloe?

Dr D.J. HONEY: I do; thank you, Mr Speaker.

The SPEAKER: Please explain who the question is to.

Dr D.J. HONEY: My question is to the Minister for Water. I refer to the Economic Regulation Authority report, which found that the government is overcharging struggling Western Australian families \$400 per year for water services and that water prices should come down. I further quote an article from March in *The West Australian*, which states that the Minister for Water —

... attacked the conclusions, saying they would benefit well-heeled suburbs at the expense of poorer ones.

Can the minister confirm his subsequent mean-spirited 40 per cent increase to Western Australian households consuming greater than 500 kilolitres of water has hit larger families in developing suburbs hardest, and that Baldivis, Canning Vale, Ellenbrook and Byford are not so-called well-heeled suburbs?

Ms J.J. Shaw: Do you even know where they are?

The SPEAKER: I know where you are, member for Swan Hills; I call you to order for the first time.

Mr D.J. KELLY replied:

There were a couple of issues in the question from the member for Cottesloe. I appreciate his new-found interest in the suburbs of Ellenbrook and the like. That interest was not evident in his inaugural speech, but we all learn as we progress in our journey in this chamber. A couple of issues were raised. One was the question of wastewater charges. The question spoke about the Water Corporation charging in excess of cost reflectivity for wastewater charges. The member will be surprised to know that that position existed under the previous government. Just for the information of the member for Cottesloe, in 2016–17, under the previous Liberal–National government, cost reflectivity for wastewater charges in the metropolitan area was 186 per cent. In the current 2017–18 period, the figure is 188 per cent—it is only a two per cent difference. The member for Cottesloe has tried to create great colour and movement around this issue, but this situation existed under the previous government in almost identical circumstances. What the member does not talk about is that the Water Corporation charges below cost recovery for a range of services that it provides, principally in country areas. People in the country areas of Western Australia get significant subsidies on their water prices. When the two are put together—the issue of cost reflectivity and Water Corporation charges across the state—it comes in slightly under 100 per cent. I wish the member for Cottesloe would give the full picture. If he is advocating that we should have no more than cost reflectivity, is he suggesting, as the ERA report did, that we should do away with subsidising water in the country across the board and increase charges in country Western Australia in order to deliver cost reflectivity across the state? Is that the member's view? It certainly was not the view of the previous government—it ran a mile from the ERA when it made these suggestions.

The other suggestion the ERA made was that we should stop using gross rental values to determine wastewater charges. Currently, wastewater charges move according to the value of the property. The ERA wants a single figure across the metropolitan area. Coincidentally, that would deliver a reduced wastewater charge for people who live in the electorate of Cottesloe. The people of Cottesloe would get a significant reduction in their wastewater charge. People in the suburbs that the member mentioned in his question—Ellenbrook and elsewhere—would get an increase. If that is what the member for Cottesloe wants, he should just announce it as a policy position. We are very happy to argue that between now and the next election.

The second issue the member raised in his question was the increase in charges applied to people who use more than 500 kilolitres of water a year. Seven per cent of the population use almost 20 per cent of scheme water. That seven per cent use more water than the Water Corporation budgets to fall into our dams. So we actually think it is a very good idea to encourage those people to use less water.

A suburb like Baldivis is much, much bigger in number than the suburb, for example, of Dalkeith. In Dalkeith, something like 20 per cent of households will be impacted upon by that change, whereas in Baldivis, the number is less than 10 per cent.

Several members interjected.

The SPEAKER: Members!

Mrs L.M. Harvey interjected.

Withdrawal of Remark

The SPEAKER: I hope you were not referring to the minister as a drip, were you? Withdraw, and I will call you to order for the first time.

Mrs L.M. HARVEY: I withdraw.

Questions without Notice Resumed

The SPEAKER: Minister, wrap this up, please.

Mr D.J. KELLY: Member for Cottesloe, Baldivis has more houses in it than a suburb like Dalkeith. That is why we cannot use raw household numbers. It is much more informative to use percentages. I am sure the member understands percentages. The other issue is that in a suburb like Baldivis, many people live on large semirural blocks. The member cannot assume that someone in Baldivis who is using more than 500 kilolitres is a battler on a small standard block. They are more likely to be someone on a large block in a semirural setting.

Who is the member for Cottesloe really supporting? Is he interested in the battlers in Ellenbrook, or the people in his suburbs, who do, on a higher percentage, use far more water than people in most other suburbs in Perth?

Withdrawal of Remark

The SPEAKER: Member for North West Central, I ask you to withdraw your remark from before.

Mr V.A. CATANIA: I withdraw. You did not give me a chance.

The SPEAKER: I beg your pardon?

Mr V.A. CATANIA: I withdraw.

The SPEAKER: Thank you.

WATER CORPORATION — FEES AND CHARGES

643. Dr D.J. HONEY to the Minister for Water:

I have a supplementary question. Can the minister confirm that in his response to question 726 in the other place, that there are over 390 000—39 000 WA households —

Several members interjected.

Dr D.J. HONEY: I used the same calculator that the Treasurer used when he was calculating water charges!

Can the minister confirm —

Several members interjected.

The SPEAKER: Members! Is there an end question to this?

Dr D.J. HONEY: Yes. Can the minister confirm that there are over 39 000 WA households that are consuming more than 500 kilolitres per year on average, and they have had their water bill increase —

The SPEAKER: No, member, this is not a supplementary. You were talking about water charges before.

Dr D.J. HONEY: It is. It is related to a number of things, Mr Speaker.

Several members interjected.

The SPEAKER: No, it is not a supplementary.

GOVERNMENT OFFICE ACCOMMODATION REFORM PROGRAM

644. Mr D.R. MICHAEL to the Minister for Finance:

I refer to the McGowan Labor government's commitment to budget repair and restoring the state's finances. Can the minister update the house on the government office accommodation reform program and what practical benefits have been achieved so far?

Mr B.S. WYATT replied:

I thank the member for Balcatta. Some people may find the whole topic of government office accommodation a bit dull, but I assure the member I do not. I find it very, very interesting. It has been somewhat of a success by this government. When we came into government, I asked the Department of Finance how much space the government actually has by way of direct ownership or lease, and nobody could tell me. We did not know how much space government as an institution had and was paying for. So we have done that work, and combined with what has been the state's largest voluntary redundancy scheme, and what has been an unprecedented reform program in reducing the number of government departments, we have also been able to have a government office accommodation reform program. At last year's budget, that was expected to generate just under \$150 million in savings over a five-year period by the time it was fully implemented and to reduce our footprint by about 50 000 square metres. I am happy to say that our program is going well. We have already reduced the size of the government footprint by about 10 000 square metres, saving around \$35 million already. We expect by 2021–22 that will increase to \$50 million.

That is another reason why, when we go about reforming government, there are other opportunities to find savings to re-base the spend of government, which we had to do because when we came into government, we found record operating deficits, record debt, and a previous government that had no interest in re-basing the spend. I do recall the one go the former government had at this was, "Well, what we'll do is sell government-owned buildings and re-lease them back." That was the theory undertaken by the now Leader of the Opposition as Treasurer, later abandoned when they worked out the cost benefit of that particular policy.

Ultimately, although our voluntary redundancies, our reduction in the number of government agencies and our savings efforts have been fought furiously against by the big spending Leader of the Opposition, a man who would like to be in government, the man who presided over the big expansion of government spend in the last 20 years, we are determined to re-base that spend. Every single effort that we put into things as exciting as government office accommodation to re-base the spend is how we get back to a sustainable operating surplus and paying down debt. I am looking forward to showing the Liberal Party in the not too distant future how to go about restoring the finances.

LIBRARIES — INTERLIBRARY LOAN SERVICE

645. Mr A. KRSTICEVIC to the Minister for Local Government:

I refer to the recent interlibrary loan service cuts that will deny many Western Australians, particularly those in regional hubs, access to important educational materials and information.

- (1) Why would the minister prevent the public from obtaining more than half a million items through the State Library of Western Australia network?
- (2) Why was the trial of the restricted library loan service kept secret?
- (3) Does the minister have a different view on interlibrary loans than he did in June 2016 when he complained to the *Mandurah Coastal Times* that amendments to the service under the previous government was axing funding at a time when public libraries were experiencing even greater popularity?

Mr D.A. TEMPLEMAN replied:

- (1)–(3) I thank the member for the question. As the member would be well aware, a very thorough review of library services is underway. That has included extensive consultation through the extensive library network throughout the state, including the issue of the library inter-loan process, and also, of course, the availability of library resources to libraries across the state. As the member would be well aware, the State Library of Western Australia has been leading that consultative process. It has been a significant process that has received a significant number of submissions, because one thing we do not do, of course, is attack local libraries, as the former Minister for Culture and the Arts found in that 2015–16 experience. I saw the former minister this morning at a very important exhibition that was launched at the Western Australian Maritime Museum. It was good to see Hon John Day. He is looking good. He is enjoying his appointment by this government to the Art Gallery of Western Australia. We appointed him because we wanted to recognise the contribution that he has made, and continues to make, in the field of culture and the arts. He was looking relaxed. He is looking good. I highlighted to him that he was not missing much in this place, had he still been in this place and not been knocked off by the new member for Kalamunda. I am sure he would have been as despondent as the new member is with regard to not only the outcome of the election, but also the state of the finances that the former government left us. One thing that I can assure

the member is that when we release the final outcome of the review of library services and outline the issues associated with that, people will be confident that quality services will be delivered to libraries throughout the state in an efficient and economically viable way.

LIBRARIES — INTERLIBRARY LOAN SERVICE

646. Mr A. KRSTICEVIC to the Minister for Local Government:

I have a supplementary question. I am not sure that answered the question. Will the minister confirm that the cuts to the interlibrary loan service will put more financial pressure on local governments to fund the purchase of top-up books, since councils, not the state government, fund 88 per cent of WA public library costs?

Mr D.A. TEMPLEMAN replied:

I thank the member for the supplementary question. I am very confident that local governments, as one of the primary providers of library services throughout the state, will continue to deliver quality services to their populations, which will include access to the library resources that they seek, and that that will be done in an efficient and economically viable manner.

The SPEAKER: That is the end of question time.

HERITAGE BILL 2017

Council's Amendments — Consideration in Detail

The following amendments made by the Council now considered —

No 1

Clause 41, page 27, line 19 — To insert after “publish,” —
as soon as practicable,

No 2

Clause 45, page 31, line 9 — To insert after “publish,” —
as soon as practicable,

No 3

Clause 50, page 35, line 16 — To insert after “publish,” —
as soon as practicable,

No 4

Clause 57, page 41, line 6 — To insert after “publish,” —
as soon as practicable,

No 5

Clause 87, page 62, line 25 — To insert after “publish,” —
as soon as practicable,

No 6

Clause 163, page 112, lines 9 and 10 — To delete “Western Australian Land Information Authority or another” and insert —

Registrar of Titles, the Registrar of Deeds and Transfers, or another person or

No 7

Clause 165, page 113, line 10 — To delete “10th” and insert —
5th

Mr D.A. TEMPLEMAN: Obviously, and historically, the Heritage Bill passed the upper house last night. I thank the other place for its due consideration of a very important bill for Western Australia. I thank the opposition spokesperson and those members who contributed to debate on the bill in this house. I think it is also important to acknowledge Mr Graeme Gammie and Mr Joel Gilman from the Department of Local Government, Sport and Cultural Industries for their stewardship and assistance in an advisory capacity in this place and in the other place during the carriage of this bill, and also from my office, Mr Julian Hilton, policy adviser for heritage matters, for his assistance. I highlight to the house that this is the passing of a new Heritage Act for Western Australia. It is an achievement that I think is important for the ongoing protection and acknowledgement of heritage in Western Australia going forward.

Leave granted for the amendments to be considered together.

Mr D.A. TEMPLEMAN: I move —

That the amendments made by the Council be agreed to.

Question put and passed; the Council's amendments agreed to.

The Council acquainted accordingly.

**NATIONAL REDRESS SCHEME FOR INSTITUTIONAL CHILD SEXUAL ABUSE
(COMMONWEALTH POWERS) BILL 2018**

Second Reading

Resumed from an earlier stage of the sitting.

MRS L.M. HARVEY (Scarborough — Deputy Leader of the Opposition) [2.54 pm]: I rise to resume my comments on the National Redress Scheme amendment bill before the house. As I said, the Liberal opposition is supportive of this legislation. We are pleased that the government has taken steps to resolve the outstanding issues that had not been resolved when the Barnett government wound up in March 2017, particularly with respect to the scheme understanding how appropriate provision could be made for child migrants who had been abused in institutions and who would take responsibility for the redress scheme claims of those child migrants, and—it might surprise some members to hear me say this—survivors of institutionalised child sexual abuse in prison or who have a criminal history. Indeed, during my time as Minister for Police, I became quite aware of the effect that traumatic episodes in childhood, in particular, can have on individuals and their ability to participate in society as constructive citizens. Many victims of physical and sexual abuse as children carry with them a high level of rage, anger and trauma, and often the only avenue that they have, if they are not people of means, is to try to, if you like, self-medicate and manage that hurt, grief and sadness by using things like alcohol and methamphetamine. Once victims of trauma who have suppressed anger and rage take those drugs, the lid comes off, if you like, their inhibitions are removed and the rage and the anger comes out. Often, that is what we see played out on the streets.

Those victims who might be in prison for violent or other offences find themselves in prison because they really have not had the support they needed throughout their childhood to give them the opportunity to make different choices. It is easy for people who come from a loving and supportive family environment, a good school and a normal upbringing—if there is such a thing—to sit back on the sidelines and say, “They still have a choice whether to offend or not.” To a degree that is true, but for many people without means, living with the scars of child sexual and physical abuse as a trauma and without access to proper trauma counselling and clinical care, the opportunity to resolve those issues is lost and, indeed, all that is left is the rage and the anger. That rage and anger comes out and leads to a cycle of criminal offending for many of those victims. Unfortunately, some of those victims go on to be perpetrators of the very abuse that they endured as children, but not all of them by any stretch—some of them do. I am pleased that some consideration is being given in the legislation to those individuals. If those individuals who happen to be in prison or have a criminal history get access to some funding from the National Redress Scheme and get access to counselling and psychological support, they may have the opportunity to completely change their lives—to turn their lives around and become constructive members of society and start to contribute in a functional, constructive way, rather than in the destructive way that is all many of them have known.

A consideration that I know the redress scheme likely will not cover is our understanding of intergenerational trauma in families. As we become more knowledgeable on the effects of intergenerational trauma in families, some time in the future we may see a redress scheme that covers the children and grandchildren of victims of child sexual abuse and physical abuse. Indeed, an area of trauma research is now looking at the impact, if you like, of pregnant women enduring physical abuse. The adrenaline, cortisol and all the hormones that rush through a pregnant woman's body affect the central nervous system of the baby she is carrying. That baby can be born with a hyper-stressed and hyperactive central nervous system as a result of its mother's experiences. Further to that, if parents do not receive counselling for the trauma that they have endured, their brains suppress the trauma to try to have some functionality in society. This creates a blind spot for the parent in recognising when victimisation of their children might be occurring and when their children might be being groomed. A fair body of evidence now proves that for parents who were sexually abused as children but have not received counselling or trauma support to move through that experience and to heal from it, it is more likely for their own children to become victims of child sex abuse. When those children are exhibiting the signs and symptoms of being abused, because of the trauma, their parents have a blind spot to seeing those symptoms. I am interested in seeing how this conversation evolves in the future. As study in this area becomes more robust and advanced, we will start to see the intergenerational effects of abuse. The key issue is to build capacity in counselling and psychological support, particularly for trauma counselling. There are ways to heal from post-traumatic stress disorder and trauma episodes, but it takes time—a long time for some people, depending on how many layers of trauma and abuse they have endured. Access to publicly-funded trauma counselling is key. There is a lack of capacity and a long waitlist for patients to get in to see those specialists and get ongoing counselling and support.

During my time as Minister for Police, something I am proudest of was connecting two adult victims of child sexual abuse with properly trained police officers who have been able to take their statements, walk them through their experiences, and track down the perpetrators of the abuse. In one case that I am aware of a 35-year-old victim of child sex abuse who finally got the courage to report it to police received news just last weekend that the perpetrator of her abuse is now being charged with an offence and an arrest warrant has been issued. The level of healing and validation that has provided to that victim of child sexual abuse is difficult to quantify with the vocabulary that I have. For that individual to go through that experience was life changing. As the former police minister, I was proud to be able to connect those two victims with the people that they needed to speak to in order to report—that is, people who are properly trained and understand that although it might be an adult reporting an episode of child sexual abuse, when people are interrogated by the police or the courts, they are back at the age they were when they were offended against. These victims look like adults, but when they are reporting what happened to them as children, their memories are those of a five-year-old child. They will not necessarily remember time, place and circumstance, but they will remember aspects of the abuse that they can reveal. It is important that those victims, regardless of age, are interviewed by police officers in a very empathetic way and that police officers understand that they are dealing with an individual who might be in the emotional space of a traumatised five-year-old when reporting the abuse they experienced. A good thing about this redress scheme is that it does not require victims to go through the reporting process and get to a point at which an offender can be charged before they are able to access the scheme. That is really important. For any victim to get to the point at which they can hold the perpetrator to account and report to the police is an incredibly big step for them to take. To have what will hopefully be an administratively easy scheme that will give them access to some legal advice, counselling support and compensation may help those individuals on their healing journeys, which I think is really important. Unfortunately, some of these victims have spent most of their lives in a traumatised state. From a redress scheme like this, we can hope that more and more of them will get access to the support they need to spend the rest of their years, at least, on a healing journey rather than a re-traumatisation merry-go-round, which most of them have endured for many years.

I commend this legislation to the house. I am pleased that the government has brought it here. As we move along in understanding trauma research, post-traumatic stress disorder and a range of other mental health issues that people establish as a result of traumatic incidents throughout their lives, we will start to see an evolution in the way we treat entire families. If one individual in that family has had a traumatic experience, that experience flows on to their relationships with their siblings, their parents, their children and, importantly, their partners. Many victims of sex abuse find it difficult to form loving and lasting healthy relationships. Providing some compensation to those individuals that will assist them on their way towards being whole and participating human beings who are emotionally well and able to contribute to society is a very important thing. I am pleased to see this legislation before the house. When we go into consideration in detail, I look forward to getting a better understanding of how it will operate administratively and how responsibility between the state and federal government will be shared.

MS C.M. ROWE (Belmont) [3.07 pm]: I rise to make a contribution to the second reading debate on the National Redress Scheme for Institutional Child Sexual Abuse (Commonwealth Powers) Bill 2018. As many members have done, I start by acknowledging the hard work and dedication shown by the Attorney General on this bill. He continues to be a truly tireless advocate for social justice and is an inspiration to many of us in the chamber.

The horrors endured by many Western Australians as children at the hands of government and non-government institutions that were designed to protect and nurture them were exposed during the Royal Commission into Institutional Responses to Child Sexual Abuse. One key recommendation made by the royal commission was the establishment of a single national redress scheme. I am proud that our government has committed to joining the National Redress Scheme, which will recognise the trauma experienced by victims of child sexual abuse at the hands of institutions. Although it will not change the past, this looks to right a historic wrong. The McGowan government has already taken action to help survivors by removing the statute of limitations for crimes of child sexual abuse. Victims of institutional child sexual abuse will have the option to apply for redress or to go through other avenues. However, it is expected that many survivors will choose to use the redress scheme as it is deemed to be less traumatic and less of a financial burden. As we have already heard today, three areas of redress under the national scheme will be available to eligible persons. They include a financial payment, and counselling and psychological support. The third and perhaps one of the most important elements of it is the option, if requested, for a direct personal response from the responsible institution. The National Redress Scheme will commence in Western Australia on 1 January 2019 and will operate for 10 years. I believe this bill, by signing up to the National Redress Scheme, will go some way towards helping ease the pain that victims have suffered and continue to suffer as the result of child sexual abuse by government and non-government institutions.

The consequence of such vile abuse cannot be overstated. Reading the stories of the many victims who made submissions to the Royal Commission into Institutional Responses to Child Sexual Abuse highlights just how incredibly hard it is for many survivors to lead healthy normal lives, and that is entirely understandable because these victims were robbed of having any kind of childhood at all, their young lives irretrievably shattered by the

events and their experiences. It has, of course, dramatically changed the trajectory of their lives. As I have previously said about the stories uncovered during the royal commission, they highlight absolutely abhorrent and systemic abuse, continual and deliberate cover-ups and the prioritisation of reputation over the protection of children. Reading survivors' stories is extraordinarily hard; in fact, it is excruciating and heartbreaking. We truly failed these victims—these children—and that abuse should never ever have happened.

I would like to take this opportunity to share a few survivors' stories with the chamber as a way of acknowledging their pain and suffering. John Hennessey, who was a resident at the Bindoon Farm School north of Perth, told the royal commission of the physical and sexual abuse he endured from the age of 11 through to 16, which included being violently raped by the brothers at the school. John detailed his abuse very bravely to the royal commission. I quote —

'Each night, the dormitory would be visited by the brothers who either took individual boys into their rooms for the night or molested them in front of us,' he said. Brother Keaney kept a small pool of pets who were boys he used for sexual gratification. I was one of those pet boys. At the time, I did not understand what Brother Keaney was doing to me. I thought somehow I was privileged. 'By the time I was 14 or 15, Brother Keaney had fully groomed me into a willing sexual partner. I used to tell myself he was like a father to me. I remember thinking that if I did what he wanted, he would be pleased with me and I might get extra treats.'

John goes on to describe this time in his life and living in constant terror, when "violence was a part of life".

Then there is Brock. He shared his story with the royal commission. He was a happy boy who loved going to school and was excited to be sent to a Catholic boarding school in WA in the late 1980s at age 12. His parents worked in the next town and they wanted him to get the best education possible; therefore, he became a boarder at this Catholic school. At school, Father Flanagan took a special interest in Brock and was initially extremely kind to him. But within a very short space of time, Flanagan began molesting Brock and, when he was 13, Brock began being raped by Flanagan. Eventually at the age of 14, Brock begged his parents to come home and allow him to attend the local high school, which they did. Sadly, he did not reveal the reason he wanted to come home to them but, by this stage, Brock was an entirely different child. He did not trust anyone and he was extraordinarily angry. He was full of hate for the church, all religion and, worst of all, himself. By the age of 18, he had committed minor criminal offences and started heavily abusing drugs and alcohol in an attempt to block out the abuse from the past. At 21 he was placed into custody. Brock said —

'This was the way I identified myself: as bad.'

Over the years Brock battled with drug dependency, alcoholism, unemployment and homelessness. He has self-harmed and attempted suicide twice. Brock told the commission that he blamed himself for his childhood abuse and has suffered low self-esteem and anger issues his entire adult life. I think that is one of the biggest tragedies. When I read through the submissions on the royal commission site relating to WA, nearly every single victim said that they blamed themselves for the abuse. It was really heartbreaking to read.

Brent told the royal commission about the abuse he suffered as a teenage boy at the hands of Christian brother Norman at a Catholic youth centre in Perth, again in the late 1980s. He tells how he looked up to brother Norman and believed him to be a mentor and a very positive role model in his life. At the age of 16, Norman took the year 11 student to dinner before taking him back to the presbytery and sexually abusing him. Brent told the royal commission —

Because I had total faith in this man, I believed this type of male behaviour was normal.'

...

I vowed I would never tell anyone. I felt shame and guilt that I'd allowed it to happen, and repulsion. I wanted to forget it ever took place.'

As an adult, Brent has experienced crippling depression and suicide ideation as a consequence of this childhood sexual abuse. Brent told the commission —

... there have been times when I couldn't work for months because the medication to treat my depression was affecting me so much. I've had a noose around my neck and it felt good. People should know child abuse is a silent killer.'

Then there is the story of Faith. Faith was only seven years old when she was sexually abused at a school by Brian Webster, a sports coach at her primary school in Perth in the early 1980s. One weekend Faith and her friend Gail, who lived near the school, were at the primary school when Webster sexually abused both of the girls and made a pornographic video of Gail. Since that day, Faith says —

... me and Gail have not been able to speak to our parents properly, civilly or you know, have a proper relationship with them'.

Faith tried to distract herself from the pain of the abuse by pouring all her energies into study and sports directly after this abuse occurred. However, and quite tragically, by the age of 18 she began using drugs and to this day still battles with addiction. She also has a prison record, like many other victims of abuse who have found themselves in and out of the prison system. She told the commission that she has serious mental health and anger issues as a result of the abuse. The sexual abuse has left Faith with anxiety and low self-esteem, and she said she is always frightened. Faith has attempted to take her life on 12 different occasions.

These are just a few cases heard by the royal commission, but I think that they speak to the magnitude of the trauma these survivors continue to experience in their lives as a result of child sexual abuse. Their lives have simply been ruined. The fact that sexual abuse went on in these institutions, especially with extremely vulnerable children such as being in the care of the state or the church, is an absolute disgrace. As I have previously mentioned in this place, the Australian Institute of Family Studies, a federal government body, published a paper in 2013 that found there were strong links between child sexual abuse and the onset of depression, and alcohol and substance abuse, as well as an increased risk of re-victimisation. The AIF research stipulates —

... evidence now clearly demonstrates the link between child sexual abuse and a spectrum of adverse mental health, social, sexual, interpersonal and behavioural as well as physical health consequences.

The same research also found a heightened risk for suicidal thoughts and behaviour. This bill cannot remove the pain of the past for survivors but it is critical to allowing them to seek redress. Victims of child sexual abuse are often emotionally scarred by the trauma they have been through for their entire lives. One victim, Eva, told the royal commission that what happened to her as a child is “a cloak of grief that I cannot live with. I just need to bury it.”

I cannot begin to imagine the anger, the pain and the utter despair that survivors have been through. Almost every story I read from the royal commission’s hearings told of lives totally ruined, plagued by emotional issues and serious mental health problems, including anxiety, extreme depression and post-traumatic stress syndrome in many, many instances. There were also stories of ongoing battles with addiction—drug addiction and alcoholism—not to mention the anger and sadness that has overshadowed and swamped victims’ lives.

At this point, I wish to offer my sincere sympathy for what victims have endured. It is horrific and sickening and I am so sorry that they have had to experience such trauma in their lives. I truly hope that this bill can begin to heal some of the pain of the past for victims. I commend the bill to the house.

DR A.D. BUTI (Armadale) [3.20 pm]: I would also like to contribute to the debate on this very important bill, the National Redress Scheme for Institutional Child Sexual Abuse (Commonwealth Powers) Bill 2018. I commend the member for Belmont for relaying some of the stories and testimonies heard before the royal commission. I do not think I need to go over those stories, which I also intended to talk about. Of course, the Royal Commission into Institutional Responses to Child Sexual Abuse relayed a very dark past in Australian history. When the member for Hillarys thanked or acknowledged certain people during his contribution, the Attorney General made a timely interjection about former Prime Minister Julia Gillard, whom I think the member for Hillarys had forgotten to mention for some reason. Obviously, the royal commission was instigated because of former Prime Minister Julia Gillard and I think it will go down as one of her greatest legacies during her prime ministership. We should always recognise that it was Julia Gillard who drove a royal commission on this issue at a time when it was probably not as politically fashionable to do so. The member for Hillarys then mentioned subsequent Prime Ministers who followed Julia Gillard, but she set up the inquiry and gave it the resources. She was also at the very front and centre in determining the terms of reference. Former Prime Minister Julia Gillard should be acknowledged by the Australian public more than anyone else in the political process, particularly the victims whom the member for Belmont mentioned in her contribution. I would also like to acknowledge two other people. During his time as Minister for Social Services, Christian Porter was the architect of the National Redress Scheme and I think he deserves to be recognised for his pursuit of that. Of course, in the later stages it was Dan Tehan, but Christian Porter really drove it. I would also like to acknowledge our Attorney General for driving the case for Western Australia. It was very important that Western Australia’s obligations under this scheme were properly prosecuted. We did not want to have a repeat of what happened when the GST formulation was first devised many years ago under the Richard Court–Colin Barnett regime. They did not think about the consequences for Western Australia, which is why Western Australia has had to endure problems with the GST. There was no forensic examination of what we were getting into. Our Attorney General has ensured that there will be no unfair ramifications for Western Australia in adopting the National Redress Scheme.

It is interesting to look at the public and political responses to the royal commission. The member for Belmont and other speakers outlined the human rights abuses that occurred. The sexual abuse that took place is one human rights violation but the institutional responses have also perpetuated the human rights wrongs that were committed against people in the care of the various institutions. If members cast their minds back to the period of the stolen generations—which was not a royal commission; it was the National Inquiry into the Separation of Aboriginal and Torres Strait Islander Children from their Families, run by the Human Rights Commission, and the subsequent report was called “Bringing them home”—there was greater public and political division on how we should

respond to the human rights abuses that were suffered by the stolen generations. There was cause for reparations, not unlike the reparations that have come out of this royal commission's report. Thankfully, we have moved to a better place and we, as a political institution, and the public have responded in a more positive manner to the royal commission's report and recommendations. Sadly, that was not necessarily the case for the stolen generations. Many members of the stolen generations are also members of this institutional child abuse scenario. There is a crossover in that space.

I want to mention a few things about reparations in the National Redress Scheme before us. I should also mention that the member for Hillarys talked about having great admiration for the commissioners who had to hear the victims' stories, some of which were relayed by the member for Belmont. I concur with the member because those commissioners had to witness a lot of the personal suffering of the people who presented before the royal commission. During my time at the Aboriginal Legal Service we interviewed many, many members of the stolen generations, and I know the effect that hearing story after story can have. After my time in that position at the ALS when I worked on the stolen generation project, I had trouble interviewing anyone on any subject for a number of years. It can have a major effect. Andrew Murray was one of the royal commissioners in this inquiry—a former Australian Democrat senator for Western Australia. He happened to have been a British child migrant to what was then called Rhodesia. I want to talk about him a bit further down the track, and I think we will see how the architectural structure of the redress scheme came about. Regarding the whole issue of reparations, I quote John Torpey from his book called *Making Whole What Has Been Smashed*, published in 2006 by Harvard University Press —

The proliferation of demands that states, churches and private firms be compelled to pay reparations to those whom they have said to have wronged in the past, or at least pressured to apologise for such wrongdoings, represents one of the more striking developments in recent international affairs.

Reparations can take many forms. Considerable work was done at the United Nations level by special rapporteurs on human rights abuses, one being Theo van Boven and another Professor Cherif Bassiouni. They came up with a structure of reparations that the royal commission has reflected in its recommendations. They come down to issues of an apology. We can recall earlier this year when the Premier and the Minister for Community Services talked about Western Australia taking on board most of the royal commission's recommendations. Many people in the public gallery that day were victims of abuse and had provided evidence to the royal commission. That was an opportunity for this Parliament to come together, but, unfortunately, the Leader of the Opposition missed a golden opportunity to present a bipartisan position on that day. I remain perplexed about why he took that political angle when it was a perfect day to come together, and I know that many members of the audience were very disappointed and upset about what occurred. I commend the Premier and the Minister for Community Services for presenting the apology. The apology is one of the reparation measures. Basically, the reparation measures are: apologies, and guarantees that there will be no repetition of the human rights violations; restitution; rehabilitation, which includes counselling services and so forth; and compensation, usually in the form of monetary compensation, which is at the heart of this redress scheme.

I talked about Andrew Murray. I go back to a conversation I had with Andrew Murray, either at the beginning of 2003 or late in 2002, in New Orleans, of all places. We were both at a conference dealing with British child migrants, and it was being held in New Orleans. Do not ask me why it was being held in New Orleans. We were talking about the issue of monetary compensation in response to human rights abuses. Obviously, at that time the focus was on British child migrants, but we also looked at the stolen generations. That motivated me to write an article titled "Bridge Over Troubled Australian Waters: Reparations for Aboriginal Child Removals and British Child Migrants", which was published in 2003. I want to read parts of that, because it was written after some research and discussion with Andrew Murray, who was the royal commissioner. The article reads, in part —

58. Understandably, governments and other parties are reticent in saying yes to reparation funding because of concern over the quantum of funding required. As suggested above, that concern may be lessened if liability is spread over the various responsible parties. For example in relation to the Aboriginal child removal scheme the responsible parties will in the main be the State Governments and the churches, who administered most of the missions and homes. However, the Commonwealth Government should also be required to provide some of the funding as they acquiescent and in fact encouraged the scheme. And of course in the Northern Territory it was the Commonwealth Government that was the responsible government. Also of course contributions should also come from the individual perpetrators.

The topic of child migrants was one of the sticking points in the state of Western Australia's agreement to the National Redress Scheme, and the Attorney General has prosecuted that on behalf of the state. The article continues —

59. In relation to the British child migrants, we have the UK, Commonwealth and State Governments, the sending agencies, receiving agencies, the Churches and charities that ran the institutions that housed the migrants in Australia. Also there are the individual perpetrators.

60. Individual, governmental and organisational liabilities must be assessed, and based on their proportionate liability responsible parties will incur various costs. In creating a comprehensive reparations scheme, party contributions must be assessed with respect to liability and responsibility; ability to pay and funding available; amounts already contributed; services provided; and whether public acknowledgement and apology has been made. Liability of parties should be negotiated and determined during establishment of a reparation scheme. All responsible parties should contribute funds to a scheme or part thereof based upon their responsibility and surrounding factors.

I go on to indicate that the discussion and recommendations are reflected in a table presented in the body of the article, formulated after discussions with Andrew Murray. The beauty of this national scheme is that all parties who had some responsibility for allowing abuse and for inadequate responses to that institutional abuse have taken on responsibility for the redress scheme. This ensures that all parties that have some responsibility acknowledge their wrongs and apologise to the victims. That is crucial to any reparation scheme. If we are going to right the wrongs of the past, it is incredibly important that we acknowledge the wrong and apologise for it, and put in place guarantees that it will not be repeated. Of course, we can never 100 per cent prevent sexual abuse but we can guarantee that our responses will not be like they have been in the past, including covering up the perpetrators.

Another beauty of this scheme is that it is made possible. This scheme would not be possible if we said that all the liability rested with the Western Australian government, or the South Australian government, or even the commonwealth government on its own, or the Roman Catholic Church on its own. All parties that have some responsibility must come together to create that funding pool to enable meaningful reparations to be made. The scheme allows compensation of up to \$150 000. I know that the royal commission recommended \$200 000, so it is less than that, but the predicted average payment for each successful applicant will be higher than that predicted by the royal commission. The national redress scheme anticipates an average payment of approximately \$76 000, which is \$11 000 more than the \$65 000 average payment included in the royal commission's report on redress and civil litigation. They are significant amounts, but they do not prevent civil action taking place. If civil action takes place and is successful, any money that had been previously received will be deducted. Even though the money is significant, we can obviously not put a monetary value on the abuse that took place. Any amount of money is symbolic, to a large degree, but arguably the greater the amount, the greater the symbolic gesture. There is also some utility in the actual amount because, as we know, and as the member for Belmont mentioned, many people who have been subject to child abuse and to the inadequate, shameful and at times criminal responses by the various institutions, are damaged people, and any economic recompense they receive can assist them to access appropriate services to help them. People affected by abuse can suffer major economic consequences for their possibility of earning income in later life. There is real utility in the quantum that is granted or received, but above that it is a very strong symbolic acknowledgement of the wrong that has been done to the victims. On its own, that is not enough, and that is why we need the apology, the counselling services and the other reparation issues.

I applaud all people who have been responsible for instigating and carrying out the royal commission, with a special thank you to the victims—maybe “victims” should not be the word—to the survivors who appeared before the royal commission and advocated for the royal commission.

[Member's time extended.]

Dr A.D. BUTI: I thank those people who advocated for the royal commission and who have driven this issue, and obviously the political personalities, starting with the then Prime Minister Julia Gillard, our Attorney General, Hon John Quigley, Christian Porter in his time as Minister for Social Services, and obviously the Attorney Generals and the various other ministers in the other states. I also commend the private institutions and the churches that have come on board. Whether they have been dragged to the table or not, they are now on board, and it is very important that this scheme be successful. This is a very dark part of our history, although some would say it is not yet history; it is actually a part of contemporary Australia. The way we respond to these wrongs will be very important to the future morality of our nation.

MR S.A. MILLMAN (Mount Lawley) [3.40 pm]: I start by placing on the record my acknowledgement of fellow speakers on the National Redress Scheme for Institutional Child Sexual Abuse (Commonwealth Powers) Bill 2018. One of the great difficulties I have in standing to speak now is that I must follow the very learned member for Armadale, who just made his contribution, and also no greater speaker when it comes to being both passionate and compassionate, the member for Belmont, whose contributions to this debate have been outstanding. It is because of those excellent contributions and other contributions made by members on both sides of the chamber that I propose to keep my comments only brief, but there are a couple of key points that I think we would do well to have made.

In its legislative agenda, this government has focused on putting victims back at the centre of our justice system. We have many aspects, exhibits and examples of exactly how the legislative program that has been brought to this place by the Attorney General has achieved that. The implementation of the National Redress Scheme does two things: it gives effect to the recommendations of the Royal Commission into Institutional Responses to Child Sexual Abuse, and it completes the other side of the coin that we already dealt with when we lifted the statute of limitations

for victims of child sexual abuse earlier this year. I say that because, on the one hand, the appropriate forum for people to seek justice will be through the civil litigation avenue, and those people will now have the opportunity to bring their claims to court and have them adjudicated on by a judge. On the other hand, there will be people for whom that is not an option by virtue of the operation of the relevant doctrines at common law, yet those people are no less deserving of the recognition of the trauma and suffering that they have been put through. Therefore, the recommendation from the royal commission was twofold—one, to make it easier for people to pursue civil litigation claims; and, two, to make it possible for those people for whom a civil litigation claim was not an appropriate course of action to access a different type of remedy.

As the member for Armadale has spelt out very clearly and articulately, that remedy needs to be made up of three constituent parts: a survivor of child sexual abuse is entitled to a direct personal response from the institution or the person responsible for perpetrating it; to counselling and psychological care; and to monetary payments. It is only by accessing those three elements that the redress scheme can manifest itself and provide the necessary justice to these survivors and victims of child sexual abuse. I read from “Final Report: Beyond the Royal Commission: Royal Commission into Institutional Responses to Child Sexual Abuse: Volume 17” —

Our Redress and civil litigation report was tabled on 14 September 2015. In the report we found that the civil litigation systems and redress processes had not provided justice for many survivors. We recognised that it cannot now be made feasible for many of those who have experienced institutional child sexual abuse in the past to seek common law damages. We made detailed recommendations for the establishment of a national redress scheme to provide redress for past institutional child sexual abuse.

We also made recommendations to reform aspects of civil litigation. These reforms are intended to make civil litigation a far more effective means of providing justice for survivors, particularly for those who are victims of institutional child sexual abuse in the future.

We can see right there that this is the second piece of the puzzle. Today’s legislation will give final force and effect to the recommendations that were made by the commissioners in the royal commission. In the commissioners’ own words —

Redress schemes may provide a suitable alternative to civil litigation for some or even many claimants, but they do not offer monetary payments in the form of compensatory damages obtained through civil litigation.

I make that point because of comments that were made by the member for Scarborough in her very worthwhile contribution to this debate and some confusion or concern that has arisen over the disparity between what a successful litigant such as Mr Paul Bradshaw might achieve by way of an award of damages in the Supreme Court and what an applicant in the redress scheme might achieve by accessing what is available to them here. On the one hand, Mr Bradshaw has taken up the fight and expedited his case, and two legal representatives have represented him assiduously, expertly and professionally. As a result of the unique circumstances in which he found himself and the particular avenue that was appropriate for him, he was able to achieve an award of compensatory damages. That is an entirely different payment from the payments available to people under this redress scheme.

Members must bear in mind that we are not trying to duplicate the civil litigation process. We are trying to establish an appropriate compensatory mechanism for all those victims, of which there will be many—thousands, according to the royal commission—for whom civil litigation is not an appropriate course. Mr Bradshaw was successful in his claim in no small part thanks to the terrific advocacy that was provided for him by his legal representatives. I acknowledge the member for Hillarys, who mentioned my good personal friend Michael Magazanik, who was the solicitor with conduct of Mr Bradshaw’s claim. As the member for Hillarys said, Mr Magazanik used to be a journalist at *The Australian* and then went to university to finish his law degree and became a legal practitioner. Mr Magazanik was ably assisted by another great friend of mine, barrister Tim Hammond. The interesting thing about both Mr Magazanik and Mr Hammond is that, like me, they once had the privilege of working at Slater and Gordon Lawyers. They honed their skills acting for victims of asbestos-related diseases. They had to take up the fight against significant well-resourced defendants who had access to top-quality lawyers and particular legal arguments that were always difficult to set aside.

I talk of Slater and Gordon because many people in their contributions today have spoken about the long fight that victims and survivors of child sexual abuse have been fighting to reach the point that we have reached today. For more than 25 years, these victims have been seeking justice. Back in the 1990s, Slater and Gordon took on the Roman Catholic Church with litigation in Western Australia, Victoria and New South Wales. That is all the litigation that I referred to in my speech when we lifted the limitation period for child sexual abuse victims. That fight has been recognised by this royal commission.

I thank the member for Cottesloe for his contribution because he said this of our then Prime Minister, Julia Gillard, and I find myself in furious agreement with these comments: when she instituted this royal commission, this was a seminal moment in the history of Australia. I made a note of these words because I was quite impressed by what the member for Cottesloe was saying. He said that this was a seminal moment in the history of Australia and

a great act of leadership on her part. I echo those comments and I agree with them. I thank the member for Cottesloe for his generosity in making those comments. I agree with him that it was a seminal moment in Australia's history and it was a great act of leadership on the part of the then Prime Minister, because those victims of child sexual abuse—who by that stage had already been fighting for 15, 20, 25, 30 years for justice—could finally see that this royal commission was in place and was ready to investigate and interrogate all the horrendous circumstances that they had experienced.

Were it not for the excellent contribution from the member for Belmont, it would now fall to me to retell to members of this place some of the horrific stories that were presented to the commissioners during the course of the royal commission. I now do not propose to do that, but I would like to finish on this point. Perhaps it seems strange that I would invoke a theologian and a pastor when many of the victims of child sexual abuse experienced that abuse at the hands of religious institutions. Dr Martin Luther King quoted Theodore Parker, who was a great inspiration for Abraham Lincoln. I would share this lesson with the victims of child sexual abuse. Dr King said that the arc of the moral universe is long, but it bends towards justice. What we can see, by the passage of this legislation, combined with the passage of the legislation lifting the statute of limitations for victims of child sexual abuse, combined with all the legislation that this government has put in place that puts victims at the centre of our justice system, is that our government is assiduous and dedicated to delivering justice for victims of child sexual abuse. It is a fight that we will continue.

MR R.R. WHITBY (Baldivis — Parliamentary Secretary) [3.50 pm]: I rise to speak on the National Redress Scheme for Institutional Child Sexual Abuse (Commonwealth Powers) Bill 2018. I also note the bipartisan nature of the debate we have witnessed today in this house, with members of all sides in agreement on the necessity and desirability of proceeding with this legislation. I also acknowledge the hard work of our Attorney General, who is no doubt getting some well-deserved refreshment. It has to be remembered that this redress scheme was born out of the Royal Commission into Institutional Responses to Child Sexual Abuse. I also join with members who have congratulated former Prime Minister Julia Gillard, who announced that royal commission on 12 November 2012. I congratulate her and her government. This is a lasting legacy of that government. It is important and memorable to note that that government relied on the support of two conservative independent crossbenchers to survive and function as a government. It is remarkable that we still receive legacies from that government. It is interesting to compare and contrast that government with the current federal government, which has a majority in its own right yet finds it very difficult to function.

Royal commissions are often called for as a kind of panacea for all sorts of issues. Quite often the first thing that someone will call for is a royal commission to fix this issue or that issue. Often, that is not an appropriate response. Sometimes, for political reasons, royal commissions are instituted and held when they are not warranted. Some members in the chamber might be able to nominate a royal commission that fits that category. Royal commissions are very powerful processes. They have very powerful legal measures at their disposal. They are very expensive and take a long time to reach conclusions. Two contemporary royal commissions have been very good for our nation. This is one of them; it has been very good for our nation. The other—the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry—is currently being played out. I am of the belief that these royal commissions are very cathartic experiences for our nation. I am very hopeful that both will bring about lasting cultural change in Australia and that we will see the reform of important and powerful institutions, such as the church, government, banks, finance companies and insurance companies. I am very optimistic about the current banking royal commission and the impact it will have on Australia. I hope it will result in lasting cultural change.

With the passage of this redress legislation, I think we will also see a process that helps to deliver lasting and important cultural change in the area of child sex abuse. In very simple terms, the purpose of this legislation is to provide for compensation of up to \$150 000, assistance for counselling for survivors, and, if requested, an apology from the relevant institution in which the crimes occurred. It is important to note that the costs of this will come from the pockets of the institutions involved. That will obviously involve and include both government and non-government institutions. I have no doubt that, for some, the most valuable part of the compensation that could arise from this will not be the money. I do not think any amount of money can compensate someone for being subject to child sexual abuse—there is no way we can put a value on that. For many, I think the most important and most valuable part of redress will be the apology—that will carry far more significance. No system is perfect. I am sure this redress system will have its critics. Indeed, some victims of child sexual abuse have already found fault with the proposed redress scheme. There have been comments about whether the compensation is enough, the method of calculation, whether there is support for secondary victims, and a range of other issues. I believe that this legislation is still worthwhile. What is possibly more important than what it does for the victims of child sexual abuse is what it means for our future. It lays down a clear guide to our most powerful institutions that this is not acceptable and that when a complaint is received that a child has been abused, institutions need to act, as this is not going to be tolerated anymore. I believe the most powerful and worthwhile outcomes will be not just the fact that victims or survivors of child sexual abuse will be compensated in some way, but also what it means for institutions going forward and how it may assist and avoid future victims.

There is no way we can properly or adequately respond to one of the most vile crimes imaginable. As parents, grandparents or just responsible adults, we all have a moral responsibility to protect our children. It is imbued in our culture that adults look after children. I used to think that people who transgressed this code and preyed on children were victims of some sort of illness themselves. I cannot explain it, but I do know it is evil—it is pure evil. It is an evil that our society can never try to accommodate, rationalise or excuse; it has to be confronted and exposed at every opportunity. The only way to protect our kids is to shine the light of scrutiny on this evil crime. For too long, institutions and, indeed, families have kept it hushed up; they have pushed this evil into dark corners. Often the excuse has been to save embarrassment. The claim has been that it is to save the victim from embarrassment and more suffering, but I tend to think that it is often more about saving the institution involved from embarrassment. It was argued that it was best for the victim that this dirty secret would be kept unsaid and pushed into a dark corner. That is nonsense. Keeping it secret just makes it worse for the victim; it makes them feel complicit in some dirty secret and that it was somehow even their fault. This always has to be exposed. The redress process is part of exposing this. It is making institutions answering and accountable; it is forcing them to face up to the truth.

I want to congratulate some of the leading institutions in this country that have already signed up to this scheme. They include the YMCA, the Catholic Church, the Anglican Church, the Uniting Church, the Salvation Army and the Scouts, as well as state and federal governments. I am advised that the fact that those major and significant churches have signed up to redress means that the schools associated with those churches will also be included in the scheme. That is a good thing. However, I urge schools and institutions that may not have a direct affiliation with those organisations to also sign up for this scheme in Western Australia after this bill is passed. We have heard about how civil action is expensive, difficult and time consuming, to say nothing about the trauma caused to survivors by having to give evidence. Although some victims who have taken this path have received more in compensation, and that option is still open to victims if they choose to use it, the redress option is a simpler and easier path, without the pain of having to give evidence. In Western Australia it is expected that just short of 6 000 survivors will apply for compensation under the redress scheme.

Debate adjourned, pursuant to standing orders.

McGOWAN GOVERNMENT — STATE ECONOMY

Motion

DR M.D. NAHAN (Riverton — Leader of the Opposition) [4.00 pm]: I move —

That this house condemns the McGowan government's crippling cost-of-living increases on struggling Western Australian households at a time of stagnant wages and for its failure to lower electricity prices through introducing retail competition and for using the Water Corporation as a taxing mechanism.

This issue is not new. We have dealt with this issue many times during private members' business. The reason we keep coming back to this issue is twofold. First, it is vitally important. Second, the government is in complete denial. Despite the fact that we won, and the government lost, the Darling Range election on this issue, the government is still in denial. We might say that is to our advantage—if we have a government that is in denial about the impact of cost-of-living increases on its own electorates, that is good for the opposition. However, we are here to govern for all of Western Australia and to ensure that every person in this state, including struggling households, shares in the wealth and potential success of this state.

When we had this debate last time, the Treasurer and want-to-be Premier said, and I quote —

By pretty much any measure whatsoever—economic data, confidence data—things are much better today than they were when we won government in March 2017.

He went on to say —

I cannot find any data that indicates that things are worse, and I have been looking for it.

What I can say is the Premier has not been looking very hard. I do not know where he has been looking. Perhaps he should get out of the big side of town and look in his own electorates.

I will go through some data. The Treasurer likes to praise himself about domestic demand. The national accounts that came out recently, in June 2018, show that final demand grew over that year by one per cent—by the way, the national figure was 3.9 per cent. The Treasurer criticised the member for Bateman for saying that is largely government-driven, and it is. Private consumption went up by 1.5 per cent. However, the trend is declining. Importantly, the Treasurer said he cannot find any data that shows that things are negative. Business investment shrank by two per cent for the year and by 2.9 per cent for the quarter. In other words, business investment, which has been struggling for a long time after the boom, is still declining, and declining at an increasing rate, according to the national accounts, which the Treasurer has said is a good set of numbers.

A key issue is dwelling investment. Dwelling investment is important not only because the housing industry hires a large number of people, but also because it basically provides the balance sheet for household consumption. If

dwelling investment, dwelling starts and the return on investment declines, householders feel less wealthy and they spend less. Dwelling investment for the year went down by six per cent and was stagnant for the quarter.

What grew was government consumption, which was up by 3.5 per cent for the year, and government investment, which was up by 4.4 per cent. That was overwhelmingly directly from the commonwealth and its policy decisions, and it came through to the state government. Therefore, it is an improvement based overwhelmingly on commonwealth government expenditure. However, at least that is growing. I accept that.

I will repeat what the Treasurer said —

I cannot find any data that indicates that things are worse, and I have been looking for it.

The Treasurer did look at the national accounts, but obviously his glasses are a bit strange, because he sees only what is positive and what he wants to see.

The latest data as at July 2018 shows that seasonally adjusted retail trade in Western Australia decreased—that is not an improvement—by 0.6 per cent. Retail trade fell by 0.4 per cent in annual average terms. That fall was similar to the figure for the last three months. Retail trade is down, business investment is down and dwelling investment is sharply down.

Another key issue is average weekly earnings. That is very important, because it is an indication of what people have to live off. Average weekly earnings in Western Australia declined by 0.9 per cent over the six months to May 2018. In annual average terms, average weekly earnings fell by 0.3 per cent. In other words, wages are declining. The Treasurer says he cannot find any evidence or data to show that things have not become better since March 2017, and he says he is looking. He is not looking at wages, he is not looking at business investment and he is not looking at retail trade. What is he looking at?

Seasonally adjusted building approvals decreased by 14.7 per cent between June and July 2018. Approvals fell by nine per cent in annual average terms to July 2018. That sounds like we are worse off. That sounds like a negative figure. The Treasurer has all of Treasury to provide him with advice. We would assume the Treasurer would speak to the retail industry and the major mining firms that are making investments. We would assume Treasury would advise the Treasurer about average weekly earnings and building approvals. The Treasurer cannot find it. He cannot see any of this. Everything is great according to him.

Housing finance commitments fell by 11.6 per cent in average annual terms and dropped by 4.8 per cent over the three months to July 2018. That sounds to me like another negative figure. But the Treasurer cannot see it. It does not exist. The median house price to March 2017 was \$516 000, and to June 2018 was \$510 000. That sounds like a reduction in house prices and a reduction in the perceptions of people about their wealth and their capacity to spend and to fund mortgages. We have been lectured by members opposite about units, and units are an increasing share of the housing market. In March 2017, the median unit price was \$419 750. In June 2018, it was \$400 000. That is nearly a \$20 000 drop in unit prices since the Labor government was elected, and mortgage rates remain the same.

Some areas of the economy are improving. The mining sector is not going back to its boom times—thankfully—but there is some recovery and it is broad-based. The iron ore sector has stopped laying off people in droves and it is starting to make certain investments—not augmenting capacity, just replacing capacity that is wearing out. The gold industry, thanks to the Liberal Party, is still growing well, despite lower gold prices. Remember, the Treasurer twice proposed to put an increased royalty on gold and he said that it would have no impact on the gold industry. Remember that one? The Minister for Mines and Petroleum says that growth is all due to him. To the Minister for Mines and Petroleum, all I can comment is: he inherited a well-structured industry and good policies and they will trump a bad minister any day. In two years' time, we will see his real impact on the mining sector.

The commonwealth government is doing quite a bit to bolster households through tax cuts and other spending policy and, of course, supporting the McGowan government in most of its capital spend. The agricultural sector is doing well. But the reality is that the household sector, particularly in terms of household income—average wages and their major asset in their homes and the mortgage rate—is struggling. I do not know why the Treasurer does not get it, but in some ways, member for Darling Range, I hope that he never gets it, because at the next election we will have many Darling Range electorates around the place and it is the Treasurer who is doing that.

I do not expect the Treasurer to bolster household income through government spending, although one of the first things that he did was to eliminate the first home buyers grant boost. Again, the Treasurer says that taxes and subsidies have no impact on decisions. He said that the proposed increase to the gold royalty would have no impact on investment in gold exploration. Of course, that is nonsense. He said that the foreign duties legislation that passed through this house would have no impact on foreign investment in residential properties in Western Australia. What a ridiculous statement! When the other states put in similar legislation, they were honest and specifically put it in to lower demand for housing because a boom was going on, but the Treasurer says the legislation will have no impact. Nonsense! The Treasurer should get out more and talk to the industry and he will see that the duty will have a negative impact on the very segment of the economy that is holding the whole economy down—that is, the dwelling sector. The Treasurer will be responsible for that.

Forecasters out there are pumping the Treasurer's tyres and the big side of town is doing okay, but what is not doing okay is Struggle Street. Struggle Street is many and varied. I understand that in the past the Labor Party focused on Struggle Street, not the rich listers and the big side of town, but that is what this government is hitting and it is hitting it hard. We have gone through these before, but let us go through some of the government's increases to charges. There was a 19 per cent increase to electricity charges in 18 months, which people cannot avoid by putting solar cells on their rooftop anymore, because most of the increase in the first year is a fixed charge. The Treasurer says that is equitable—that is his definition. There is an 11.5 per cent increase to water charges, particularly a new super tax on the use of over 500 kilolitres. That charge was supposed to attack the rich side of town. The Minister for Water, who is the minister for class warfare, says it is Cottesloe and Dalkeith, but as we look at it, it is actually the struggling outer suburbs of Ellenbrook, Byford and Baldivis. According to the minister's own data, those suburbs have been most significantly impacted in terms of numbers and, of course, in terms of budget. Public transport is up by 13 per cent over 18 months. These people are supposed to be the public transport warriors building Metronet. I heard the Minister for Transport say that she will provide public transport and trains for everybody, but the government has jacked up the price for it by 13 per cent in just 18 months, and that is before it has built anything. Well, that is what they do!

Then there are these subsidies. I remember when we made some changes to the hardship utility grant scheme payment and the rebates for rates and water, and the Labor Party in opposition screamed bloody murder that it was unfair and improper, and campaigned around the suburbs on how we were mean. What did they do? HUGS blew out because they increased the electricity and water charges significantly by double digits and that pushed people to the wall, so they went and sought out HUGS payments. What was the government's response? The government froze the scheme for six months so no-one could get any of it. That is a real Labor government for you—working hard for Struggle Street! If people want a subsidy, a Labor government will postpone it for six months. Of course, the government then capped water and local government rate increases to 100 bucks.

Here is the scene: the Treasurer can find nothing negative, but in reality household income is declining, house prices are declining, business investment is declining and retail trade is declining. We have a Treasurer in complete and utter denial. Why is this happening? In large part it is because the Treasurer has decided to have struggling households fund his election commitments and they are being hit with electricity, water, public transport and other transport payments. That is the McGowan Labor government. I never thought I would see a Labor government do this, but yesterday the government put through a bill to use a law to take away an industrial right—that is, the right to permanency. The government passed a law to take away that right without compensation, a trade-off or negotiation. All I can say on that case is that the government has set a new precedent. When a government sets a new precedent, future governments can take action on that basis. The government set a new low precedent that the government of the day can rip up industrial relations willy-nilly—well, future governments can do that also.

Earlier, we saw the government override the independent umpire when it put in a bill to dictate that the Salaries and Allowances Tribunal be taken out of wage determinations for senior public servants and others, even though it was not necessary because SAT had already made a determination to freeze wages for a year. Anyway, by overriding SAT the government has again set a precedent. But this is a precedent I have never seen from a Labor government: to hit and to target struggling households when they are on their knees. The Treasurer denies it, but we know it. It is not a huge problem in my electorate, but there are some. But in Darling Range—when we go out and talk to, particularly, the household development industry, Baldivis is said to be the worst hit. Baldivis has the highest rate of personal insolvency, not in the state, but in the country! A huge number of properties are on the market in Baldivis that they cannot sell. I talked to somebody the other day who said that in order to consume the excess capacity in Baldivis, we will have to go through two booms and two busts. The government is in denial. The last I heard, Baldivis is represented by a Labor member of Parliament. What is he saying?

Mrs A.K. Hayden: It's 975 households.

Dr M.D. NAHAN: It is 975 households. Members opposite are in denial; they are good backbenchers; they have shut up. They are not saying anything; they are copping it sweet and they will continue to cop it sweet. They can be in denial but they are not representing their electorates well if they are allowing the government to hit their households, which are in significant trouble with bankruptcies and declining mortgage values while they are sitting there doing nothing. That is their problem. The opposition will not do that. If the member for Baldivis wants to stand down we will have a by-election in Baldivis tomorrow. That would be fun; it would be very interesting indeed.

The situation is worse than that because during the Liberal–National government's last term of government, as I have said in this house before, members opposite regularly protested outside my office about how we were slashing and burning funding, particularly to schools. I have to say that in my electorate I have some really great schools. Ninety-three per cent of kids living in my electorate go to the local public school and I am really proud of that. We invested heavily in those schools and they are great schools—Rossmoyne and Willetton. Another school that used to be in my electorate is Lynwood Senior High School, which has really improved and moved up the Australian tertiary admission ranking by significantly improved leadership provided by successive principals and the school. Congratulations to Lynwood Senior High School.

To go back to the story, members opposite were protesting on a regular basis that we were slashing and burning funding for education. Of course, we did no such thing. We did trim some of the expense growth but every year expenditure on public education increased in real per capita terms. We pulled back on the growth rate but in real per capita terms it grew. What does this mob do? It is in denial. It regularly says that education spending is growing but the reality is, from his own budget—I do not know whether the Treasurer reads his own budget; I do—appropriation funding in 2017–18 compared with that in 2018–19, his budget, not ours; he cannot blame the Liberal–National government; it is all him—for the education budget has been cut by \$280 million over the forward estimates. That is what the government says. This is the truth because appropriations are what we vote on in this house during the budget. Members opposite put them both there. We voted on it and supported them. They argued for it and there are funding cuts. We hear the Premier. The Premier does not know much about what is going on. On every bill he has put forward he has not been well informed. The Western Australian Jobs Bill was the biggest joke in the world. More contracts have been let to people outside WA than inside, but we will talk about that later.

There have been education funding cuts of \$280 million over four years. Another one is health. I have to admit this government inherited a health system that was treated very well by the previous government. We built or remodelled 11 hospitals. It was the highest per capita expenditure on health in the country and we have the highest paid nurses and doctors.

Mrs A.K. Hayden: First World.

Dr M.D. NAHAN: Yes. In opposition the members opposite decried that we were not spending enough and that we should remodel this hospital and that hospital in addition to the ones we had done. Indeed, every time we ask when they will do something on hospital spending they say, “You had eight years, why didn’t you do it.” We did 11. That is the usual retort in trying to avoid responsibility for doing anything.

In both the 2017–18 to the 2018–19 budget this government cut health spending by \$ 200 million from the forward estimates over three years. The government is in denial but that is the fact. I raise this in this context because, clearly, a lot of people in Struggle Street are saying that during the boom times they took out private health insurance. We had a mini-population explosion—a baby boom if you wish—and they were cashed up and took out private health cover. Now, to seek solace from the declining fiscal position of households, they want their children to go back to public schools and public hospitals. Do we know what has happened? They are facing waiting lists and declining services because this government is cutting money from hospitals and schools. In my electorate it has pulled out way over \$15 million from public school funding, some of which it has not been transparent about but it has—\$15 million. Sometimes it has redistributed the money to Labor areas but, overall, consider the increased expenditure this government committed to in election promises and the increases in expenditure it has redirected to its own schools. It is cutting funding for health by \$ 200 million and for education by \$ 208 million. While householders and retailers are in Struggle Street, which the government is denying, it is responding by increasing electricity, water and public transport fees and taking away funding from the hardship utility grant scheme and other types of assistance. On top of that, it is hitting them with funding cuts at public schools and public hospitals.

That is the McGowan–Wyatt Labor government and they deny it. They stand up in Parliament and say there are no cuts and that every bit of data shows that everything is getting better. In fact, I think it was last week when the national accounts came out when the Treasurer held up a fancy graph that showed from March they were declining and from March 2017 everything is going really great. The reality is that the only growth has come from the Turnbull–Morrison government. When we pull back and look at the real guts of the economy, the household sector, in this state it is in real trouble and the government is not only not noticing it, but in fact is denying it exists and putting in place policies that hurt them more.

What is more, this will continue. The government has made it clear that the reforms it needs to make to pull back on the impost of household fees and charges will continue. One policy we were pursuing, but on which this government has dropped the ball, was to move to choice in the electricity market within the south west interconnected system for small consumers, households and small business—in other words, opening up the electricity market to competition. My colleague the member for Bateman will discuss this in detail. However, judging from experience and what has happened in the gas market in this state, that could, should—I think would—lead to a 30 per cent reduction in electricity prices for the average household, or \$600 per household. The Treasurer laughs; he thinks it is a joke. What are all the people in the gas market getting? What kind of improvement have they achieved by pursuing choice in the gas market? I guarantee that it is over 30 per cent if they choose to shift—Kleenheat, Alinta and others. The Treasurer thinks it is a joke but, I tell you what, a 30 per cent reduction in the cost of gas is no joke and a 30 per cent reduction in electricity prices is no joke. It might be in his household but I am sure his electorate is not struggling with mortgages underwater as they are in Baldivis. When the now Minister for Water was the opposition spokesman on water, he complained incessantly, not about rural water, but about the impact on households of increasing costs of water. He did it on a daily basis. He regularly questioned us: “Why are you increasing it? Why are you pushing to cost recovery? Why are you going above that in certain ones?” He made it quite clear that if the Labor Party won government, he was going to go out and defend people

against excessive water increases. We heard him say today, in one of the most pathetic responses to a question I have ever heard—in fact, I think I heard more snoring than words from him!—that he does not think it is a problem. The Premier made it quite clear that excessive water prices will continue.

When I was the Treasurer, I commissioned the Economic Regulation Authority to look at water prices. It issued a report that ascertained that for an average household, the Water Corporation is now charging \$400 per household in excess of cost recovery for its services. That includes an embedded rate of return. That is \$400 per household, and growing. The Premier's response was, "Yes, that's right, and it's going to continue to grow. I need the money. I want the money. I'm going to turn the Water Corp into a giant taxing mechanism." The Treasurer; Minister for Energy is turning Synergy into a taxing mechanism—a cash cow. And who is paying for this? Those levies are essential services. They are necessities. The consumption of water and electricity is not correlated with income or with suburbs. They are regressive impacts; that is, they hit lower-income people the most. That is what they do. Members know that; I know that.

Low to medium-income earners tried to avoid electricity costs by going to solar cells. The Minister for Energy stopped that. He is actually going to remove the feed-in tariff soon. He will not renew it. We understand that he is also going to remove the buyback scheme. He has been cagey about that. They currently pay seven cents per kilowatt hour. He is going to tackle the solar cell industry by fixing charges and removing all the subsidies. Put these two together—the \$400 McGowan tax on water and the \$600 that could be saved by going to competition—and that is \$1 000 per household. The government could easily do with a policy change. It will not do it because it wants the money for other reasons.

Mr D.J. Kelly: You didn't do it.

Dr M.D. NAHAN: "You didn't do it; you didn't do it!" This is the mob who fought like hell to get into government. It fought like hell. It did everything, including protesting. They got all their union mates. They worked hard. I have got to say they were a hardworking opposition. They were not an honest one, but they were a hardworking one. Then they got into government and all they say is, "You didn't do it; you didn't do it; you didn't do it! What did you do in eight years?" The Labor Party is in government—do it! That is what it said it would do. It should do what it said it was going to do. That is what the member for Bassendean said. He sat over there on a weekly basis and snarled at the water minister, "Do it! Why are you taxing? Why are you increasing charges? Why are you even going to cost recovery?" Then he introduced this year the super tax on water, over 500 kilolitres, and says it will affect mainly the member for Cottesloe's electorate. Member for Bassendean, the old "them and us" is gone. You guys do not represent the struggling working class anymore. Your average income is higher than that for most of us! You do not represent the working class or the people on Struggle Street. You are the elite. Put "them and us" aside. It might have worked in Young Labor at university 30 years ago but it does not work now. The minister's second answer today was truncated. The biggest impact—based on data provided by the minister, which I assume is accurate—is on those outlying suburbs of Baldivis, Ellenbrook, Byford and others. The biggest impact in terms of numbers and share of income is on the suburbs that the Labor Party used to represent—Darling Range; it does not now.

Mrs A.K. Hayden: They saw through them.

Dr M.D. NAHAN: They saw through that.

I would like to go back to Darling Range. The member for Darling Range will speak to this. That was a very interesting by-election and not only because we won. We were not supposed to win; we were predicted to lose badly. All the pundits said, "You will lose." It was clear to us within five minutes of talking to people—I think Labor did not talk to anybody except themselves!—that the biggest issue was the cost of living. That was overwhelmingly so. People told us at the door. The three biggest cost-of-living issues were water, electricity—not public transport so much in that case—and local government rates. Do you know what? I do not think Labor mentioned those at all during the campaign. It did not mention them because it has hit people pretty hard. To try to win the seat of Darling Range, it did not mention that it was putting in place a policy to rectify the impost it was putting on that and therefore on the electorate of Darling Range. Either the Labor Party did not understand, it was not talking, or it just ignored it. That is what it does.

We were criticised. When talking to the people on the opposite side, they said, "You increased electricity charges very high during your first term." Yes, we did. Why? Before we came to government, the Carpenter government had made an announcement in July 2008. It flagged a 100 per cent increase in electricity prices over the forward estimates—100 per cent! It flagged that they would go up. The policy that we inherited was a 10 per cent increase until we reached cost recovery. We inherited an electricity system that was bugged. It took an electricity system that was breaking even without any increases in electricity prices for almost a decade. The Carpenter government then made the change and it haemorrhaged. That was the change it put in place. It had to recognise it because it had to go to the ERA for assessment. The ERA said, "You're losing a lot of money." We inherited a system that was haemorrhaging money. We increased it, not quite as much as predicted, but less. It counts that in the last two years of our term, people were struggling in the suburbs. There is no doubt about that. We had flagged seven per cent electricity increases in the forward estimates. Did we push it to that? Absolutely not. We knew that

people were struggling to meet their bills. We did not want to hit them with excessive bills by increasing electricity prices to seven per cent. We did not do it. We were still pilloried by the opposition at that time about increasing it by three per cent or 3.5 per cent. That was merciless; that was terrible. But it did not go into the forward estimates; we kept it low. We knew the impact that electricity prices would have on struggling consumers. What did this mob do? They pilloried us for a three per cent increase and they jacked it up by nearly 11 per cent or more and, on top of that, another seven per cent the following year. That is what they did. If three per cent was merciless, what is four times that? Bastardry. What else could I describe it as? It was pure bastardry because it indicates —

The ACTING SPEAKER: Member, parliamentary language.

Dr M.D. NAHAN: If a three per cent increase is merciless, what is four times that?

Ms M.M. Quirk: Twelve per cent!

Dr M.D. NAHAN: Yes. How would members describe that?

Mrs A.K. Hayden: A massive increase.

Dr M.D. NAHAN: A massive increase, knowing full well the impact it would have. I know why the Labor Party did it. It was hoping not to have a by-election. It was hoping to kick the wind out of consumers. It did not really care very much about how it was going to impact; it wanted the money for its election promises. It had other priorities that it had committed to. It is not that the government repaired the budget; the debt is now higher than ever forecast when the Labor Party came to government. The government knew what that figure was. How many debt repayment plans does the government have, member for Bateman? Are there three?

Mr D.C. Nalder: Yes.

Dr M.D. NAHAN: The last I heard, the government was going to use any windfalls to pay off debt. That did not happen, although the government has had quite a few windfalls—nonetheless.

The government knows what was happening. It was willing to kick the stuffing out of the household sector and then try to blame it on us, like it has everything else. Hopefully—it will probably happen—the commonwealth Liberal Party will bail the state government out with the goods and services tax reform, not that the Labor Party has had anything to with that. Where is Shorten on GST?

Mr Z.R.F. Kirkup: Nowhere.

Dr M.D. NAHAN: Nowhere. Okay. He is the “Nowhere Man”, but anyways.

The state government is hoping the commonwealth government will kick the stuffing out of households, the mining sector will come back, it will be friendly with the big side of town, and then the GST share and other income will come in and then it can bail Western Australians out right before the next election and it will be a hero. The trouble with that plan is that in the meantime people are struggling. In the meantime people, largely in the electorates of Labor Party members, are suffering. Some are losing their homes; some are abandoning their homes. An issue in Byford was that a surprising number of homes were empty because people were moving intrastate to get a job to pay off the mortgage back here. Remember that? How many homes were like that? In the meantime, of course, people are struggling. They will not forget that. They will not forget what this government has done to them, because there has been a conscious effort to hit people on Struggle Street. The government has policies it can put in place, such as moving to competition in the south west interconnected system for small users—small business and households. Strangely enough, from what I read I think the government is doing that in the Pilbara. Why it is good for the Pilbara, but not the south west interconnected system is an interesting story. I do not know why it is not happening, but the government should do that.

As for the Water Corporation, the government should stop using it, as it promised, as a cash cow. Stop using it—push it back, pull it back. The problem and weakness in the government’s plan is the household sector. Our economy has a large mining sector and agricultural sector relative to most places, and a large business investment sector, so we are relatively highly reliant on business investment in mining, and that makes up over 40 per cent of the total state economy, excluding exports. But the government has kicked the guts out of it. Retail trade is down. Some people are saying it is at the lowest since the Whitlam era. That is because households are not spending because their household incomes are declining, their mortgages are fixed and high, and the government is hitting them with fees and charges. The government has taken away any discretionary income from households and put it in its pocket, and people are not spending it in the community. I know all these people are seeing blue sky everywhere, in the belief that the commodity prices have gone up and that will trickle down. Again, this is a Labor government pushing trickle-down economics. I have been accused of doing that a few times by the Labor Party, but I have never seen a Labor government do it. Nonetheless, this is a strange one.

The government’s belief is that commodity prices are going up—they have; they are holding up very well; good on you—and that will trickle down into the household sector and increase jobs and wages, and everything will be fine. The trouble is that mining investment does not trickle down very thoroughly. Its sector of employment is relatively small, even though its contribution to the overall economy—particularly exports—is very, very large and important. I am not decrying that in any way. The ag sector is about the same thing. In order to have

improvement in our economy, we have to have improvement in the balance sheets of households. Household income has to start growing and disposable income has to increase to have any sustained recovery in the economy. The government is undermining that. Its increases in fees and charges are taking away any disposable income people have, and therefore the retail, hospitality and dwelling sectors are in the doldrums. It looked like there would be an improvement in February this year, but it dropped back down. There has been a sharp drop-off in house prices, housing starts, housing finance, retail trade and hospitality activity across the board, and that will show up in the data because there is a flaw in the government's economic narrative and policy settings.

Again, it is a flaw that I have never seen a Labor government have. I have been watching budgets for a while. Usually a Labor government comes out and freezes fees and charges excessively, but this one did the opposite. It has been praised for it by some. By the way, the people praising it are not the ones who vote for the Labor Party; they are not the ones struggling. The people who are struggling are not praising the government, and they know what is up. So we will continue to beat on.

The narrative this week from the government was, "Oh, you're the only people negative on the economy. You're just negative about everything. You're just going on and on—banging on. When blue sky is everywhere, you're seeing only clouds and rainclouds." Well, go out to Byford, Bedforddale, Baldivis and Ellenbrook and talk to people. Some Labor members represent those people. They should go out there and talk about how they are doing and how they see the future. Talk to them about how they are doing with their household finances. Ask whether they are wealthy enough or feel confident to have another child; do they feel confident enough to retire; do they feel comfortable with putting a bit aside for retirement, or maybe even going to Bali. Talk to them. We did. They will tell members opposite in large they do not, and the government is the problem. The government does not have to believe me, and it will pay the consequences. There are policies available and we will discuss them with the government.

As to GST, I am confident that as Scott Morrison, the new Prime Minister, has indicated—he is the author of the GST reform—the reform will come through. I do not know whether it will come through before the next federal election and budget; I cannot guess. The real threat here of course is Bill Shorten. Shorten has had to be dragged along all the way. He did not want to do anything for Western Australia. He liked to come over here and tie funding, but he did not want to provide any matching. Nonetheless, I think the GST reform will come through, and if it comes through as Morrison has promoted the government will get, over six or seven years, \$4.7 billion worth of additional revenue. That is the policy. That is a lot of money. It will help the government a lot. That is on top of the \$4 billion to \$6 billion the government has got from the Turnbull–Morrison government to date. That will provide the state government capacity to be a little more understanding towards struggling households. The Morrison government will not give the state government that money for it to go out and do what it has done in the past—go through Labor electorates and spend big. It wants to see that go back to not only reducing the deficit, which is paramount, but also take off some of the heat that the state government has imposed on struggling families. The federal government, after all, supposedly shares those electors and their concerns.

Mr D.J. Kelly: So you're saying the GST money should be tied?

Dr M.D. NAHAN: I am not saying anything of the sort. I am not saying anything of the sort. Listen.

Mr D.J. Kelly: Tied or untied?

Dr M.D. NAHAN: The GST is untied, mate; it is called "untied grants"—geez! The only thing that is tied is your head!

There is the capacity, if the Liberals come good—if Shorten will not, the Liberals will —

Mr A. Krsticevic: Bill Shorten won't!

Dr M.D. NAHAN: Shorten will not; the Liberals will.

Mr D.J. Kelly interjected.

Dr M.D. NAHAN: Shorten will not; we know that. He does not want to do this.

A government member: What will Bill Shorten do?

Dr M.D. NAHAN: Nothing!

I just want to finish. Another weakness of the government's strategy is that there are some real threats to the housing sector. Firstly, there is the increase in mortgage rates. Over the last week we saw three of the major four banks increase the mortgage rate significantly, taking \$30 to \$50, for the average mortgage, out of the household budget. Over the last three years, mortgage rates have declined and therefore the cost of a mortgage declined. But they are now on their way up and the reason for that is that the international cost of capital is rising. Australia borrows most of its money from offshore, and so costs to banks continue to rise. The government had a good period, but it is not going to remain. Secondly, there has been a royal commission into the banks and there was a crackdown by the Australian Prudential Regulation Authority, the Australian Securities and Investments Commission and the banks on lending. There was a crackdown on no-deposit loans. Banks require greater deposits.

They have re-evaluated and tightened up the eligibility criteria for both income and expenses, and loans are becoming more and more difficult to get. I spoke to some of the property sector today and it has had more losses of loans and gains for new properties; that is, the banks are pulling rights away from people to access capital at an unprecedented rate because the royal commission and other things are making them much more reluctant to give loans out, particularly for housing and to people struggling with their finances. There is also the third factor, which is that the housing bubble in Sydney and Melbourne is bursting. That was one of the largest housing bubbles anywhere in history and it is bursting. As a result, banks and others are getting much more conservative. In the past when the housing market peaked in Sydney and Melbourne, a lot of the investors came over here and propped up the housing market. I thought that might happen this time, but it is not. They are not coming for a variety of reasons. Putting those factors together, there is going to be substantial pressure on banks not to lend, or to be more careful lending, and to tighten up rates and eligibility. In other words—it is not the government's fault; this is just happening—there is going to be higher pressure on households and the dwelling sector because of mortgage costs and eligibility. That is the story. Here we have a Labor government hitting battlers like never before, believing in trickle-down economics and undermining the household sector. Keep it up!

MR D.C. NALDER (Bateman) [4.53 pm]: I rise to support this important motion —

That this house condemns the McGowan government's crippling cost-of-living increases on struggling Western Australian households at a time of stagnant wages and for its failure to lower electricity prices through introducing retail competition and for using the Water Corporation as a taxing mechanism.

What a great subject and topic for us to discuss. Firstly, I would like to outline the economic circumstances that struggling Western Australians find themselves in so that we can understand the damage that the McGowan government's massive cost-of-living increases are having on struggling families. At the outset, I would like to refer a little bit to what this government is doing. For nearly 18 months we have seen the government blame everything on the previous administration—all the woes it goes on about are the result of the previous administration. The government is flat out taking credit for opening infrastructure projects that were established and initiated by the previous administration, but anything that goes wrong is a result of the previous administration. The reality is that the previous administration was not perfect and the public elected to remove it. There are a couple of areas in the economy in which it could be rightly said that the previous government did not put enough aside for a really rainy day—that is, the sudden collapse of iron ore prices and the impact on royalties. We may not have responded quickly or strongly enough to the downturn in the economy, and we got punished for it.

But let me make sure that people understand clearly that we did not put up household charges to what we had in the forward estimates because we knew that households were hurting. We had electricity price increases in the forward estimates of seven per cent, but we were keeping them below four per cent. Although they were in the forward estimates at seven per cent, when we got to the next budget, we said that the economy could not handle that at that point in time. We made that call, because we believed it was the right thing to do for families out there struggling with household charges. It is interesting that when the current government blames things on the previous administration, it says that it is all to do with the debt it inherited. All the government's actions, all the pain it is causing the community, is because of the debt it inherited. The government says that the debt it inherited was \$40 billion, yet the audited accounts as at 30 June 2017 show that net debt was at \$31.96 billion, not \$40 billion.

Mr D.R. Michael: Even if you're right, do you not see the problem in that?

Mr D.C. NALDER: Let me finish this, because then they will understand.

The ACTING SPEAKER (Mr T.J. Healy): Member, do you seek to take interjections or seek the protection of the Chair?

Mr D.C. NALDER: No, I am not taking interjections; I seek your support.

The ACTING SPEAKER: Members, please allow the dignified member to continue his comments.

Mr D.C. NALDER: At 30 June 2017, debt was \$31.96 billion, yet the government says it inherited \$40 billion in debt and used forward estimates from Treasury as the basis for the figure of \$40 billion. But the mistake the government made is that it did not use the last Treasury estimates established in the previous government's administration. The very last forward estimates from Treasury said that if a Liberal government had been returned, the net debt by the end of the term would be \$28.8 billion, not \$40 billion, because we saw the need to be responsible. We went to an election and we did not make the promises that this current government made. It made \$5 billion in unfunded election commitments. As the former government, we admit that we did not leave enough there for a rainy day, but we knew that we could not go to an election and make that level of unfunded commitments—\$5 billion worth! That is what is driving the debt growth right now. These commitments that the government now needs to uphold are driving debt growth from \$31.96 billion, and by the end of this financial year, the figure will be \$39 billion.

What does the government have to do to try to balance the books and account for this expenditure? It is fascinating that today we heard a conflicting story from the Treasurer from what he said yesterday. Yesterday, he said there

was economic growth and, yes, government expenditure, and that is what the government needed to do for the economy to recover. He said, “We are proud of it.” Today, he said the government is keeping expenditure right down because it understands the importance of that. That is a conflicting argument. I sat there going, “Far out; I cannot believe he has argued the opposite position within 24 hours.” We have a government that while in opposition complained for years about the previous administration growing debt, yet in 18 months it has continued to grow debt unabated because it made large, outlandish promises to the community that could not be justified or substantiated. Guess what. The Labor Party would not submit them to Treasury for costing analysis. So, no, debt was not going to be \$40 billion. If the government wants to use forward estimates, it should use the last forward estimates put out by Treasury. Will the government do that? No, it will not. Government members sit there trying to justify these increases they are putting on families on the basis of the debt they inherited from the former administration, but the reality is it is to pay for the unfunded election commitments they made—\$5 billion worth. That is really the basis of the issue that this government has.

The second point I would like to make is that the Premier made a promise to the people of WA about a plan for jobs. It was interesting today to hear the Premier get to his feet and talk about manufacturing railcars in Western Australia and then blame the previous administration because previously only two per cent of railcars were completed in Western Australia. This government introduced legislation at the start of this year for the plan for WA jobs. That legislation basically says that anything done in any other state in Australia or in New Zealand is considered to be done in WA. We cannot discriminate against other states, yet these railcars were manufactured in Queensland. Under the government’s legislation for WA jobs, these railcars were 100 per cent manufactured in WA. It seems a little hypocritical that the Premier would talk about the percentage of railcars when the legislation he brought in says that the government cannot discriminate against Queensland.

What is really fascinating is what has happened with employment and jobs since Labor has come to government. The Premier has clearly failed with his so-called plan for jobs. The Australian Bureau of Statistics highlights that the unemployment rate in the first month of the McGowan government was 5.8 per cent on a trend basis, while the latest labour force data shows that unemployment is now 6.1 per cent on a trend basis. Let me repeat that: the unemployment rate is now higher than it was at the time of the election and more people are looking for work after 18 months of the McGowan government. So much for a plan for jobs! Given that the rate of unemployment is increasing, it is not surprising that there has been little or no wage growth, despite household costs going up. In fact, WA Treasury shows that Western Australia had the lowest rate of wage growth of any state in the country for the 12 months to June 2018. This is putting extreme pressure on family household budgets. This is what has been fascinating about this government. We have the so-called economic guru as the Treasurer of Western Australia. He will sit there and talk about what he is doing, how the government has turned the economy around and what it has done to fix the economy, but we all know that the mining sector is making a major contribution to any recovery in the Western Australian economy. We in this place know that that is in spite of the Minister for Mines and Petroleum, who is probably the worst mines minister this state has ever experienced. He has tried to load additional taxes on the gold sector, he has shut down any onshore exploration, he has established the fourteenth inquiry into fracturing and he has shut down the possibility of extracting uranium from Western Australia. This guy is not there to support the mining industry, yet, in spite of this, the mining sector is recovering. It is being helped by iron ore and gold exploration. Thank goodness we stood in the way of the additional gold royalty. Thank goodness we stood up for that sector and, with the support of the crossbenchers in the upper house, we were able to stop that. Goodness gracious me, after promising the community that there would be no new taxes and no tax increases, some of the first things the government has done is introduce new taxes and increase taxes, and then it blames it on the debt that it inherited, which I just proved is factually incorrect.

Here we go. The plan for jobs is not delivering for Western Australia and, as a result, we are seeing very low real wage growth. Let us look at that real wage growth and at what is happening in households at this time. According to the recently released Real Estate Institute of Australia “Housing Affordability Report” for the June quarter 2018, Western Australians spent 23.9 per cent of family income on home loan repayments. That is a significant deterioration from previous quarters. That is creating enormous stress. The same report found that the number of first home buyers has plummeted by 9.2 per cent over the past year. But it is not just the Real Estate Institute of Australia; Digital Finance Analytics has found that 134 333 households in Western Australia are in mortgage stress, up from 132 000 last month. Month on month, we are seeing growth in mortgage stress. We have seen large increases in household costs in an environment of low wage growth. There are claims by the government that it is trying to fix the finances, yet the reality is that it is trying to fund its own election commitments.

I will now turn to household prices and what the government has done in this space. It is to do with the rising electricity prices. Members of the house may remember the Premier’s political grandstanding prior to the 2017 election when he described a three per cent increase in electricity prices by the previous administration as mean spirited. What did the Premier do after being elected? He ramped up electricity bills by 10.9 per cent in the first budget—10.9 per cent!

Mr W.R. Marmion: So if three per cent was mean spirited, what is that?

Mr D.C. NALDER: Exactly, member for Nedlands. If three per cent was mean spirited, I do not know how we would define 10.9 per cent. If that was not bad enough, a further seven per cent was added to electricity prices in the next budget—less than 12 months later. Yes, the increase was applied on 1 July in each year. In 12 months, we saw electricity price increases in the vicinity of 19 per cent. I have just talked about the fact that there has been low real wage growth. It is less than one per cent. Inflation is running at about one per cent and real wage growth is running at less than one per cent. That is eating into discretionary expenditure from households. That is really hurting families. That is driving additional mortgage stress. And this government is causing it. We have seen a total increase of \$289 a year, or \$1 150 over the next four years, in electricity prices alone. However, it is the Treasurer; Minister for Energy who has really hurt the struggling families in Western Australia. He constructed the so-called re-balancing of electricity tariffs that have forced households to carry the burden of the government's \$5 billion in un-costed and unfunded election commitments. What is truly disgraceful is that the Liberal opposition uncovered through freedom of information requests that the Treasurer was briefed on the disproportionate impact of increases in the electricity fixed charge on small electricity consumers, particularly single pensioners and other vulnerable Western Australians. We know that advice was given to the Treasurer, but the way he increased electricity prices meant that single pensioners saw increases of up to 30 per cent. The modelling highlighted this callous nature. As I said, single pensioners saw increases of 30 per cent in electricity prices. This goes to the very nature of this Treasurer and this government; they target those who can least afford it.

Further to targeting the most vulnerable in our community with massive cost-of-living increases, the government has refused to provide any relief in household bills when provided with the opportunity. It blamed the people who turned to the government for support to help meet their charges. It removed that system. It stated that it believed that too many people were rorting the system, so it shut it down. It put a moratorium on it for six months and put those people on repayment plans. We no longer have accurate data on the number of people who are seeking the support of the state government to meet their basic household bills. That is terrible.

It is not just single pensioners who are now experiencing these exorbitant increases in electricity prices. In the last two weeks, small businesses have approached me and shown me their new bills. Small businesses across Western Australia that are low energy users have seen increases in their electricity bills of 200 to 300 per cent in the last 12 months. I have copies of their bills.

That is really attacking vulnerable people in the community. As a Labor government, I am surprised by what it has been doing.

Not only is the government targeting the most vulnerable in our community with massive cost-of-living increases; it is refusing to provide any relief. One way it could do that is by opening up the retailing of electricity to competition. It is fascinating that the Minister for Energy; Treasurer has stated publicly that he wants to open up the north west interconnected system in the Pilbara to competition because it will drive down energy prices, and that that will be good for consumers. Despite the situation in the economy, there has been a ramp-up of electricity that has achieved cost reflectivity in a very quick space of time. That has been achieved despite the current economic circumstances. It has been ramped up to achieve cost reflectivity.

[Member's time extended.]

Mr D.C. NALDER: The Treasurer is refusing to open up the south west interconnected system to competition, despite saying that that will be very good for consumers in the north west because it will drive down prices; apparently that cannot be any good for the people in the SWIS. The question has to be asked: why? If mum-and-dad consumers are being burdened with massive pain that is being inflicted by the government to pay for its unfunded election commitments, as I have described, at least they deserve to enjoy the benefits. We are seeing that in gas prices. We are seeing 35 per cent and 40 per cent reductions in gas prices as a result of that market being opened up to competition. Why is the Treasurer not allowing competition in electricity, especially given that he fully supports it in the NWIS? I am interested to understand whether those opposite believe mums and dads should be able to shop around for their electricity. I would like members opposite to respond to that. There is absolute silence.

Mr C.J. Tallentire: Why didn't you create that? You had eight years to create contestability in electricity.

Mr D.C. NALDER: Member, we had to get back to cost reflectivity. We were putting it on a sliding scale. We slowed it down because of the state of the economy. This government has ramped it up; it has achieved cost reflectivity. It is there now, yet it will not open it up. The member walked into that one.

The truth is that the unions that benefit from the lack of competition—namely, the Electrical Trades Union, the Australian Services Union and the Australian Manufacturing Workers' Union—are opposed to this move. They want to maintain control of the state-owned energy corporation so they can protect their sweetheart deals. In fact, AMWU secretary, Steve McCartney, has publicly berated and undermined the Minister for Energy. An article by Daniel Mercer in *The West Australian* dated 28 June 2017 states —

“Australian Manufacturing Workers Union secretary Steve McCartney issued a scathing press release complaining that consumers getting to choose where they bought their electricity was Liberal policy and suggested Wyatt was “in the wrong party”.

Any moves to slim Synergy down to a fighting weight against the private sector would result in unacceptable job cuts, he said.

The government has gone scared on this. It is being influenced and controlled by the union and it will not allow the people of Western Australia a choice, yet it wants to do that in the Pilbara in the NWIS and it is good for people. I still do not get how it can be good for one and not the other.

If Western Australian people want to see downward pressure on electricity prices, they will need to vote and really think about this at the next election, because we are committed to opening up electricity prices to competition. Under our policy, Synergy will not be privatised but opened up to competition so that mum and dads have choice. I think that is a critical difference between the government and the opposition. Importantly, we will also ensure that a safety net will be in place and no consumers will be worse off.

To summarise, the people of Western Australia are being slugged with massive cost-of-living increases to pay for \$5 billion worth of un-costed and unfunded election commitments. That is placing a huge amount of stress on struggling families. It is also taking discretionary expenditure out of the economy and hurting jobs and small businesses. The government's response to those \$700 worth of cost-of-living increases is to forecast an additional \$500 increases. It refuses to open up the electricity sector to choice for customers. Why? It is simply to protect their union mates. This goes to the heart and integrity of the Treasurer and the Labor Party. They are happy to inflict pain on struggling households to pay for their spin and to line the pockets of their union mates.

MRS A.K. HAYDEN (Darling Range) [5.15 pm]: I rise to support this motion. As I am sure everyone on this side of the house knows, cost of living is the baseline for any successful community.

Ms J. Farrer: Both sides of the house.

Mrs A.K. HAYDEN: I cannot speak for the other side; I can speak only for my side.

Ms A. Sanderson interjected.

The ACTING SPEAKER (Mr R.S. Love): Go ahead, member.

Mrs A.K. HAYDEN: Cost of living is the baseline for any successful community. It is not a hard thing to wrap our heads around. When households are doing well, when households have money coming through the door, people are able to leave their homes, visit small businesses down the street, have coffee, spend money in retail, and take their kids to the movies and water parks. They can go to restaurants and the zoo. They can spend their weekends out enjoying our beautiful state. They can actually start contributing to the economy. When they are contributing to the economy and money is going into businesses and restaurants, those businesses start to flourish. They then start to increase wages and start to increase jobs. What happens after that? Mums and dads have more money in their pockets. They then go home and they spend that money again.

Ms A. Sanderson interjected.

Mrs A.K. HAYDEN: I have this awful noise coming from the other side, Mr Acting Speaker. I ask for no interjections.

The ACTING SPEAKER: If members would like to have a say, they have the opportunity to get up and talk later. We are listening to the member for Darling Range.

Ms J. Farrer: Will she take interjections?

The ACTING SPEAKER: She is indicating that she does not want to take any interjections at this point. I just ask that you let her get on with her speech.

Mrs A.K. HAYDEN: As I said, when families are doing well, money is spent in the community, the community does well, jobs are created, and so the cycle goes. That is how we grow a strong community. However, when the opposite applies, when household bills and cost of living goes through the roof —

Ms A. Sanderson interjected.

The ACTING SPEAKER: Member!

Mrs A.K. HAYDEN: — mums and dads cannot afford to pay their power or water bills, they cannot afford to take their kids out for the day.

Ms J. Farrer interjected.

The ACTING SPEAKER: Member for Kimberley, I might be the first Acting Speaker to actually call you in the house.

Mrs A.K. HAYDEN: When this happens and families are struggling, they cannot go out and have that coffee, they cannot take their kids to the movies, and the businesses along the street do not do well. They then have to reduce the hours of staff and lay staff off. Some businesses may close. I have to tell members that in Byford many businesses have shut. Offices and businesses along the main street of Byford are empty and they have been sitting empty for a very long time.

Ms A. Sanderson interjected.

Mrs A.K. HAYDEN: I think someone had a lemon for lunch. I hope she is going to come to order in a moment. When businesses are struggling they cannot employ people and they cannot increase wages; they have to shut their doors and the cycle goes the other way.

Ms A. Sanderson interjected.

The ACTING SPEAKER: Member for Morley. Go ahead, member for Darling Range. They are on their final warning over there.

Mrs A.K. HAYDEN: The cost of living becomes unaffordable and then we have a community that is not doing well. We do not have a successful community. That is where we are right now. During the Darling Range by-election, that was the number one issue brought to the attention of anyone who stood still long enough to listen. All the people of Darling Range wanted was someone to listen. Unfortunately, they are not being listened to by the government of the day. They certainly are not being listened to by their member.

Ms A. Sanderson interjected.

The SPEAKER: Member for Morley, I call you for the first time.

Mrs A.K. HAYDEN: By simply listening, I soon learnt that the biggest issue was the price increases in water, power, car registration and rates. The government did not understand that it would be judged so quickly after implementing these increases in its first 12 months. After only its first 12 months, this Labor government crippled families and older Australians around the state. It increased household budgets by more than \$700 a year.

Ms A. Sanderson interjected.

Mrs A.K. HAYDEN: The member might learn something!

It also expects \$500 to come over the forward years. As if \$700 was not enough, the government is now squeezing every last penny out of the wallets and purses of every struggling household to make sure it can get all the money it can. I do not know where it is putting it, because it is not paying down debt. It is obviously sending it towards its \$5 billion election promises, but not the ones in Darling Range. I will return to that a bit later.

In 2017–18, household fees and charges increased by \$438.39. In 2018–19, there was another increase of \$292.07. To put that into perspective for members, in 2017–18 electricity prices increased by 10.9 per cent. Twelve months later, “Let’s whack ’em again”: a seven per cent increase. Turning to the forward estimates, members need to remember that these are estimates, so they are the minimum by which prices will increase; I am guessing that they will go a lot higher. In 2019–20, it is 5.6 per cent, and in 2020–21, 1.8 per cent, for electricity alone. The McGowan government has increased power bills to household bills by 25.3 per cent in its first four years of government. That is going to be its legacy.

I am sure everyone on this side remembers the Western Power campaign at the 2017 election—men and women in their black T-shirts, scaring voters as they walked into polling booths. They were saying, “Vote Liberal and your power prices will go up. Vote for Labor and your power prices will be safe. Vote for Liberal, your power prices will go up. Vote for Labor and we will protect you on power prices.” Please. If a 25.3 per cent increase is protection, I am glad the government thought it was going to stand up for people, because imagine if it had not. A 25.3 —

Ms A. Sanderson interjected.

Mrs A.K. HAYDEN: Go and have another lemon, please.

Ms A. Sanderson: How sophisticated!

Mrs A.K. HAYDEN: Are you not.

A 25.3 per cent increase is the government’s demonstration of protecting the community of WA with Western Power. But wait, there is more. Water increases in 2017–18 were six per cent. In 2018–19, 5.5 per cent. Over the forward estimates—minimum, can go higher—2.5 per cent in 2019–20 and 2.5 per cent again in 2020–21. That is a total 16.5 per cent increase over the next four years on household water bills.

I turn now to car registrations. We have all sat in this place and heard over the last couple of days how people are saying that WA has a sprawling metropolitan area. Well, for a sprawling metropolitan area, people need cars. They need to be able to drive their kids to school and to sport, they need to go to work to be able to afford all these power and water bills, and they need to drive home, so let us hit them on their car registration as well. That is this heartless government: “We’ll hit them again with a 5.7 per cent increase in the 2017–18 financial year. In 2018–19, we’ll hit them again with a 5.8 per cent increase. In 2019–20, two per cent; in 2020–21, 2.5 per cent.” That is a total increase of 16 per cent on car registration. On those three services alone—electricity, water and car registration—the government over four years plans to hit WA households with an increase of 57.8 per cent. That is not affordable. That does not support a growing and successful community.

Ms A. Sanderson: It is a long drive from Bayswater to Byford, I’ll give you that.

Mrs A.K. HAYDEN: It is more lemon again.

That is not a way to support the community, especially when it is WA families that the government is meant to be protecting. We are here to make sure the economy goes around and that the people who live in our state are protected and able to enjoy their way of life. We live in a First World country, and we deserve to have water to our door, but not to pay through the roof.

While I am on the subject of water, I refer to an opinion piece by Daniel Mercer that appeared in *The West Australian* on 13 March 2018, titled “Water Corporation customers being milked to fix the State Budget”. The article states —

McGowan effectively admitted the Government was using the Water Corp as a cash cow.

I would like to quote further from the article. It states —

When asked whether Perth households were paying too much for water, McGowan, as he often does, answered as if a different question had been posed.

That actually sounds a bit familiar. I have been to only a couple of question times in this house, but every question that is thrown across to the Premier is answered as if it were a different question. I do not know what he hears, but it is not the question asked, because he gives a completely different answer. If he is asked a serious question on Moora Residential College or education cuts, he finds a joke and a laugh and answers on something completely different, so I can see where Mr Mercer is coming from. He is asked a question, but he answers as if a completely different question has been put.

The article continues, quoting the Premier —

“The Water Corporation

...

“It’s one of the important sources of income for the State and whilst, of course, I’d like everyone to pay a lot less for water

...

“You need to get revenue from somewhere ...

Great. So the Premier needs to get revenue from somewhere, and in his opinion the Water Corporation is the answer, hence the line —

McGowan effectively admitted the Government was using the Water Corp as a cash cow.

Let us just have a look at that. The boss of the Water Corporation, Sue Murphy, is also referred to in the article. It states —

Only a few days earlier, Murphy had told a parliamentary estimates hearing that the “gist” of a report by WA’s economic watchdog finding that the utility was over-recovering on water bills was correct.

According to the Economic Regulation Authority, Perth households will pay almost \$340 million more than needed in 2018–19 for water, wastewater and drainage services.

Specifically, the ERA found water charges were slightly below what it cost the Water Corp to provide the service, but drainage prices were marginally higher and sewerage charges were a whopping 42 per cent above costs. All up, the regulator said overhauling water charges to bring them into line with the Water Corp’s underlying costs would save Perth households about \$400 a year.

Just to explain that, this government is charging WA households \$340 million more, through Water Corp alone, than is actually needed for 2018–19. The regulator is saying that people could save about \$400 a year if the government pulled this back into line. Not many members in this house would like to knock on their constituents’ doors to tell them they have been hit \$340 million more than is needed. I am going to go and buy a car; it is worth \$20 000, but the guy needs more money, so he is going to charge me \$100 000. Am I going to accept that? Absolutely not. Why are we accepting the government charging \$340 million more than it costs to deliver water to people’s front doors? That is what this government is actually doing.

Another article by Joe Spagnolo on 27 May 2018, prior to the increases everyone was hit with on 1 July, highlights that WA households owe more than \$120 million in overdue electricity and water bills. Before the increase on 1 July, WA households were already \$120 million in debt and could not afford to pay their water and electricity bills. In April–May 2018 almost 150 000 Synergy customers were in arrears, owing \$6 million. Over 4 700 homes had their power disconnected. How many homes have to have their power disconnected? How many utility bills are people not paying because they simply cannot afford it? If households already have a debt of \$120 million and 150 000 customers were in arrears back in May 2018, how many more have to go into arrears for this government to start listening? WA households simply cannot afford these increases. Keep increasing them, but will people be able to pay? Then what will happen? We will be in a very scary place if this government does not start listening to the impact that these increases are having.

The biggest issue is that the money being raised will not pay down debt. It will pay for election promises—the \$5 billion election promises—to pork-barrel the seats they wish to save. The people of Darling Range have not seen any of those election promises delivered. They would like to know where the money for Tonkin Highway is—the 50–50 agreement signed by the Premier with the federal government. This government has received the federal money. Where is the state money? It is nowhere to be seen. The Minister for Transport talked about Byford rail and how proud she is of it. “I am delighted to welcome the Byford rail into the electorate.” Again, no money has been set aside for the Byford rail. These increased fees are not going towards paying down debt but towards pork-barrelling the seats Labor needs to hold onto because it knows it will have a very bad result at the next election if it continues this way.

The Premier and the Minister for Water thought they were being very clever with this Robin Hood scheme with water bills. I can tell members that it is not the wealthy suburbs that are being hit with increased water bills; it is suburbs like Ellenbrook. I am sure the member for Swan Hills does not want to knock on the doors of her 610 homes which are being hit with a 500 000 kilolitre water bill. I am positive the member for Forrestfield does not want to knock on the doors of his 217 homes either. I certainly do not want to knock on the doors of the 500 homes in Byford, telling them they will be hit with extra water fees because they have used over 500 000 kilolitres of water. People have come through my door showing me their bills with the increases. Water bills are not affecting wealthy suburbs; they are affecting outer regional suburbs.

I am asking this government to think long and hard and look at the result of the by-election and to listen to its constituents and its people. They simply cannot afford this government. I support this motion before the house.

MR B.S. WYATT (Victoria Park — Treasurer) [5.33 pm]: I rise to deal again with some of the issues in motions that the same private members seem to move each week. That is all right; we will provide the same response to that dour, grim performance by members of the opposition. I remind everybody in this house by starting with a quote from Hon Dr Steve Thomas, a Liberal member of the upper house, when he spoke on ABC Radio on 21 February this year. He said —

I apologise to the people of the South West, for the financial outcomes that they’ve been left with. It’s probably multi-generational debt that’ll have to be paid back by our children and grandchildren.

I get that nobody on that side of the house likes me to talk about the previous government’s record and the legacy it has left. I get that the member for Bateman, shadow Treasurer, gets grumpy when we talk about his \$40 billion debt and record operating deficits. I get that the Leader of the Opposition does not like us reflecting on his record while he was on this side of the house as Minister for Energy and Treasurer, but I have to do it every single day. As I said when I sat over there, the legacy of the Liberal–National government will be felt for about three terms. I will remind it of that day after day.

Mr W.R. Marmion: Remind us what we should have spent our money on.

Mr B.S. WYATT: Thank you; at least the member for Nedlands is owning the \$40 billion debt. I remind members of that. At least one thing the member for Bateman said that was vaguely coherent and correct was this: “We didn’t leave enough there for a rainy day.” That is the smartest thing the member for Bateman has said in the 18 months he has sat on that side of the house. That is exactly right. Now I am confronted by this hypocrisy from the other side about things we should be doing that members opposite never did when they were in government—things that actually cost a lot of money, but because Mr Nalder did not leave enough for a rainy day, it makes it very difficult to do. That is why at least Hon Dr Steve Thomas had the integrity to apologise for the performance of the former government.

I want to deal with a couple of things. Ultimately, the issue of the performance of the economy is frustrating the opposition. It is frustrated that the economy is getting better than it was when members opposite were in government. Yes, there are points of stress; there is no doubt about that. Interestingly, this motion has come on today, the same day a page 3 story in *The West Australian* appeared, which states in part —

Forecasters Deloitte Access Economics ... predicts WA will have the strongest retail sector of any State over the next five years.

Dr D.J. Honey: Where is it now?

Mr B.S. WYATT: That is a great point. That is exactly right; there are points of stress. But things are getting better than they were when we came to government. We came into government as the first government in WA’s history to find WA in recession. That has never happened before. A new government was elected and the WA economy was in recession. That is what we had.

Mr A. Krsticevic: What about the global financial crisis when we were elected in 2008?

Mr B.S. WYATT: Yes, but guess what? Even with the GFC, WA did not go into recession. It took the special effort of the Liberal–National Party to drive the state into recession. That is why—I have made the point in here —

Mr A. Krsticevic interjected.

The ACTING SPEAKER: Member for Carine!

Mr B.S. WYATT: That is why, when businesses were asked about —
Several members interjected.

The ACTING SPEAKER: Quiet please; we will listen to the Treasurer in silence.

Mr B.S. WYATT: That is why, when businesses were asked about their confidence in the dying days of the former government, the confidence data made the point that businesses preferred a global financial crisis to the Liberal–National government, because even during the GFC, the state did not fall into recession. It took the special efforts of the Liberal–National government to push the WA economy into recession. That is what it did—no GFC, because in WA, the GFC came through better than anyone expected, I think.

Even the Leader of the Opposition, whose speech has become an incoherent grab bag of words, as opposed to a proper speech, made the point that business investment is still declining. Yesterday I made the point that for the first time since September 2013, business investment is growing. Yes, I get that it is at a very small rate, but it is the first time we have seen business investment increase since December 2013. Why is that important? It is important because business investment, which was declining at 32 per cent when I became Treasurer during the Liberal–National recession, is now growing again. It was that decline that drove economic contraction in 2016–17. The Leader of the Opposition—a former Treasurer, no less—comes in and says it is still declining. The guy lives in fantasy land and says anything to get through the 10 minutes before him.

In the past two quarters, since September 2013, average state final demand has been growing for the first time. I make the point again: over the last two years of the previous government, it declined by 11 per cent and stripped \$6.5 billion from the economy. That is what the former government left us. During the Leader of the Opposition's time as Treasurer, at no point did the domestic economy grow. It declined during his entire time as Treasurer and he has the audacity to stand here and make incoherent grab words about how things should be. I made this point a second ago: the Chamber of Commerce and Industry of Western Australia measure was at a seven-year high. When businesses were asked, "Do you prefer a Liberal government or a global financial crisis?" they said, "We prefer a global financial crisis." That is what they said. Consumer confidence is at a four-year high. The same CCI confidence index had increased by about 20 per cent, admittedly off very low lows of the former government.

I have already made some comments about business investment. Employment growth: our average annual employment growth is two per cent. Since we came to government, about 35 000 Western Australians have found a job. When I became Treasurer, job growth was negative. Jobs were being lost. Job vacancies: Western Australia has the highest number of job vacancies in the nation, growing again off a low base. WA always has had—or for a long time—the highest participation rate in the country. It continues to do so. Our underemployment rate is declining. It peaked under the former government at 10.6 per cent. We are now down to about 9.5 per cent, going the right way. Full-time employment: annual average growth full-time employment is at 1.5 per cent. When I became Treasurer, that was declining by four per cent. I was making this point the other week in Parliament: since we came to government, female employment figures have grown four times faster than male employment figures. Building approvals: the trend rate for total dwellings is now growing again—1.8 per cent. There were strong falls during the previous government. Yes, those falls continued after we came to government but they are now growing again.

Mineral exploration: the Minister for Mines and Petroleum made the point in question time yesterday about perhaps the strongest purity mineral exploration in the state's history. These are the facts. These facts are awkward for the Liberal–National opposition because it makes the point that when I became Treasurer, Western Australia was in recession. The number of full-time jobs was declining. The economy was shrinking. Business investment was still tanking. Jobs were being shed, both full-time and part-time. All of those datasets are now positive. Rather than the dour performance we get from the opposition, I suggest it start getting behind the state economy because it created the mess that we are trying very, very hard to emerge from. Honestly!

I want to deal with a few points on fees and charges simply because, again, the opposition seems to think they all arrived in this place yesterday and have no record or point of comparison that we can refer to. I want to make this point: there has been no change to the way the Water Corporation operates. There has been no change to the Water Corporation, either in its economic model—that is what the minister was talking about in question time today; it still runs just under cost recovery—or in the way money moves around the budget. There has been no change since we came to government. The opposition now says, "It's a cash cow and you've got to change everything." That is despite the fact that the former Liberal–National government took \$6 415 613 000 out of that cash cow. I will say that figure again: \$6 415 613 000. That cash cow was pillaged by the former government well before we came here. That was on the back of water price rises of 9.7 per cent, 6.7 per cent, 11 per cent, 9.7 per cent, 7.3 per cent, six per cent, 5.2 per cent, 4.5 per cent and 4.5 per cent. We came into government and actually lowered the forward estimates increases in water bills that we had inherited in the budget. The Liberal Party comes in here and critiques that!

The opposition wants to adopt the position articulated by the Economic Regulation Authority. I am looking forward to this particular campaign. That will mean this, my regional MP colleagues: every regional recipient of that concession—that is the concession that sees metropolitan water bills subsidise regional water bills—will see an increase in their water bill. The member for Cottesloe and others in the opposition want to abolish this. They want to get rid of this. That means for every recipient in regional WA—not every household—an average increase in their water bill of \$1 246 a year. When a Liberal–National government comes back in to power, it will have to find about \$1.3 billion in extra revenue from those regional bills. That is about \$1 200 for every Western Australian living in regional Western Australia. That is the impact of what they are trying to do. As I said, we have not changed a thing. We operate as we do, and the Minister for Water will no doubt get his opportunity to make some comments about that.

I was intrigued. I wanted to hear from the former energy minister, the Leader of the Opposition, and the shadow energy minister about this commitment to full retail contestability. I wanted to hear the detail of their policy. What is interesting is that there is no detail. It seems that there is a complete misunderstanding of the gas market and the electricity market. It is complicated and technical, but as a former energy minister, I would have thought the Leader of the Opposition would understand this. He got up and said, “There have been 30 per cent discounts in gas; therefore, electricity bills will come down by 30 per cent—\$600 a household.” I have to say that I have heard some pretty inane economic analysis in my time, but for a former Treasurer, that is perhaps the most dangerous comment I have heard in this place, and Western Australian households should be worried about that. I pose the question hypothetically: why have gas prices come down?

Ms J.J. Shaw interjected.

Mr B.S. WYATT: Wholesale gas prices—exactly. Wholesale gas prices in Perth went down about \$10.10 a gigajoule in 2015 to \$6.97 a gigajoule in 2017—a 31 per cent decrease—and guess what? Aided by our domestic gas reservation policy, that will flow through to those retail prices. We had a former energy minister, the Leader of the Opposition, get up and say, “If we have retail contestability, you’ll have a 30 per cent decrease in your electricity bill.” That is despite the fact that the retail component of our electricity bill is about seven per cent of the total bill. Somehow the Leader of the Opposition is taking out that seven per cent of the cost stack of the electricity bill and saying that we will end up with a 30 per cent decrease in our bill. It suggests to me that the former Minister for Energy, the Leader of the Opposition, had not a dot of understanding about what he was doing when he was in Energy.

Mr W.J. Johnston: It’s probably right.

Mr B.S. WYATT: And it is probably right. That is, thankfully, rather like the Praetorian Guard trying to protect America from American Presidents. I suspect there were public servants trying to protect Western Australians from the then energy minister, the now Leader of the Opposition! During their time in government, did they make one decision to make contestability easier to achieve? Did they seek to address the network cost—the single largest component of our electricity bill? No. They did not modernise or reform the operating model of Western Power. Did they seek to open up the north west interconnected system to third party access? No. Indeed, the Leader of the Opposition, when he was Minister for Energy, said to Alinta, “Don’t apply for coverage under the electricity access code, and I’ll make sure Horizon gives you that access.” In the end he did not deliver. So, unsurprisingly, Alinta went off and applied, disgruntled with the former minister.

But one thing the former government did was re-merge Synergy and Verve. I want to remind members here of what people said about that at the time.

Mr W.J. Johnston: Including the Minister for Energy.

Mr B.S. WYATT: Including the then Minister for Energy. I will quote from a couple of media articles. This is from the ABC online news of 6 October 2014; it shows a picture of the now Leader of the Opposition out there defending the re-merger. The article reads —

In a submission to a review of the electricity sector, Synergy said the separation —

Keeping the separation of generation–retail —

was needed to introduce competition to the market.

“Synergy supports the creation of greater competition in the WEM ... and acknowledges the structural separation of its business is the only realistic way to achieve this in a timely manner,” the Synergy submission said.

“The separation of Synergy into multiple competing generators is essential for competition to be effective, while the options for Synergy’s retail business being kept together or split warrants further consideration and debate.”

I was interested because when the member for Bateman was reading something out he said the policy position of the opposition is not to sell Synergy, but to open up competition. There will be a cost implication to this policy—make no mistake. I will come back to the Parliament about that.

Other comments were made in respect of the re-merger of Synergy and Verve. I will quote the then chief executive officer, Reg Howard-Smith, from the Chamber of Minerals and Energy's media statement in response. The statement reads —

“Merging Verve and Synergy will be a retrograde step in the market reform process ...

“CME believes a competitive energy market will best serve the community, allocating resources efficiently, delivering lower costs over time and supporting jobs and growth,” said Mr Howard-Smith.

Every single group associated with the energy sector opposed the re-merger of Synergy and Verve. Members, if there was now a move to split them, which governments can do—creating gentailers or whatever they want to do—the costs would be in the tens of millions of dollars. That is the reality of the beast the former government created when it moved down that anti-competitive space by re-merging Synergy and Verve.

The one thing that highlights the fact that clearly neither the member for Bateman nor the former energy minister—the now Leader of the Opposition—have given any thought to on this policy position—not just that wonderful piece of economic analysis articulated by the Leader of the Opposition—is the fact that neither one of them mentioned the Australian Competition and Consumer Commission report into retail competition; neither one. Minister for Mines and Petroleum, you have been around this place longer than me: I would say that is probably the most significant report on retail competition in the electricity market in, what, 10 years?

Mr W.J. Johnston: Yes —

Mr B.S. WYATT: Actually, since it opened up on the east coast.

Mr W.J. Johnston: Absolutely.

Mr B.S. WYATT: Here it is. It is a good piece of work. I am pretty sure, or hopefully—the Leader of the Opposition just goes off to all sorts of crazy places these days—not many people would dispute the source; the ACCC is a credible organisation. I encourage members who are here and those listening to flick to page—they do not have to read it all; they can just get to the bits that might be relevant to this conversation—134, which is about retail competition. A minute ago I made the point, in respect of the cost-stacking in Western Australia, that about 7.7 per cent of the total of our bill is retail costs. The retail operating costs are 4.3 per cent, and the retail margin is about 3.4 per cent. The ACCC found that despite the fact that WA has not had full retail contestability, it has the lowest retail margin in the country. That is why, when we flick to page 134 of the ACCC report, it makes the point that of the retail component of the supply chain about 16 per cent is dominated by retail, as opposed to 7.7 per cent for us.

Western Australia has the lowest retail margins. Indeed, we can look to places like Victoria that have had competition in the retail space the longest time of all the states in the nation. The ACCC report on electricity prices around Australia found that WA has the lowest retail margins, and we are about one-third of the rate of Victoria. Think about that for a minute. Our retail margins are one-third of the rate of the place with the most experience in retail competition. The ACCC made a clear finding in this good report that retail competition has delivered neither innovation in product nor price decline. It has not delivered either of them. Although it is not part of the national electricity market, this is the one place that has had lower-than-average actual prices, and the lowest retail margin. That is important, and people should not ignore it.

The member for Bateman made the point that I am a supporter of, and believer in, competition, but when regulated markets move into a competitive space generally, as the ACCC highlighted, by way of public organisations—effectively public electricity utilities—being sold, or parts thereof, no state got this right. Not one. South Australia, Victoria and New South Wales got it badly wrong. Who paid the price for that?

Mr W.J. Johnston: Mums and dads.

Mr B.S. WYATT: Mums and dads at home.

With our retail margin the lowest, at about one-third of the rate of the state with the most experience in competition, if we were to do now, today, what the member for Bateman said he would do—that is, not sell Synergy but open it up to FRC—I can guarantee members standing still that the retail margins of those retailers would have to increase. Not, as the dopey Leader of the Opposition said, “There would be \$600 savings because that is only gas”; those retail margins would have to increase. The member for Bateman says, “Well, the best way to do it would be to get Synergy, potentially split it, but keep owning and allowing competition in it.” The ACCC made the particular point that nowhere in Australia really have we seen a retailer organically grow from nothing to being a significant retailer of significant numbers. Competition has basically meant that, although there is quite a significant number like 20 in some jurisdictions, really three big players dominate the retail space. Why? Because they are generally those that purchased off state governments that were selling their retail book. They got a huge number—millions in some cases—of those sticky customers. Customers generally do not move because electricity is an homogenous product, it is what it is, and because of the lack of innovation they have not been encouraged to move. I think some of the ACCC's recommendations probably deal with some of that.

The opposition wants to simply create one big beast—Synergy—and potentially create two of them or just open it up to competition. Page 140 of the ACCC report states —

In retrospect, the creation of three very large retailers was not the best starting point for a competitive market.

Yet that is exactly where the Liberal Party wants to start. All that we will see will be retail margins in Western Australia increase. I believe in competition. I am on the public record as wanting competition. But what I have worked out fairly rapidly in this job is that electricity does not deliver that. One of Australia's pre-eminent energy analysts is Tony Wood from the Grattan Institute. I would have thought a well-considered opposition might actually talk to the Grattan Institute and reference it in its contribution to what should be a significant policy position. We just have to google Tony Wood, colleagues; just go and find him. He is always available. He is very, very good. I want to quote —

Mr W.J. Johnston: You can have coffee with him if you go to Melbourne.

Mr B.S. WYATT: You can indeed; he likes a coffee!

This is a Chamber of Commerce and Industry of Western Australia media statement entitled “price shock for electricity reforms” from 19 July 2017. I quote —

Tony Wood, Energy Program Director at the Melbourne-based Grattan Institute, says retail competition in Victoria, the state with the biggest number of electricity retailers, “hasn't really delivered the lower prices” that were expected of it.

It goes on to make the point of warning Western Australia not to go down that path until there is an understanding of how the benefits of competition will flow to those WA families seeking those benefits, because all we have seen in other states is that things have flowed to the wholesale component and not to retail. They have not. The Australian Competition and Consumer Commission makes that point in some detail. We just need to understand that there is a reason that during eight and a half years in power the former Liberal–National government did not move down this path. There is a reason it did not do it. There was probably a bit of advice coming around at the time. Re-merging Synergy and Verve would complicate things. There is also the issue of cost reflectivity. Again, the member for Bateman is wrong. We are not at cost reflectivity, but anyway, we will let him pretend that we are. There is a range of other much more significant policy decisions we can make that will reduce the price of electricity in Western Australia. I made the point that 7.7 per cent of the costs are retail costs, which is actually quite a small component; 27.3 per cent are capacity costs; 16.7 per cent are energy costs; one per cent is renewable energy costs; and 46.1 per cent are network costs. This is similar around the country; network costs are by far the single biggest component of our bill. How the Leader of the Opposition thinks that from the 7.7 per cent—in any event, the ACCC says that retail margins will increase, not decrease—we will extract 30 per cent savings across the electricity bill probably highlights why debt in this state is at \$40 billion and the deficits we have are as significant as they are. There are lots of things we can do and we are doing them. When the Leader of the Opposition was energy minister, he did not do anything about the operating model of Western Power, for example. How do we encourage new generation to connect to a network without prohibitive costs? There is a range of things. We are reviewing and reforming the capacity system.

This is the problem we have got: we have an opposition that should know better because the Leader of the Opposition is the former energy minister. He is now wandering down a path that I think we would all like to go to, but it has nothing to do with this flippancy. Honestly, I expected so much more from the member for Bateman. He said it is all about the fact that the unions bullied me. If there is one person in this place who is not from the unions or perhaps has a fractious relationship with some of them, it is me. This has nothing to do with internal Labor politicking, as the member for Bateman said; it has got everything to do with the actual capacity for competition to deliver for Western Australian households, which it has not done in any state in the nation. That is particularly the case for Victoria, which is the best example, because it has the most experience not just with the time of competition, but numbers of competitors. Hopefully I have articulated that case. I suspect the member for Swan Hills will make some contributions as well, as somebody who is incredibly knowledgeable in this space.

I have covered the economy. Despite the desire and the desperation of the opposition to find anything weak, things are turning. As I said, when I became Treasurer, the economy was contracting for the first time on record. Not even during the global financial crisis did that happen in Western Australia, but it did happen eventually because of the special care and effort of the former Liberal–National government. It worked hard to ensure that our economy contracted. That is no longer happening. Jobs were being lost at the rate of four per cent—both full-time and part-time. They are now growing. State final demand had not grown since September 2013. At no point while the Leader of the Opposition was Treasurer did our domestic economy grow. It is now growing again. At no point had business investment grown since, again, I think, September 2013. It is now growing again—just, but it is growing. Yes, retail activity is weak, as it is around the place, but as we highlighted, even just from today's paper, we are starting to see positive signs. This is good news. That is why I make the point. Of course, there will always be pressure points in an economy emerging from the wreckage of the former government, but it is going the right way. There is this argument run by the Leader of the Opposition and the shadow Treasurer that a policy decision

cannot be made that somehow goes against the economic trajectory of households. Yes, I agree; no-one would desire us to do it. But in two years the Leader of the Opposition as Treasurer increased land tax three times and smashed the property investment market of Western Australia, and we are only just starting to recover from that. Even when the market was declining, he introduced a \$1 billion tax increase onto it—the most significant tax increase under the former government. That is what the Leader of the Opposition did. That is fact; I am not making this up. Yet, now he tries to pretend he is concerned about government policy and how it might impact on households, investment, the economy or broader issues.

I have one final point. I found the interesting exchange between the Minister for Water and the Leader of the Opposition about the GST windfall amusing. I expect that will resolve with the new Prime Minister and federal Treasurer very shortly; I am confident we will do that. It was described by the opposition as a windfall, but in my view it is not a windfall. This was money already spent by the former government, particularly in Christian Porter's budget when he assumed all the money was going to be there, spent it and it never arrived. I would have thought that is a dangerous economic policy to take. Today the Leader of the Opposition said that revenue should be tied to relieving pressure on households; that is where it should go. He said that despite the fact that his own media release on 5 July this year said —

McGowan must use GST windfall to pay down debt.

I made the point that the opposition spent this money very, very quickly on a range of different things when in government, but we can only spend a dollar once, and that is something I do not think the Leader of the Opposition learnt while he sat on this side of the house. I think I have dealt with the most of the issues raised—those rational issues in any event. I will leave it up to the Minister for Water to deal in more detail with the allegations about the Water Corporation, but I want to make the point that there has been no change to how the Water Corporation is treated. Now that the Minister for Water has arrived, I want to make the point that during its term the previous government enjoyed \$6.5 billion in revenue from the Water Corporation. I do not recall complaints at the time about it being unconstitutional or whatever. That is what the former government did.

I want to conclude by again emphasising the apology that was given by Hon Dr Steve Thomas, the Liberal member in the upper house, which is where I began my contribution. I want to quote it again. It was given on 21 February this year on ABC radio. I quote —

I apologise to the people of the South West, for the financial outcomes that they've been left with. It's probably multi-generational debt that'll have to be paid back by our children and grandchildren.

He is correct. The Liberal–National legacy is multigenerational debt that will have to be paid back by our children and grandchildren. Although the Liberal Party may not like the fact that I refer to its record and the circumstances in which it left us, I will continue to do so. Every decision I make every single day is defined by the wreckage of the former government and what it left the people of Western Australia at the end of its long term in government. That is embarrassing, humiliating and awkward for the Liberal Party, but it is a reality that I will not stop articulating both in this place and outside.

DR D.J. HONEY (Cottesloe) [6.10 pm]: The estimated increase of \$700 in fees and charges is hurting families, and we saw a response to that from the community, especially during the Darling Range by-election, when we saw a massive rejection of the state government on this matter. The Treasurer can talk all he likes about what people are thinking will happen in the future, but it is what is happening now that really counts. The obvious stress is reflected in retail sales. If we look outside the mining sector, every single retailer I talk to who relies on discretionary expenditure is struggling, with many in Perth and in the regions closing their doors. I recently had the pleasure of spending some time in Northam after the Dowerin field days and it was quite distressing to walk down the main street of Northam, because I would say that pretty well every second business there has shut. I spoke with a number of local residents and they were quite distressed about the loss of services and shops in their town.

These charge increases are simply compounding the impact of other negative forces on families. I remind the Treasurer that in Western Australia 88 000 people are unemployed. House prices have dropped by a further 2.1 per cent since last year. Over 70 000 people living in Perth now have a mortgage that is greater than the value of their house. Thirty-three per cent of families with mortgages are suffering mortgage stress, which means that 30 per cent or more of their family income is committed to paying the mortgage each month. The income required to meet loan repayments has increased in WA despite the drop in the value of houses. It has increased by 0.3 per cent since last year to 29.3 per cent; almost one-quarter of all household income goes to paying off the mortgage. There has been no real wage growth for a couple of years; in fact, many people have seen a significant drop in their wages. The most egregious factor driving these increased charges —

Several members interjected.

The DEPUTY SPEAKER: I am sorry, minister and member, but yelling across the chamber is not appropriate. Enough!

Dr D.J. HONEY: The most egregious factor driving these increased government charges is Metronet and the other pet projects. I am relying on the estimates of the member for North West Central on this. I have not heard members opposite deny them yet. It is very hard to get the information. His estimate of \$10 billion in capital and \$1 billion in recurrent expenditure sounds like the correct mark. That is what the money is going to. It is not about repairing debt; in fact, it will increase due to that project.

In my shadow portfolio, in the last budget the government delivered a 5.5 per cent increase in water charges, hitting every family in Western Australia. I want to tackle the Minister for Water and the Treasurer on the point of no net recovery. Table 8.1 in the 2018–19 *Economic and Fiscal Outlook* shows that the Water Corporation's dividends, tax equivalents and local government rate equivalents—which is just another tax—for 2017–18 were \$830.9 million. When the operating subsidies, including regional subsidies and other subsidies are excluded from that figure, the net Water Corporation income is \$408 million.

Mr B.S. Wyatt: Have you also looked to the actual economic model that defines the operations of the Water Corporation, not just the flow of money?

Dr D.J. HONEY: I have looked at that and the economic model includes an illusory cost of capital, but in fact the Water Corporation includes a percentage for the cost of capital in terms of a net present return.

Mr B.S. Wyatt: But you understand that that has been the case for a long time. We have not changed the economic model.

Dr D.J. HONEY: Whether that is the case, the simple fact is that the net cash flow into government coffers—let us not quibble over models—is \$408 million. That is cash in hand to the government that it is going to spend on other things such as Metronet. The net income for government over the forward estimates goes from \$830.9 million up to \$1.204 billion, increasing further over the forward estimates. Outside of the cross-subsidy, there is a massive net revenue gain by the government above all those charges.

I also add that we need to consider the other factor that has been put in there as well—that is, the royalties for regions payment. That is clearly a misappropriation of that money. Eighty-five per cent of Water Corporation profits are now being returned to Treasury coffers and, in the longer term, that leaves little room for investment in new water sources and replacing ageing infrastructure. What we are seeing overall is a \$4.4 billion tax over four years hitting the wallets of water consumers in the state.

I am especially concerned that these increases are hitting larger families and those on low incomes, based on the argument that somehow it will reduce water consumption. Patently that is not likely to happen. We have seen the base water charge increase to \$1.78 and the water usage charge increase to \$2.37 a kilolitre for consumption of 151 to 500 kilolitres and to \$4.44 a kilolitre for consumption of over 500 kilolitres. The Water Corporation's own figures show that the average water consumption is 127 kilolitres a person. For a typical family of four people, that equates to 508 kilolitres. According to the Water Corporation's own figures, the typical family of four people are water guzzlers. It is not about hitting water guzzlers; it is hitting larger families. If a family of two people consume 400 kilolitres, under the government's description of this matter, they are heroes; they are saving water, even though they are using 200 kilolitres each. But the family of four who are using the average amount of water for Perth are the water guzzlers that the government is going to hit. They are the people the government is going to screw the extra money out of because they are bad people. It is fundamentally a bad policy. The increase in charges is simply a tax on large families.

It goes further than that. I had the opportunity to talk to people from the Water Corporation. The marginal cost for water produced by desalination, which is the higher cost, is \$2.20 a kilolitre. The marginal cost of water is less than the mid-range charge that the government charges for the use of water. It is quite simple: it is a tax. The government could in fact make money by desalinating more water and selling it. We are told that the justification is low dam levels due to low rainfall. Last year, rainfall was above the average since the 1970s. On the Water Corporation's own figures, the average rainfall is 839 millimetres. Last year we received 854 millimetres. This year we are on track to exceed that, with 689 millimetres to the end of last month. The argument that somehow or another WA has low rainfall and that that is continuing to drive up costs is simply not true. Dam levels are 42 per cent above 2017 levels. Stream flows are higher than they have been in a significant number of years and are near the average for post-1975. I might say that overall the whole argument about dams is quite spurious in any case. Dams only account for 10 per cent of our water supply. To use that as part of an argument for increasing water charges is quite spurious.

We have already had some discussion on this, but we are told that this is about hitting the water guzzlers in the wealthy suburbs. That makes for good headlines, and I will talk about that a little bit. But if we look at water charges, as has been discussed here before, in Baldivis, 975 homes apparently are water guzzlers and in Byford, 500 homes are water guzzlers. We see a couple of suburbs here: City Beach at 426, Dianella at 460 and Ellenbrook at 610. See all those wealthy water guzzlers out there. We see high use in Mosman Park, at 473, and in Nedlands. There was some byplay earlier today from the Minister for Water who said that it is much, much higher per head of population in those other suburbs. In fact, the so-called water guzzlers of Baldivis, as a percentage, are

two-thirds of those in the shire in which I live, which is Cottesloe. I doubt any member opposite regards people in Baldivis as well-heeled burghers of Western Australia living high on the hog. The truth is that high water charges are hitting large families.

Other charges are increasing, and as far as I am aware they have not been raised in the debate to date but they need to be discussed further. There are other charges we have not discussed. I have looked at the Department of Water and Environmental Regulation licence fee increases. There are a range of licences. I will not go through the whole table, but there are a whole range of water users in the south west of the state who have never had to pay a licence fee until now. Those people built dams and installed infrastructure at their own expense. DWER does precisely nothing to look at those facilities and does nothing with those facilities, and does not review them in any way, but charges for the renewal of existing 5C licence. Assessment fees for a low-risk dam will be going up from zero dollars to \$4 000 a year; for medium-risk assessment fees from zero to \$5335, and the high-risk assessment fee is going from zero to \$6 668. They are massive increases on small family businesses in the south west of the state for a non-service from government.

The minister misled us in his response in this place. I will take this moment, because it seems to be a thing in here, to read excerpts from newspapers. There have been some really glitzy headlines for the minister to justify this tax on ordinary families in Western Australia. “Peppy Grove big water guzzlers”—there we go. That headline appeared in *The West Australian* on Wednesday, 1 November 2017. That is clearly not the case. Clearly, this is overwhelmingly hitting people in the outer suburbs. In May this year an article appeared in WAtoday titled “WA’s worst water guzzlers warned to clean up their act, or see increase in bills”, which states that Perth’s worst water guzzlers will be hit with up to a 16 per cent jump in charges. Those terrible water guzzlers! As I pointed out, who are the terrible water guzzlers? The terrible water guzzlers are ordinary families, many of whom are in very, very difficult personal circumstances.

In *The Sunday Times* there was a big gotcha headline: “Guzzlers to cop a whack”. That article has minister talking about hitting the guzzlers in the wealthy suburbs. It states —

Typically Perth’s biggest water users are from Perth’s affluent suburbs, such as Peppermint Grove, Dalkeith, City Beach and Mount Claremont.

That is great envy politics, is it not, members?

Mr S.K. L’Estrange: Great class warfare.

Dr D.J. HONEY: Yes, it is great class warfare. It just does not happen to be true or completely true, does it? In fact, who has been hit? It is ordinary families.

Here we go; here is even better headline: “Robin Hood Water Tax”. It sounds pretty good, does it not? It is a great headline. In an article on 17 March this year in *The Weekend West*, Mr Kelly, the Minister for Water is again attacking the conclusion of the Economic Regulation Authority, saying that we should not be recovering above cost of recovery for an essential service. What is the real truth? We see the real truth again! Members opposite love to quote *The West Australian*. It is their favourite newspaper and they are really hitting it. Dan Mercer at least is on the ball and is trying to do something for those poor families who are being hit. What was the headline in *The West Australian* on Thursday, 13 August this year? It was “New water price hikes hit battler postcodes in Perth the hardest”. It states —

Hefty price hikes brought in under the guise of slugging water guzzlers from the well-heeled western suburbs will affect more people from battler postcodes in Perth’s mortgage belt and fringes.

That is the truth. That was in *The West Australian*, from which members like to quote. In the *Sound Telegraph* on 5 September, “Baldivis in water pain”, states that heavy water price hikes brought in under the guise of slugging water guzzlers in wealthy western suburbs across Perth will hit Baldivis hard. That is the truth, Treasurer. That is the truth, Minister for Water. It is hitting the people who can least afford it.

The McGowan Labor government’s justification for increasing those charges simply does not hold any water. There is a massive surplus of income from water charges, and the total cost of water services—that is the net of metropolitan and regional users—is still a massive \$400 million tax, and it is increasing. Water charges are substantially higher than the true cost of water recovery. I have demonstrated that. The water cost for mid-range users is in fact significantly higher than the true cost of recovery of water from our most expensive source, which is desalination. The rainfall has been average for the past two years and dam levels are significantly higher than last year, so using the excuse that low dam levels are a justification for higher charges is completely bogus.

The charges do not target the so-called water guzzlers; they clearly target larger families in the outer suburbs. As I pointed out, a family of four people using the average amount of water—not the highest amount of water or the ninetieth percentile of water—are water guzzlers under the Premier’s, Treasurer’s and Minister for Water’s definition. I am sure those families do not feel that. I am sure those families feel an enormous amount of stress and are distressed about these increases in charges. The government needs to rethink these increases. The government now has relative rivers of gold. Its budget was a myth, as many of us have pointed out in this place. Even so, it

now has \$6 billion in additional funding over the next 10 years. It should be honest, own up and stop hitting normal and poorer larger families with increased charges. The government should recognise and admit that it is simply a tax on families and it should consider a process for reducing charges on families of Western Australia.

MS J.J. SHAW (Swan Hills) [6.29 pm]: I have listened with absolute fascination to the debate on this topic today. I start by saying that many years ago I worked with the Leader of the Opposition at the Chamber of Commerce and Industry. I was the resources and energy policy adviser and the Leader of the Opposition was consulting to the chamber on energy policy. We spent a long time exchanging ideas about energy. I have a deep respect for the Leader of the Opposition, stemming, as I say, from my time well over a decade ago when we worked alongside one another.

But he does not seem to have moved on from then. It really seems like his ideas have been frozen in time, and the market has changed. There is just a real inability from those opposite to recognise the changes in the market. They certainly have not been keeping up to date with the latest commentary on energy policy.

I am not going to talk about the water issue, but I am going to discuss the underlying premise that the Leader of the Opposition offered about the ability of retail competition to lower electricity prices. The Leader of the Opposition's whole argument shows that he is a pretty lonely figure. He is pretty isolated and he is very behind the times. The member for Cottesloe was just saying that the done thing is to quote from newspapers. I am not going to quote from newspapers; I am going to quote some of the most eminent commentators and economists in this country on the subject of energy policy. I am going to comment and refer to reports that have repeatedly demonstrated that the thinking being offered by those opposite is completely outdated and behind the times. I will demonstrate that the people of Western Australia made the right choice when they elected the McGowan Labor government.

Given that I had more than a decade's experience in the electricity industry, it has taken me some time to come to the point in my thinking at which I recognised that there is something in a lot of the commentary that is being offered around Australia—that retail contestability is not a panacea for electricity price woes, particularly on the east coast.

The first report I want to quote from is a report by Tony Wood and David Blowers, published by the Grattan Institute, titled "Price shock: Is the retail electricity market failing consumers?" Tony Wood is one of Australia's most eminent economic commentators. The report states —

Competition in electricity retailing has failed to deliver lower prices for consumers, and governments will need to step in and re-regulate prices if the industry does not lift its game.

That is a direct quote from the Grattan Institute report. It also noted that in Victoria, the profit margin for electricity retailers was about 13 per cent—double the margin that regulators typically deem reasonable in the electricity market context. This was back in March 2017; the report projected that Victorians would save somewhere in the order of \$250 million a year if they were to adopt a reasonable electricity profit margin rather than seeking to extract super profits from the mums and dads of Victoria.

The report also noted that the market is incredibly complicated and that many consumers simply give up. The supposed benefits of having a huge array of choices include that it is really easy to make a decision, but in March last year the Grattan Institute found that that is not the case. People are not able to exercise those choices. Competition also was not delivering the innovation in customer service that full retail contestability was supposed to deliver.

The final paragraph of the press release for the report states —

“We may yet see fairer prices and better service. But if competition still fails to deliver the promised benefits, then government will have no choice but to return to price regulation.”

After decades of privatisation and full retail contestability, and more than nine years of price deregulation, we may yet see fairer prices and better service. What a ridiculous proposition for the opposition to offer, to say that it is a great solution.

Then in August 2017, the Thwaites review looked at the Victorian market. Again, this is after decades of full retail contestability and more than eight years of price deregulation. It was a bipartisan review undertaken by a former Deputy Premier of Victoria, John Thwaites, with Terry Mulder and Patricia Faulkner—again, all eminent commentators and experts in their field. They looked at whether the Victorian retail electricity market was delivering outcomes that were in consumers' interests. The report answered that question with a resounding no. It confirmed that the Australian energy market had been successfully gamed by all of its major players—retailers included. In respect of retailers, the report revealed a series of market failures. It found that retail charges often make up the largest chunk of electricity bills for Victorians. An article on the report states —

“Comparison of the Victorian market with other national markets and international markets further emphasised that the prices Victorian consumers are paying for electricity are unusually high,” ...

This was attributed to three major failures: the added costs of competition that have been passed on to consumers; a non-competitive market, dominated by three major companies; and opaque and varying billing practices that make it virtually impossible for customers to get the best price for their energy needs. That is the bipartisan Thwaites review's series of findings on what full retail contestability has delivered for the Victorian market. One of the things to come out of this review that was particularly interesting was the recommendation that governments

should effectively end the competitive retail market. It found that all the retail market was doing was confusing customers with complex bills and driving up prices. The review recommended abolishing the standing offer and replacing it with a regulated basic service offer, which to me sounds an awful lot like the uniform tariff that Synergy currently offers the mums and dads of Western Australia. The Thwaites report states —

“With customers unable to exit the market, and with likely higher costs for new entrants and increasing costs related to competition, consumers are still waiting for the benefits —

Of full retail contestability —

— to accrue eight years after price deregulation,”

In August 2017, I went to the Australian Institute of Energy’s Energy in Western Australia Conference; that year we hosted the national conference of the Australian Institute of Energy. Tony Wood came over and delivered a presentation titled “Retail competition: Lessons from the east coast”. I have a copy of the slide pack, which I am more than happy to table. I will read from the “Overview” slide, which states —

- Competition in electricity retailing hasn’t delivered what was promised: lower prices for consumers
- Profit margins have increased and the problem is worst in Victoria, the state with the most competitors and the longest experience of deregulation
- Lower prices are available, but consumers are not accessing them, and that is a bigger problem for low-income households

When those opposite start having a crack about how they are so in favour of low-income households, the lived experience of Victorians is that low-income households are actually the ones that suffer the most. It was also noted in the presentation that retail prices have outstripped network and wholesale prices. A series of graphs was presented on that. Moreover, it was noted that profit margins in electricity are higher than in other retail sectors, including the motor retail sector, the fuel retail sector and food. The electricity retail sector extracts considerably higher profit margins than other retail sectors.

It was an absolutely fascinating presentation, and when I heard that speech being delivered at the Australian Institute of Energy’s conference, I was really quite shocked and in a bit of a state of disbelief, so I did as the Minister for Mines and Petroleum suggested and went over to Victoria and had a coffee with Tony Wood. He and I spent a long time talking about the Grattan Institute’s findings. That presentation ran through a series of other reviews that were beginning to find the same sorts of issues with the electricity retail market. It quoted the Australian Energy Market Commission’s retail energy review of 2017, which demonstrated that there was incredibly low churn in the retail electricity market and things were not operating as expected. The report found that the competitive energy market in Victoria was not delivering competitive outcomes in the best interests of consumers, and that was attributed to three causes—increased retail costs driven by competition, the structure of the market and industry practices that constrain competition and make customer engagement difficult. That is another report that says that full retail contestability does not deliver these illusory benefits the Leader of the Opposition has claimed.

In October 2017—moving on a little—the Australian Competition and Consumer Commission then published the “Retail Electricity Pricing Inquiry preliminary report”. Over 150 submissions were made to that inquiry. One of the main factors the ACCC found contributing to the high retail costs was the predatory behaviour of electricity companies and their retail margins—again, retail margins expanding significantly. The ACCC also spoke about the difficulties customers have engaging in the retail market, the multitude of complex offers that exist in the market that customers cannot make sense of, and unnecessarily complex and confusing behaviour by electricity retailers. There is a telling quote here from Rod Sims —

There is much ill-informed commentary about the drivers of Australia’s electricity affordability problem. The ACCC believes you cannot address the problem unless you have a clear idea about what caused it.

I would say that the opposition is in real trouble there because it clearly cannot understand the problem.

In June this year, the Australian Energy Market Commission, a body that has been offered as something that can help customers choose and access these alleged benefits, looked at the way electricity comparison websites operate but the AEMC again warns “the sites lack transparency in how many retailers and offers they compare”. The AEMC chairman says in the report —

...that the retail market “is currently not delivering the expected benefits to consumers” because retail offers, particularly discounting behaviour, are confusing for consumers.

That is yet another report saying that retail contestability has not delivered the projected benefits. In July 2018, the ACCC released its final report into electricity pricing. It states —

The National Electricity Market is largely broken and needs to be reset. Previous approaches to policy, regulatory design and competition in this sector over at least the past decade have resulted in a serious electricity affordability problem for consumers and businesses.

That is what the opposition offers as a solution to Western Australia's electricity market reform process. It is an absolute joke. ACCC chair Rod Sims also says —

There are many reasons Australia has the electricity affordability issues we are now facing. Wholesale and retail markets are too concentrated.

They are too concentrated over east where there is a much larger market and many more consumers, retailers and generators. Even in a much more notionally competitive and liquid market, wholesale and retail markets are too concentrated. God help Western Australia where we do not have a multitude of potential market participants.

Another reason ACCC chair Rod Sims offered is that “Regulation and poorly designed policy have added significant cost to electricity bills.” Regulation and poorly designed policy—crikey. There has been no regulatory reform or energy policy coming out of the opposition for the last eight years. The best it can offer now is some spurious idea about full retail contestability.

The chair also notes —

Retailers' marketing of discounts are inconsistent and confusing to consumers and have left many consumers on excessively high 'standing' offers.”

[Member's time extended.]

Ms J.J. SHAW: The final quote on the media release with respect to the Australian Competition and Consumer Commission is again quite telling —

“Too many consumers and small business customers have given up trying to understand offers and switch in a confusing retail electricity market. Big changes are required to make it easier for consumers and businesses to understand market offers and improve competition,” ...

In other words, the path that the Victorian energy market went down led to a situation in which people genuinely did not understand the market, they are not equipped with the tools to make sense of market offers, and the offers that are available to them include really high retail markets—overinflated, high-cost electricity. The Liberal Party is lonely on this issue. There is not a commentator in the market now who is seriously suggesting that full retail contestability is the silver bullet for electricity market design. The Liberal Party is fundamentally behind the times. It seems to be really isolated from the debate.

There is one final thing I would observe, and it is a pretty interesting thing. In his speech, the Leader of the Opposition said that he had every confidence in Scott Morrison. He was talking about what a great leader Scott Morrison is and how confident he is in his capacity to implement energy policy. I will now quote a headline from *The Australian* on 3 September. The headline is “PM open to royal commission into power industry, saying energy companies were as bad as big banks”. That was the headline from a guy who voted 26 times against a banking royal commission. He has come out and openly said that the energy companies are as bad as big banks. What is more, the Liberal Party federally have proactively adopted the federal Labor Party's energy policy position on imposing electricity price caps. Not only does it think the energy companies are as bad as the big banks, it actually thinks that price regulation now is a good idea because of the dysfunction that we are seeing in the electricity market.

All of this is at a time the Liberals are standing around scratching their heads wondering why electricity prices are so high. Origin Energy has announced an underlying profit for the financial year of \$550 million. That is a jump of \$185 million. AGL is reporting an underlying profit, excluding significant items, of \$802 million. That is up 14.4 per cent from \$701 million. We are seeing record electricity prices. We are seeing record profits for the electricity retailers. We are seeing a whole line of commentators saying that full retail contestability is a prime cause of this. The best the Liberal Party can do is offer us full retail contestability as an answer for Western Australian energy market reform. I am absolutely astonished at the lack of understanding and knowledge from those opposite. One of the things the opposition focused on quite considerably was the need to lower the costs for the mums and dads of Western Australia. Right across Australia at the moment, three million people are living in poverty. Simultaneously, 1.8 million households in Australia have solar photovoltaic systems on their rooftops. I would suggest that if you are one of those three million people, you probably are not also in one of the 1.8 million households that have PVs on their rooftops. The Leader of the Opposition made an interesting comment. He said that solar cells on rooftops is not the way to go—we cannot fix these problems with solar cells on rooftops.

One of the prime policies that the Liberal Party has rallied against was a restructure of the way in which electricity is priced to stop the cross-subsidisation of households in Cottesloe by households in places like Ellenbrook. There is a fundamental equity issue here and a lack of understanding of the way in which electricity prices operate. In taking that position, the Liberal Party is overlooking the stark reality that it is unfairly disadvantaging the mums and dads of socioeconomically disadvantaged households, and defending a position that supports the cross-subsidisation of those who are most able to pay by those who are least able to pay. That is an absolute disgrace.

We should be looking at ways in which we can evolve our energy policy to accommodate technologies of the future that genuinely can deliver least-cost energy and genuinely can drive electricity prices down right across Western Australia. We should be looking at technologies that allow us to optimise network operations and operate

the electricity network in a least-cost manner. We should look at ways to incentivise us to make capital expenditure decisions that are as efficient as possible to drive electricity costs down for all of us. It is incumbent on every state government to examine ways in which it can deliver least-cost energy to both households and businesses. Where value is captured and delivered by that process, it should not be delivered just to big energy companies, with the profits shipped offshore. It is incumbent on the state government to return that value to the mums and dads of Western Australia. The fact is that that value has been derived using assets that the people of this state have spent lifetimes paying for—paying taxes to invest in them, and operate and maintain them. That should be the major driver of every government.

We need to recognise also that low-cost energy is a prime driver of Western Australia's economic development. I have spoken previously in this place about how least-cost energy and access to low-cost energies has the potential to unlock this state's economy. I have recognised that the delivery of the North West Shelf project and the terrajoules of gas that it delivers daily into the south west has led to the development of an advanced manufacturing industry and a ream of export opportunities. Earlier, the Treasurer spoke about how access to least-cost gas is the real driver of low-cost electricity in the south west interconnected system. Low-cost electricity drives economic growth and alleviates the burden on households. We stand on the precipice of another energy revolution that provides the opportunity to deliver real least-cost energy. The question is whether we have the bravery to take that next step and explore the value of these opportunities. The question is whether we can achieve some sort of bipartisan agreement on the things that need to happen in order to reform the electricity market. The question is whether we can get those opposite to stop being so lonely and isolated and behind the times on electricity market reform. The question is whether we can stop them from having this insane fixation on full retail contestability as the great answer to the energy dilemmas that we face as a society and whether we can get them on board with turning their minds towards a more sustainable, affordable, reliable and secure energy future. Those are the key questions. Based on the debate we have heard today from those opposite, they are fundamentally ill-equipped to answer those questions. They have no answers. They have not advanced one skerrick of a compelling narrative on energy policy reform, other than an outdated idea that they hashed out 10 years ago. I note also that the now Leader of the Opposition as Minister for Energy was unable to successfully prosecute that idea when he was in office. If it were such a great idea then, why did the Liberal Party not have the temerity or guts to do it? Because it does not have guts! It does not have vision on energy policy! It is an absolute vacuum of ideas!

Several members interjected.

Point of Order

Mr M.P. MURRAY: As you know very well, Deputy Speaker, I am a little hard of hearing and all that noise coming from the other side is making it very, very difficult for me to hear. I would really impose on you that we should have some semblance of order in the house.

Several members interjected.

The DEPUTY SPEAKER: Members! Would you like to continue, member for Swan Hills.

Debate Resumed

Ms J.J. SHAW: At least, though, we have an idea from those opposite at the state level of what the Liberal Party's position might be. At least it has one idea that seems to be internally coherent amongst them all. The same cannot be said for the federal Liberal Party. I am so disappointed in the federal Liberal Party's position on energy, if we even know what it is today. I think it is one of the greatest tragedies of the last decade that it has been unable to articulate a single consistently held, coherent energy policy position. I find it absolutely tragic that that party is completely dominated by climate deniers any time anybody pops up with a sensible idea. I actually thought some of the work Josh Frydenberg did was pretty sensible. It was good work. The former Prime Minister—the departing member for Wentworth—really wanted to seriously address climate change. I really congratulate them for having a crack, but I will criticise the Liberals every day for the lack of vision and leadership, the lack of unity, and the absolute failure it has been. Tellingly, as I was driving in this morning the former, former member for Wentworth—a former, former opposition leader, John Hewson—was talking on ABC Radio National about an Australia Institute report released today, titled “Climate of the Nation 2018”. Around 70 per cent of Australians now believe that climate change is real and want their governments to act.

The Liberal Party sits there and says it is in touch with its communities. It is not. If it were, it would recognise that it needs to take a leadership position on climate change and energy policy, and it actually needs to start delivering some solutions to the Australian people, rather than wallowing around in its own division and internal intellectual inconsistency and isolation. I think it is catching. Full retail contestability is something of a coherent position, albeit an incredibly intellectually poor one, that the Liberal Party has offered, but I think it will catch the same disease. I think we are starting to see division on the benches of those opposite. I think we are starting to see the schism open up. It is really starting to display the sorts of dysfunctional behaviours that we are seeing from the federal Liberal Party. I guess a fish rots from the head. Maybe if it could deal with electricity policy, it would be able to refrigerate it—I do not know!

I find it very frustrating. I think it is disgraceful. I think we need energy policy leadership. I think we need a Shorten Labor government that will articulate a clear vision for this country, and we need to back the Treasurer; Minister for Energy in his what no doubt will be a crusading and very brave and innovative energy policy trajectory, demonstrating the leadership that the “Leader”—I use the term loosely—of the Opposition abjectly failed to deliver.

MR W.J. JOHNSTON (Cannington — Minister for Mines and Petroleum) [6.59 pm]: This is a very important debate. We have had some outstanding contributions by outstanding members on the government side of the chamber. I think none were better than the member for Swan Hills, who made a very good contribution. She stands out in contrast with members on the other side of the chamber, who made dribbling contributions that did not address any of the genuine issues facing this state. That is not a surprise because they did not do it when they were in government, so why could they be expected to do it in opposition? It has been a travesty that the opposition comes in here and makes these bleating —

Mr Z.R.F. Kirkup interjected.

Mr W.J. JOHNSTON: Here we go! The member for Dawesville is making the same level of contribution to this debate that he makes to every other—that is, none at all! The next time that member makes a genuine contribution to the public policy debate in this state will be his first contribution.

Debate adjourned, pursuant to standing orders.

House adjourned at 7.00 pm
