



# **Parliamentary Debates**

**(HANSARD)**

FORTIETH PARLIAMENT  
FIRST SESSION  
2017

LEGISLATIVE COUNCIL

Tuesday, 27 June 2017



# Legislative Council

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**THE PRESIDENT (Hon Kate Doust)** took the chair at 2.00 pm, and read prayers.

## LEGISLATIVE COUNCIL — OFFICIAL PHOTOGRAPHS

*Statement by President*

**THE PRESIDENT (Hon Kate Doust):** Members, I have given approval for official photographs to be taken this Wednesday, 28 June 2017, at the Legislative Council committee offices, during proceedings in the chamber and around the parliamentary precinct. The purpose of this activity is to provide the Legislative Council with modern and up-to-date images for use in publications and on the new parliamentary website currently under development. I advise members that activities will include official photographs of the committees, photographs taken from the public gallery to capture the beginning of proceedings at 1.00 pm, an official photograph of all members in their places directly before question time at 4.30 pm, and photographs taken from the floor of the house during question time. I thank all members for their cooperation.

## THE WESTERN AUSTRALIAN PARLIAMENTARY HANDBOOK — TWENTY-FOURTH EDITION

*Statement by President*

**THE PRESIDENT (Hon Kate Doust):** The twenty-fourth edition of *The Western Australian Parliamentary Handbook* is currently being prepared for publication later this year. On your desks you will find a copy of your biographical entry as it will be published in the handbook. Please take a moment to review this document, note any amendments that you may wish to make, and hand the form back to the chamber staff. If no response is received by Friday, 30 June 2017, it will be assumed that your entry is correct and will be printed as is.

## JOINT STANDING COMMITTEE ON DELEGATED LEGISLATION

*Statement by President — Membership*

**THE PRESIDENT (Hon Kate Doust):** I have a letter dated 27 June 2017 that states —

Dear Madam President,

### Appointment to Joint Standing Committee

Please be advised that on Monday 26 June 2017, the following Members were elected as Chair and Deputy Chair of the Joint Standing Committee on Delegated Legislation:

**Chair:** Ms Emily Hamilton MLA.

**Deputy Chair:** Hon Robin Chapple MLC.

The letter is signed —

**Nigel Pratt**

Clerk of the Legislative Council

## PAPERS TABLED

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

## STANDING COMMITTEE ON PUBLIC ADMINISTRATION

*Twenty-eighth Report — “Inquiry into WorkSafe—Terms of Reference” — Tabling*

**HON ADELE FARINA (South West)** [2.05 pm]: I am directed to present the twenty-eighth report of the Standing Committee on Public Administration entitled “Inquiry into WorkSafe—Terms of Reference”, advising the house that on 21 June 2017, the committee resolved to inquire into and report on WorkSafe.

[See paper 315.]

**Hon ADELE FARINA:** The report that I have just tabled advises the house of the Standing Committee on Public Administration’s resolution to commence an inquiry into WorkSafe and to advise the house of the terms of reference, pursuant to standing order 179(2). The committee resolved at its meeting on 21 June 2017 to commence an inquiry into various aspects of the operation of WorkSafe Western Australia in response to its concerns regarding the issue of workplace deaths in Western Australia.

This important inquiry will broadly investigate WorkSafe’s legal, financial and accountability obligations under its legislation and its implementation of coronial inquest recommendations that may arise from a workplace death. As the principal regulator of workplace safety in this state, WorkSafe plays a significant role in safeguarding the wellbeing and safety of Western Australian workers and ensuring that employers meet their occupational health and safety obligations. The committee will inquire into WorkSafe’s prosecution policies and the adequacy of its investigation process. The committee will seek evidence from the public and from relevant stakeholders during this inquiry and may travel to regional areas of the state to gather evidence. I commend the report to the house.

### DISALLOWANCE MOTIONS

#### *Notice of Motion*

1. Shire of Gnowangerup Health Local Law 2016.
2. Shire of Gnowangerup Animals, Environment and Nuisance Local Law 2016.
3. Road Traffic Regulations Amendment (Pilot Vehicle Drivers) Regulations 2016.

Notices of motion given by **Hon Robin Chapple**.

#### **ROAD TRAFFIC (VEHICLES) AMENDMENT REGULATIONS (NO. 2) 2017 — DISALLOWANCE**

#### *Motion*

**HON RICK MAZZA (Agricultural)** [2.10 pm] — by leave: I move my amended motion —

That regulation 4(b) of the Road Traffic (Vehicles) Amendment Regulations (No. 2) 2017 published in the *Government Gazette* on 7 February 2017 and tabled in the Legislative Council on 17 May 2017 under the Road Traffic (Vehicles) Act 2012, be and is hereby disallowed.

By way of explanation, the amendment to the motion is to insert after “That”, the words “regulation 4(b) of” and to make a consequential grammatical amendment by deleting “are” on the last line and insert instead “is”.

The effect of the proposed amendment is to convert what is currently a motion to disallow the whole of the amendment regulations to a motion that seeks to disallow only one part of the regulations. The part of the amendment regulations sought to be disallowed is regulation 4(b), which removes the exemption from vehicle licensing charges granted to local government.

The Road Traffic (Vehicles) Amendment Regulations (No. 2) 2017 seek to remove existing concessions for vehicle licensing fees for local government authorities, specifically concession code 511. This was to be introduced as a new revenue measure in the 2016 budget, and is to be found on page 76 of budget paper No 3 in the 2016–17 *Economic and Fiscal Outlook*. Other concessions are being removed for the Australian Defence Force and other commonwealth agency vehicles. I have no objection to that, hence the reason that I moved the amendment to the motion so that the disallowance applies only to local government. This would amount to \$5.9 million a year, totalling to \$17.6 million over three years in the forward estimates. That figure is now \$5.6 million, because information that has come to hand is that the commonwealth vehicles would probably be worth around \$300 000 per annum. As explained in the budget paper, this money will be allocated to Main Roads Western Australia and an equivalent amount will be deducted from the service appropriation to Main Roads. The last line at the bottom of page 76 of the budget paper states —

As this funding is hypothecated to Main Roads under the *Road Traffic (Administration) Act 2008*, it will be offset by an equivalent reduction in the service appropriation to Main Roads.

My understanding is that this measure will be revenue-neutral for Main Roads. It is proposed that Main Roads would pick up the licence fees and its service appropriation would be reduced; it is basically a revenue-neutral measure for Main Roads. That surprised me a little because when I read a leaflet titled, “Frequently asked questions” put out by the Department of Transport, part of that information sheet states —

One of the main purposes of imposing licence charges is to support the real costs of maintaining the road network.

Local governments in the country areas pretty much do that. The bottom of the information sheet states —

The money collected from vehicle registrations is directly allocated to road network and infrastructure projects from which the whole community benefits.

That is contradictory because the budget papers state that it will be revenue-neutral for Main Roads but the Department of Transport information sheet states that the money will be used for roads. I am not quite clear on that. It seems to me to be something of a cost-shifting exercise. It would be wrong to collect vehicle licence fees from local government if they were not to be used for transport-related activities.

It might interest members to know that local government authorities were notified of the removal of this concession by mail in a letter dated 30 December last year. This was obviously right in the middle of the festive season when the government was in caretaker mode and everybody was focusing on the election. Many shire councillors—especially in the country, where there is a preponderance of councillors who are farmers—would have been away during that time on their annual holiday. It did not give them much chance to fully consider the situation. I see this as a bit of a sneaky tax grab. The government will remove the concessions and local government will have to pay the motor vehicle registration costs. That revenue will then go to Main Roads and Main Roads will receive less for its service appropriations to provide more money for the government's budget. This, of course, puts a further burden on local government authorities, which, in themselves, have some budget challenges. Local government budgets are always challenged, so it is difficult for them to have to then wear these extra costs.

I received a letter from the president of the Western Australian Local Government Association, Lynne Craigie, a couple of weeks ago. I do not know whether members also received a copy of this letter, but under item 6 the letter states —

Until 1969 motor vehicle licence fees were collected by Local Governments —

It was a job that they did at that time —

in rural areas and shared with Main Roads in order to maintain the road network. Consequently Local Government owned vehicles were exempted. An agreement between State and Local Governments allowed these fees to be collected by the State, and therefore attract matching Commonwealth funding. The agreement provided for grants to Local Governments to offset the lost revenue.

Local governments played a fairly big part in collecting those licence fees. Some of the older members here might even remember back in the days when local government employed traffic police. I am sure that Hon Jim Chown and Hon Ken Baston would remember that. Some of those traffic police were characters, to put it politely. That responsibility changed to the Road Traffic Authority in about the 1970s and the state government took over the policing of roads.

If these regulations are not disallowed, country shires will shoulder a disproportionate burden. Unlike the metropolitan local shires, which are not impacted as much, country shires need to maintain a fleet of road-building equipment. They need graders, trucks, water carts and compactors et cetera. They have to build and maintain thousands and thousands of kilometres of roads. They have quite a fleet. Those costs are borne by the local government and to now take away their concessions will put a further burden on them. Local governments have to maintain things such as the restricted access vehicle network—the RAV—so that farmers can move trucks and heavy vehicles around the state. Of course, most of those heavy vehicle movements are on country roads.

By removing these concessions for local governments, particularly in the country—many of them have a very small ratepayer base—shires, such as the Shire of Corrigin, will have an additional cost of around \$89 672, and its rates will need to increase by four per cent on a population base of only 1 099 people. The Shire of West Arthur estimates a total additional cost of \$70 069, and a rate increase of 4.5 per cent on a population base of only 887 people. The Shire of Cuballing estimated a total additional rate increase of 2.4 per cent on a population base of 878 people, the Shire of Coorow estimated a total additional cost of \$35 904 with a rate increase of 2.79 per cent on a population base of 1 085 people and the Shire of Brookton estimates a total additional cost of \$65 500 and a rate increase of 3.4 per cent on a population base of 992 people. The Shire of Lake Grace estimated an additional total cost of \$73 000 and a rate increase of 2.6 per cent on a population base of 1 370 and the Shire of Westonia estimated an additional total cost of \$41 500 and a rate increase of 4.9 per cent on a population base of 277 people. Members can see that country shires will be under a lot of pressure to pay this additional fee. Rate rises of up to nearly five per cent will be fairly hard on people in those shires.

Today, I got an email from Bruce Wittber about the Shire of Bruce Rock. It is estimated that for a 15-tonne six-wheeler truck, the old licensing fee was \$358.40 and if this disallowance motion is unsuccessful, it will rise to \$7 503. Also, to buy a new grader, which is valued at \$379 000, the shire will have to pay \$11 370 in stamp duty. Members can see that there will be big imposts on rural local governments, but metropolitan councils will not be immune either. Some of their costs are quite high—up to \$175 000 a year—but, fortunately, they have a much broader rate base so their rate increase percentages come down to 0.2 per cent. It is still an impost on those shires. The burden of increasing rates in country shires will particularly affect a very vulnerable part of the community in country Western Australia. These people already have the challenge of finding job prospects out in the country and increased health costs if they have to travel long distances for health reasons. I do not think putting extra shire rates onto these people is the right thing to do.

In the media, the Shire of Beverley estimated a total additional cost of around \$38 600 and the City of Albany estimated the increase would be \$200 000. These are substantial amounts of money. The Shire of West Arthur stated that it would currently change its graders about every 8 000 hours. The Shire of Moora would change its

commercial vehicles about every three to four years. If these concessions are not retained, the shires might have longer periods with older machinery that they have to use to maintain roads. The road structure and network in country WA will more than likely suffer.

These are substantial amounts for the third tier of government. Scrapping the concession on motor vehicle licence fees will bring in around \$5.9 million for the government, which sounds like a lot, and I understand that the government has challenges and budgetary pressures, but I think this is the wrong area to put them into. It is certainly not worth the burden it will impose on shire councils.

In conclusion, I urge my fellow members to support their local government authorities, wherever they may be, and disallow these regulations. I note that if this disallowance motion does not pass before 30 June, local government authorities will have to pay the new fees from 1 July so it is important that we try to pass this disallowance motion today. That is why I moved the motion last week to bring it forward. I commend the motion to the house.

**HON JIM CHOWN (Agricultural)** [2.23 pm]: I rise to support the disallowance motion as presented by Hon Rick Mazza. The opposition supports the motion as read in by Hon Rick Mazza. As a bit of background on this regulation, its genesis was in the previous government, of which I was a proud member, and it came in as a late notification, as stated by Hon Rick Mazza. I was certainly one of the regional members who made a fair bit of noise about what was taking place and wanted it amended during the quite lengthy election campaign. In fact, I spoke to the Minister for Transport and also the Minister for Local Government, who, at the time, was Hon Paul Miles. He emailed me a press release on this matter that stated an exemption would be made for heavy vehicles. That would have been put in place had we won government and I would be seeking, as a member of that government, an exemption along the lines presented to this house by Hon Rick Mazza. After further analysis of exemptions for light vehicles, if members look, they will find that the majority of light vehicles—as opposed to heavy vehicles, which I believe should already have exemptions—in metro and regional shires include very few motor cars. Most light vehicles consist of vans, trailers, community buses et cetera. For example, Albany has 197 light vehicles that it currently receives a concession for. Of those 197 light vehicles, 162 are utility trucks, which are used for work; trailers, which are put behind utilities for roadworks; and buses and small rubbish trucks. Armadale, which is a metro shire, has 165 light vehicles. That figure breaks down to 105 utes et cetera and only 60 sedans, station wagons and coupes. Joondalup, which is a very large shire in the metropolitan area, has 221 light vehicles; it currently receives a concession until the end of the financial year. It has 191 utes, trailers, buses et cetera and only 30 sedans and station wagons.

I am more than happy to support this disallowance motion, which the house will hopefully support. Regarding regional matters, as I have stated here before and I am sure the Minister for Agriculture and Food is fully aware, we are looking at one of the most disastrous seasons Western Australia has had. To burden ratepayers out there with an increase of three to five per cent is beyond the pale, especially in light of the current government's increases of 10 per cent for power prices and service charges et cetera, while we are yet to see a budget come down.

**Hon Simon O'Brien:** That's a 100 per cent increase.

**Hon JIM CHOWN:** It is a 100 per cent increase for the connection charge, I agree. We have yet to see a budget come down but I assume that there will be even further increases across the board. Regional Western Australia, quite frankly, cannot afford it. If the removal of these concessions were to go through, there would be another four per cent increase for ratepayers across the board in regional Western Australia, if not in the metro area. I am more than happy to support the disallowance motion and I think a couple of other members of the Liberal opposition will also say a few words.

**HON ROBIN CHAPPLE (Mining and Pastoral)** [2.27 pm]: The Greens have had a clear look at this disallowance motion. The former Liberal–National government decided, in the 2016 budget, to discontinue the motor vehicle licensing concessions granted to local government authorities, the commonwealth and the Western Australian Local Government Association, effective from 1 July 2017. It was done because the former government was in a very cash-strapped position. I will keep my comments fairly succinct because it is the form and practice of this house not to extend debate on disallowance motions.

Along with local governments and others, I had a look at the impacts. The expected impact on rates for the revenue of metro councils is about 0.5 to one per cent. For regional shires and councils, the expected impact on rates will be around four to eight per cent. For pastoral shires and councils, the impact on rates and revenue will range from eight to 12 per cent. Cost shifting the responsibility of state government onto local government and ratepayers is not the way I believe we should deal with the third tier of government. It has its own set of responsibilities. If we had budget deficits and problems like that, the former government needed to address them rather than go down this draconian path. Having said that, we are aware of many options—I do not want to canvass them now; it is a debate for another time—to reduce the impact of the incredible debt and deficit we have in this state. I am rather alarmed that there has been some implication that if this disallowance motion passes, the government will look at other options of passing on —

**Hon Sue Ellery:** We have to.

**Hon ROBIN CHAPPLE:** The government does not necessarily have to do it to local government ratepayers because the former government—not this government—sought to make a cash grab in this area.

Having said that, the issue then becomes that if we look at changing the road grants systems to reallocate the funding shortfall that would arise from this disallowance and it is done through the allocation of offsets to metropolitan, wheatbelt, midwest and Gascoyne shires, then local governments will need the capacity to direct the savings restored from motor vehicle licensing and stamp duty exceptions towards their road budgets. That was the proposition that was put to us and I think that is, in essence, blackmail. That proposal that was put to us was really the crux of why we will support this disallowance motion. Having made my contribution, hopefully we can move on with this debate and get on with the real business of the house.

**HON Dr STEVE THOMAS (South West)** [2.31 pm]: I support the motion as well. I thank Hon Robin Chapple for his contribution, which I thought was a very intelligent contribution to this debate. I make the point that this is a cost-shifting exercise. If local governments strike another impost and another set of cost shifting, there will be either rate increases or, most likely, a reduction of services. I am very pleased that the Greens have seen fit to support this motion. I listened to the Greens' speeches on the Loan Bill 2017. Many of them were looking for increased expenditure in social support. In regional areas, some of that social support comes significantly out of local government budgets. How many wheatbelt shires, for example, provide medical practitioners with subsidies and housing to provide medical services to their towns? In many cases those services are being provided in regional areas by local governments. It is not just small local governments out in the wheatbelt; larger and more robust local governments throughout the south west are also providing social support across the board for a large number of their constituents. Any form of cost shifting that impacts on their capacity to support their communities should not be acceptable to this chamber. We need to support this motion and I ask all members to support it to prevent the cost-shifting exercise that has occurred from governments on both sides of politics for far too long. It is easy for us to say, "Let's charge the Feds because we don't like them very much", but under our Constitution we are supposed to look after local governments. They are part of us and it is our Constitution that enables their presence. I think that they sometimes extend beyond their role and provide services that they feel at a local level are essential to their community. In my view, sometimes those roles are not necessarily the purview of local government. But if members believe in the provision of those social services to all people across Western Australia, irrespective of the size of the town in which they live, they have no choice but to support Hon Rick Mazza's disallowance motion. I thank him for presenting it today.

**HON AARON STONEHOUSE (South Metropolitan)** [2.33 pm]: I would like to speak for a moment of the importance of local government that has been alluded to. I will take a slightly different angle from that of my colleagues. In my inaugural speech I quoted Thomas Paine, who said, "Government, even in its best state, is but a necessary evil; in its worst state, an intolerable one." I agree with Paine. All government is a necessary form of evil, so, given that we need it, let us make it as close to the people as possible. One thing that I am quite fond of is making references to *The Simpsons*. Members can ask the Premier about that. If members will indulge me, I would like to make one more. In a 1995 episode of *The Simpsons*, Bart taunts an Australian sheep farmer by suggesting that a dingo is eating his baby. The visibly angry sheep farmer says, "That's it! I'm going to report this to my member of Parliament!" He yells out the window to a pig farmer next door, "Oi, Gus, I've got something to report to you." The pig farmer is the member of Parliament. The sheep farmer and the member of Parliament have a conversation and the MP says, "That's a bloody outrage, that is! I'm going to take this all the way to the Prime Minister". They both run up a hill and yell to a half-naked man who is relaxing on a rubber tyre in a billabong. "Hey, Mr Prime Minister—Andy!" The half-naked man is the Prime Minister. Although this might be a funny scene, I see it as a perfect example of how government should function. The sheep farmer has a problem and he talks to someone in his community who has the means to represent him, and they both talk to someone who has the means to fix the problem. It is an example of a local solution to a local problem. That is partly why I have come to the conclusion that local government is one of the most important levels of government in Australia. After all, nobody knows better how to fix a problem than the people who live in that community.

My support for local government stems from the principle known as subsidiarity, which states that decisions should be made at the most local level possible. The idea is that all power should initially be vested in the hands of the most local level of government and it should move outward only when that level of government is unable to carry out a particular function. Alex de Tocqueville spoke in favour of this principle when he stated that decentralisation has not only an administrative value, but also a civic dimension, since it increases the opportunities for citizens to take interest in public affairs. In spite of this, the Western Australian Labor government is applying yet another tax by stealth on local government through the Road Traffic (Vehicles) Amendment Regulations (No.2) 2017.

Several members interjected.

**Hon AARON STONEHOUSE:** Yes, it did. I stand corrected.

This regulation as it stands will remove the concessions that local councils currently enjoy when paying for vehicle registration. The Minister for Transport has spoken about how this is expected to raise \$5.9 million for the state coffers throughout the year. However, as anyone who has ever worked in the private sector knows, when an additional cost is imposed on a business, that cost is inevitably passed on to consumers, which, in this case, is the ratepayer. It comes as no surprise to me that Lynne Craigie, the president of the Western Australian Local Government Association, has said —

If money has to be used to pay registration in the budget, councils will either have to put up rates or cut back services.

Alan Leeson, the chief executive of the Shire of Moora has echoed a similar sentiment. He said —

This will result in local government having to either reduce the services and facilities it provides or increases its rates.

The WA Local Government Association has told us that this measure will increase council rates by 2.5 per cent this year alone, and it is not hard to figure out why. This measure will mean that local councils will pay an extra \$4 800 for registration of a prime mover, \$1 000 for a rubbish truck and between \$400 and \$500 for a ranger vehicle. So there we have it. The state government is in a budgetary and fiscal mess, but rather than tightening its own belt and cutting spending in its own departments, it is looking to transfer the cost onto local governments—to jump the fence and steal anything that is not nailed down, so to speak. Ratepayers suffer enough through land taxes and prospective homebuyers suffer through stamp duty. When Hon Rick Mazza told me about his disallowance motion, he did not need to convince me to support it. I have laid out quite clearly my belief in small government and low taxes. It is clear that this change in regulation is a tax by stealth and therefore I support this disallowance motion.

**HON DIANE EVERS (South West)** [2.38 pm]: I have only a few brief things to say; it is almost a recap. We have to accept that this was a bad idea from the start. It is clearly a line item that was tossed into the budget to try to raise a few more funds to cope with a very poor looking budget last year. The smart thing to do would be to agree to this disallowance and start from scratch. If the government needs to look at it again, it should do some research and put some thought into it and talk to local governments. The government should recognise that regional governments are under a lot of pressure. They are expected to deliver a lot of services that do not get delivered in their areas. The government should not put more pressure on the ratepayers there. Local governments are already running very lean budgets. The majority of the costs for local governments are for heavy vehicles and equipment for maintaining and building roads. This will put undue pressure on local governments. If the government wants to put this type of item in the budget in the future, it should look at providing an exemption for heavy vehicles, or at providing some other funding to enable small local governments in regional areas to maintain and build roads. Please do not put added pressure on local governments by trying to squeeze a bit more out of regional areas. This was a bad idea from the start and was very poorly thought out. Therefore, the Greens will be supporting this disallowance motion, and let us move on from here.

**HON SUE ELLERY (South Metropolitan — Leader of the House)** [2.39 pm]: It is an extraordinary state of affairs that we have come to this point. The hypocrisy of members of the opposition knows no bounds. This was the former government's budget measure. The former government spent eight and a half years wrecking the finances of the state. Members of the opposition cannot help themselves. After the worst election result for a conservative party in this state in years, they are now reaching across the chamber and want to continue to wreck the budget. This is hypocrisy gone mad. They were financial wreckers in government. They have clearly learnt no lessons from the election, which widely condemned the former government for its financial mismanagement. They are continuing to demonstrate to the Western Australian public how bad they are at managing the budget.

If Liberal and National Party members vote in favour of this disallowance motion and the motion is successful, \$10 million per annum will be taken out of the budget of this state. I will spell out in a moment how it adds up to that amount. The former government took to the election the *Pre-election Financial Projections Statement*. It also took to the election budget paper No 3, which was published in May last year. Every person who went to the election with a set of costings relied on those budget papers. We will now have to find that \$10 million per annum from somewhere else.

Several members interjected.

**The PRESIDENT:** Order! Every other speech was heard in silence. I am finding it difficult to hear the Leader of the House, so I would ask that members listen to the speech in silence.

**Hon SUE ELLERY:** Thank you, Madam President. Members of the opposition are backing away from and retracting the savings that they put in their own budget papers. I had expected that opposition members who were at the cabinet table when the last budget was put together would defend the position that they are taking today. I am surprised they have not done that.

**Hon Peter Collier:** The debate has not finished yet.



**Hon SUE ELLERY:** I look forward to hearing members opposite defend their hypocrisy on this issue.

The \$10 million per annum across the forward estimates is made up of forgone licence fee revenue of approximately \$5.9 million per annum, and forgone stamp duty, as a consequence of the stamp duty exemption to local governments, of approximately \$4.2 million per annum, depending on a range of factors that need to be taken into account when we include vehicle purchase prices. It is also made up of increased administrative costs for the Department of Transport of approximately \$41 000 per annum. If those savings are taken out of the budget, they will need to be found somewhere else. The Western Australian Local Government Association was advised on Friday that the government will need to look at other ways of finding this \$10 million per annum in order to put the budget—which the opposition wrecked—on a more sustainable footing. This disallowance will not result in savings for local governments.

I have looked at which members of the former government have commented on this issue. I will give credit where credit is due. I did not see any media statements or any comments in this place or in the estimates process from any member of the then government. I did see media comment from Hon Rick Mazza in December, in which he took umbrage at this measure that was introduced by the former government and said he would do whatever he could to try to save local governments some money. I did not hear Hon Jim Chown question this during budget estimates.

Several members interjected.

**Hon SUE ELLERY:** This measure was published in budget paper No 3. Hon Jim Chown could have questioned it at the time if he found it so offensive, but I note that he did not do that.

How did we get to this point? Before I talk about the detail of this disallowance motion, I want to talk about how this debate got to be listed as an order of the day today, because that is important. Conventions apply to who manages the business of this house. The convention in this place is that regardless of whether the government has the numbers, when it comes to orders of the day, the government manages the business of the house. I say also, for the benefit of new members, that the convention of this house is that we follow the Westminster tradition. Under the Westminster system, government business time is managed by the government of the day. That tradition is the practice and procedure of the United Kingdom Parliament as set out in the text on which all members of Parliament rely, Erskine May's *Parliamentary Practice*. Erskine May states in part —

In principle the control of the distribution of time rests with the House itself. In practice the House by standing orders delegated this control, with some exceptions for opposition and private Members' business, and other minor reservations, to the Government. This control is the result of a process which has continued for more than a century whereby an increasing proportion of the time of each Session has been appointed to the Government.

Our standing orders in this place reflect that. The principle that the government controls the business of the house has been for the most part respected by members of this house, even in periods in which the government of the day did not have majority support in the Legislative Council.

I asked for some advice on how many times control has been taken out of the hands of the government in respect of a motion such as the one we are debating today. I am advised that during the modern-day period since proportional representation when the government of the day has not controlled this house—that is, going back to 1997—the standing order that got us to this point today has rarely been used. Eight occasions have been identified on which this standing order has been used in this period. Only three of those occasions concerned orders of the day, which are usually the preserve of government control; one was a private member's bill; and the other two were for the establishment of a committee. The five other occasions were to bring on a motion during the time specified in standing orders for notices of motion to be moved and debated. However, this, of course, has no flow-on effect on government business time.

Disallowance motions are orders of the day, and they are dealt with during government time. Therefore, although standing orders give precedence to disallowance motions each sitting day, the practice of the house has been to deal with those orders of the day only on the seventeenth sitting day after the notice of motion to disallow has been automatically moved under standing orders and becomes an order of the day under government control.

The government has the Loan Bill, which we need to get through by the end of this week. We are also getting on with our legislative agenda. We have the Supply Bill to deal with. We have the Misuse of Drugs (Methylamphetamine Offences) Bill, which we can deal with on Thursday. We also have the Constitution Amendment (Demise of the Crown) Bill to deal with. Instead, today we are debating a disallowance motion that should have been properly dealt with by this house in the normal way that we deal with disallowance motions, but now we are not. As a consequence of what I think was extraordinary and, frankly, pretty poor communication by a number of members, I took the extraordinary step last week of cancelling the informal pair arrangement for the purposes of that vote. That is not something that I did lightly; it is not something that I would want to do again. However, I did that because I think that the steps that got us to this point do not reflect well on most members who want to support the substance of the disallowance motion before us today. I just wanted to make those points about how we got here.

I want to go back to the substance of the disallowance matter before us. The former government did a review, and that resulted, in its 2016 budget, in budget paper No. 3, in a process to discontinue the motor vehicle licensing concessions granted to local government authorities and the Western Australian Local Government Association, effective from 1 July 2017. Honourable members have made the point that that was not communicated formally to local governments until December. However, WALGA is well across the budget papers and it would have known and could have seen, as could anybody who makes it their business to understand the state's budget—WALGA makes it its businesses to understand the state's budget—that that was published in May. It staggers me that in one sense, the former state government took so long to actually put the regulation into effect, but it does not stagger me in another sense, because by that point it was completely incompetent, was desperately trying to save itself and was not paying attention to conducting itself as a good government. As a result of the former government's decision, local governments would no longer be exempted from stamp duty for motor vehicle purchases, which, if we look at past purchase patterns, was budgeted to generate about \$4.2 million per annum. In addition, it has cost some \$400 000 so far to implement those changes. Ongoing administrative savings of about \$41 000 a year were also budgeted for.

If this disallowance motion is successful today, it will result in a loss of budget revenue. I understand that crossbenchers and the Greens who were offered and took briefings last week were provided with this additional information by email, I think, today or yesterday—I do not know the exact date. The loss of budget revenue is as follows: \$5.6 million per annum related directly to the motor vehicle licence exemption to local government authorities; \$4.2 million per annum related to the stamp duty exemption to local government authorities; and, about \$500 000 related to the one-off implementation costs, which will now be effectively thrown away if this disallowance motion is successful and the charges are reversed. That will result in more than a \$10 million per annum reversal in budget repair implemented by the former government, yet its members come in here and say, "No, we got it wrong; we're not going to do that anymore. You just fix that hole in the budget." Yet again we have to fix another black hole in the former government's budget process because it was the state's worst financial wrecker. It has meant that the Minister for Transport has had to foreshadow to the sector, which she did on Friday, that as a direct consequence, direct grants, for example, from the state for local roads could be reduced—will probably, most likely, have to be reduced—in coming years by the equivalent amount to offset revenue forgone as a result of the restoration of those benefits.

Local governments will have the capacity, if they so choose—it is their decision—to direct those savings from the exemptions towards their road funding budgets. Based on 2016–17 funding levels, the effect of that \$10.3 million offset—it drops down to about \$9.8 million in later years—would result in the following. In 2016, direct grants to local roads stood at about \$24.3 million. If this disallowance is successful, in the first year that amount will drop down by \$14 million—that is, after the \$10.3 million offset is applied. In later years, it will be about \$14.5 million, because it will be cut by slightly less than the \$9.8 million offset, and other grants will remain about the same.

When we look at how that would be applied—that is, the proportional split of direct grants between the regions in 2016–17—that \$10.3 million offset would be allocated between the regions in the following ways: the metropolitan area would take the biggest hit; it would take 26.1 per cent of that offset and, as a result, lose about \$2.6 million. The wheatbelt would lose \$2.5 million, which is pretty close to the loss for the metropolitan area, with 24.9 per cent of the offset. The midwest Gascoyne would lose \$1.3 million, about 12.8 per cent; the south west would lose \$1.2 million, about 11.9 per cent; the goldfields–Esperance area would lose just under \$1 million, or \$800 000-odd, which is about 8.6 per cent; the great southern would lose, again, about \$849 000, about 8.2 per cent; the Pilbara would lose about \$448 000, or 4.4 per cent; and the Kimberley would lose around \$334 000, or about 3.3 per cent. That is how it will fall across the local government sector. If this were the former government's grand plan to save money for local government, it would not have achieved that. It could not be achieved. The former government created a black hole that has to be fixed in some way.

The government is doing the budget now. It is looking line by line at every piece of expenditure it can to try to fix the mess that the previous government has left. Yet out of the grave of the worst electoral results the Liberal Party has had in this state in decades, it reaches across to try to continue to wreck the state's finances. The effect of this disallowance motion will not save local government any money. The revenue has to come from somewhere; yet again we are left with no choice but to clean up the mess created by the former government.

It is one thing for new members in this house, for crossbenchers and for Greens members to vote to support this disallowance, but it is nothing short of disgraceful for the people who put us in this situation to do so. They continue to wreck the finances of this state and they will be judged accordingly. We will not support this disallowance motion.

**HON PETER COLLIER (North Metropolitan — Leader of the Opposition)** [2.57 pm]: I did not intend to speak on this disallowance motion because we had nominated a lead speaker, but after that self-righteous nonsense from the Leader of the House, I have to respond. She has to be joking to expect us to sit here and take that tripe—not in a million years!

Several members interjected.

**Hon PETER COLLIER:** I will attempt not to emulate the Leader of the House and shout at members opposite, so I would appreciate that there be no interjections. We are not in a school, even though members opposite keep reminding me that I sound like a teacher. We will not be lectured to, but, hopefully, we will listen to the debate. It has already been acknowledged that we will support this disallowance motion. The issue of concern with this disallowance motion is that the regulation will have an impact particularly on small shires. In my job now as a member of the opposition, I point out that members of the government are always given information about disallowance motions. We have been inundated with complaints not only from WALGA, but also from small local governments across the state about the impact and the unintended consequences that this regulation will have, particularly on small shires. That is why we have had to readdress this situation. For the Minister for Regional Development to sit there and to suggest that we flippantly tick off on these regulations shows a total lack of understanding of being a minister of the Crown.

Several members interjected.

**The PRESIDENT:** Order!

**Hon PETER COLLIER:** To suggest for one minute that we flippantly pass them off is arrogance in the extreme. We will do nothing of the kind.

**Hon Alanna Clohesy:** You're the one who's arrogant.

**Hon PETER COLLIER:** For goodness sake, can I say to members opposite that right at the end of the term of government last year, I stepped in and made sure that some energy regulations did not face this chamber. If members opposite were on this side of the chamber, they would be supporting this disallowance motion because the regulations will have implications for small shires in particular.

**Hon Sue Ellery:** Which you knew at the time.

**Hon PETER COLLIER:** As I said, I sat in silence.

Without any shadow of a doubt, we will support the disallowance motion because it has those implications, particularly for small shires. I found a couple of things galling. Firstly, when we were in government, we had issues with growing debt levels for a whole host of reasons. Whenever we got to the point at which we tried to do some corrective measures with the budget, we were criticised resoundingly. We were constantly criticised for having this major debt. Whenever we tried to do some minuscule things, such as providing some extra Tim Tams for the tea ladies at the education department, we were criticised.

**Hon Alannah MacTiernan** interjected.

**Hon PETER COLLIER:** The member sounds like a wounded crow. Would she just be quiet, please.

**Hon Alannah MacTiernan** interjected.

**The PRESIDENT:** Order! Stop. Just stop.

**Hon PETER COLLIER:** We are all aware of how important Hon Alannah MacTiernan is and how she singlehandedly won government for the Labor Party. In the meantime, she built the pyramids and the Great Wall of China and she has a cure for cancer coming!

**The PRESIDENT:** Leader of the Opposition, I might draw you back to perhaps focusing on the matter at hand rather than your descriptive terms of other members in this chamber. Perhaps you could focus on the motion, please.

**Hon PETER COLLIER:** I will focus on the motion, Madam President, and I thank you for your advice. We were criticised resoundingly for spending money. Whenever we tried to save money, members opposite would stand in this place and talk ad infinitum for hours upon hours and criticise us. In this instance the hypocrisy has no bounds. I turn to the conventions of the house. Members have to be joking. Is that a red rag to a bull? As I said, and Hon Sue Ellery has already identified, the convention with the order of business is certainly not a first. Yes, of course, the convention is that the government controls the order of business. On several occasions that convention has not been adhered to. Hon Rick Mazza did the right thing. He approached Hon Sue Ellery and asked a legitimate question. He asked whether he could bring the motion to the top of the notice paper for a very real and valid reason, and that was that we are rising in three days—I hope—and then, of course, we would not have sat again until after the regulations came into effect. It is eminently sensible to deal with the issue right now. He did exactly the right thing. He tried to ensure that the conventions were adhered to. The government decided not to accept that advice. Having said that, for the members opposite to even countenance the notion of abolishing conventions again is beneath contempt. I brought this up on a number of occasions. The conventions of this house and the government of the day provide the precedent, yet members opposite spent the first two months trying to get someone on this side to be the President.

Several members interjected.

**Hon PETER COLLIER:** If you throw dirt, you are going to dig a hole for yourself. The Leader of the Government has done exactly that here. If she is going to bring up the conventions of the house —

Several members interjected.

**Hon PETER COLLIER:** That is exactly what happened. In this convention business, it is all well and good to adhere to conventions when it suits the government. It is all good and well to be the upholders of all that is right and righteous in the conventions of the parliamentary process. Quite frankly, it reeks of hypocrisy when the government says that it will accept that convention, but not that one, that one or that one. It will accept the conventions only when it suits it. Not only that, the government wanted to cancel the convention of pairs. That was an absolute pearler when our Whip came along and told us a minute before midnight that we were cancelling pairs. I remind the honourable member that the opposition provides pairs and if that is the convention that we are going to abolish, we are going to refuse with flippant disregard, so be it. But let us make it quite clear we did not make —

**Hon Sue Ellery** interjected.

**Hon PETER COLLIER:** Madam President, with all due respect.

**The PRESIDENT:** Order!

**Hon PETER COLLIER:** With all due respect, as I said, if the government wants to break that convention, so be it.

**Hon Sue Ellery** interjected.

**The PRESIDENT:** Order, Leader of the House!

**Hon PETER COLLIER:** You don't spit the dummy when you don't get your own way. That is exactly what is happening.

Several members interjected.

**The PRESIDENT:** Order! There will be no further interjections. The Leader of the Opposition will come back and focus on the motion on the books.

**Hon PETER COLLIER:** I am responding to some comments made by the Leader of the Government. With that notion of cancelling pairs, precedence has now been set. We will remember that. With regard to the convention of the presidency, the proposal was that someone on this side take the presidency to ensure that the members opposite had a majority on the floor of the house—well, a pseudo-majority on the floor of the house. That is without foundation.

Several members interjected.

**The PRESIDENT:** All right. Continue your remarks.

**Hon PETER COLLIER:** Regarding this motion about the legislative agenda, give me a break! After two months, we are sitting here with two bills that we can deal with. We are dealing with the Loan Bill 2017 and the Supply Bill will come in. We have spent well over a week on the Loan Bill. I assure members opposite that we are not going to abuse this chamber by keeping everyone here for 24 hours like members opposite did on two occasions. No, if members are going to say that sort of stuff, they will get it back with interest. I am not prepared to sit here as Leader of the Opposition and accept that nonsense from members opposite. As I have said, a number of conventions have been broken already by government members. In particular, the one that concerned me and is of interest is the notion that we are going to abuse the conventions of pairs when it suits us, and I will not forget that.

Having said that, we did not take this lightly and we have looked forensically at these regulations. We have seen the impact that they will have on small shires in particular and that is why we have made the very considered decision to support the disallowance.

**HON ALANNAH MacTIERNAN (North Metropolitan — Minister for Regional Development)** [3.08 pm]: I had thought that after the absolute profound loss that the other side endured at the last election, it might have got the message that wrecking the budget deeply concerned this community. Over the next two years our net debt will reach \$41 billion and we now have a net-debt-to-revenue ratio of 82 per cent. This is banana republic stuff.

I understand the arguments that have been mounted today and we have to say that all things being equal, this is not something that we want to do. But we are in an immensely difficult fiscal situation and member after member gets up and asks whether we are going to fund this or that and says that they had things in the budget. Members get upset when we say we do not know whether we can, yet the opposition when it was in government introduced this measure. I note that the National Party members cannot escape this. They had people with a seat at that table. Notwithstanding those vicious blue on green wars, they had a seat at the table. I know the Leader of

the Opposition gets very upset with me; apparently I offended him because I presumed at one stage that he had something to do with his portfolio and he might have had an impact on the Premier, but I accept that he did not. But what he has said today is really interesting. He said that the Minister for Local Government had no idea what he was doing either. What he has told us is why the opposition has changed its position—why in May last year the previous government passed a budget that contained this particular measure and why it went to the election. As the honourable Leader of the House has said, the opposition went to the election with this as part of its fiscal package, but it did not actually understand it. If I can quote the “member for Tim Tams”, these were unintended consequences.

*Withdrawal of Remark*

**Hon MARTIN ALDRIDGE:** Madam President, the member has not served in this house for a while, but it is disorderly to call members by any term other than their name.

**Hon ALANNAH MacTIERNAN:** I accept the member’s comment and I withdraw, but I have to say I found it most interesting that the Leader of the Opposition’s greatest regret about his time as Minister for Education and Training was that he was unable to introduce free Tim Tams for the tea ladies.

*Debate Resumed*

**Hon ALANNAH MacTIERNAN:** I want to go to the essence of what the Leader of the Opposition was saying to justify why the opposition said one thing then and has been saying the completely opposite thing now. He said that there were unintended consequences, but he has not actually outlined any unintended consequences other than those things that were always going to be very obvious consequences for the budget—that the provision was going to take revenue and remove new and existing registration exemptions and stamp duty exemptions. That is what it was all about—to describe the very essence of how the provision and the budget item worked and then to say, “Oh, my God; it’s an unintended consequence.” Not only was the then Minister for Aboriginal Affairs asleep at the wheel, not knowing what was going on; obviously, the Minister for Local Government and all the rest of the ministers presiding over that budget also had absolutely no idea what went into it. I can tell members that I understand it. Some highly understandable arguments have been raised here, but, at the end of the day, we are in a massively difficult situation. As the honourable Leader of the House said, this is a very vexed process. We are going through the budget line by line making hard, deep and difficult decisions. This is not easy and it is not a good time to be putting together a budget and trying to bring our economy back from banana republic status.

I urge the opposition to at least have some credibility and to learn the lesson the community gave it at the last election—that the community does not want fiscal banditry; it wants fiscal responsibility. I ask the opposition to please reconsider the reckless measure it is proposing and to support the regulation that it introduced and said was absolutely necessary as part of the budget repair exercise.

**HON SIMON O’BRIEN (South Metropolitan)** [3.13 pm]: I have been listening to this debate with great interest and weighing the merits of the arguments that have been raised on both sides. I would like to provide some conclusions that I have drawn on the merits of this argument that I hope members will listen to and take note of. I also want to respond to some of the matters that have been raised in the course of this debate that need responding to as part of this debate.

Firstly, in relation to the latter, we have had some very strong assertions and counter-assertions—indeed, almost fulminations—about matters relating to the management of the house, the traditions of the house, the cutting asunder of traditions and the breaking of precedents, and so on. If they are to be raised in the course of debate about this matter, I am going to address them, because there are some things here that members all need to understand if this house is going to function properly.

With regard to the management of the house, there is a long history that can be quoted selectively if people are of a mind to do so, and we have seen some selective memories, or selections from history, in the course of this afternoon’s debate, and I want to set the record straight on some of that. It is not just the honourable Leader of the House channelling her inner Norman Moore when she —

**Hon Sue Ellery:** I’m a great admirer of him; you know that!

**Hon SIMON O’BRIEN:** I know the Leader of the House is, and that is why she was channelling him and quoting him—at some volume!—about those who would dare take, in the Leader of the House’s words, the management of the house out of the hands of government. I have heard Hon Norman Moore, under two separate governments—once in the government of Richard Court and once in the Barnett government—speak in similar terms about the outrageousness of members of the opposition wanting to take the conduct of the running of the house out of the hands of government, and sometimes he was actually warranted in doing so. But, just lately, that has not been the case. Incidentally, I also remember hearing Hon Kim Chance, as Leader of the House, saying the same thing to Hon Norman Moore when Hon Norman Moore was Leader of the Opposition—accusing him of trying to take the running of the house out of the hands of government. One can be very selective about this.

With regard to this particular matter, we have evolved our standing orders, and Hon Sue Ellery was a key part and active participant in the process that gave rise to standing order 17, which, acting in concert with other standing orders, was intended to avoid these evils. Standing order 17(5) states —

A Member may move without notice that an order of the day or a notice of motion listed on the Notice Paper in the Member's name be made order of the day No. 1 or motion No. 1 on the Business Program for the next sitting of the Council. Any such motion shall be put without amendment or debate.

Hon Rick Mazza used that standing order in precisely the way that it was meant to be used. The system is working. With regard to this disallowance the key date clearly is 30 June, and there will be all sorts of complications visited upon local councils and all their ratepayers—that is, the entire population of Western Australia, unless otherwise exempt—if this matter is not resolved by then. In fact, if the government was being responsible, it probably should have allowed order of the day 1 to come on as order of the day 1 before today, rather than continually putting it off, putting it off, and putting it off; possibly in the hope of staggering to 1 July, collecting its money, and saying, “Phew!”

That is why Hon Rick Mazza is quite right to bring this matter to the house. The government wants to talk about the conventions of the house and how we conduct business. We have heard that the traditions of the house have been traduced on this occasion in a way that has never happened before, and that this standing order has been used on eight occasions, five of which were to bring forward a different motion rather than an order of the day. Let me tell members what the history of this really is. I spent my first four years in this place watching the then opposition act in concert with crossbenchers of like mind to do everything it could to frustrate the focus of the government and its legislative program—the business of the house. Hon Norman Moore used to assert, “You are trying to take the management of the house out of the hands of the government”, and he was quite right. There was no standing order 17; there was an equivalent standing order that I think, from memory, was about 128 or something like that. That does not matter. The point is that our current standing order is a non-debatable motion, as it should be. Hon Rick Mazza moved that this be the first order of the day for today's business, and the house, without any hold-ups, without any disruption of the management of the house and without any disruption or delay to the government's legislative program simply voted on it—the house. This house decided that this matter would be decided today. If the government thinks that it is bigger than this house, it is getting a bit above itself.

What used to happen, when the then opposition was not bringing matters forward and frustrating the government in that way, was that sitting day after sitting day the then Leader of the Opposition would come into this place and out of the blue, without any notice to the Leader of the House, would say, “Right, I move without notice that standing orders be suspended to allow us to debate how rotten the government is”, or whatever the issue was. The house would then spend about five or six hours debating whether standing orders should be suspended, and when we eventually got to a vote we might actually get on with some business. Then, at about 9.55 pm the Leader of the House would move that the house sit beyond 10 o'clock to deal with at least some item of government business. So do not tell us now that using standing order 17 and dealing with this disallowance motion today is somehow some sort of a travesty, because it is not.

I will move quickly through the other matters I wanted to respond to, because they need to be responded to. In relation to the traditions of the house, these allegations have been brought forward in pursuit of the Leader of the Opposition's argument on this motion. That is why I am responding to them now. We are told that various traditions of the house have been undermined. Looking at that, the one I have become aware of only today is that pairs were suddenly called off the other day without notice, or with 10 minutes' notice, apparently with the motive of frustrating the standing order 17 motion that had been advised by Hon Rick Mazza. It did not work because the Greens came and voted with the opposition and others, so the numbers were not there anyway. But that is what it seemed to be about. That is a far more serious matter when it comes to the traditions of the house and what we are being accused of.

All governments in Western Australia have been annoyed by having this house of review here, including that of Sir Charles Court—all sorts of people have; you name them. The old friend of members opposite, Brian Burke, was trying to get a matter through this house as Premier. He came and sat in that corner over there, summoned the Whip—I believe it was Hon Fred McKenzie in those days—and said, “Right, have you got the numbers?” The Whip said, “No, we're a bit short.” Then they looked at the pairs situation and Burke allegedly said—this is folklore now—“Tell them pairs are off.”

**Hon Sue Ellery** interjected.

**Hon SIMON O'BRIEN:** The Leader of the Opposition wanted to introduce these matters into the debate, and I going to respond to them.

**Hon Sue Ellery:** Which I did in a very short period of time.

**Hon SIMON O'BRIEN:** Hon Fred McKenzie, the then government Whip—I hope the current government Whip is taking notice of this—said, “No, we're not doing that. I have an arrangement with the opposition Whip, and that's what's going to stick.” I wonder whether any members opposite would have the guts to say that to Brian Burke?

**Hon Sue Ellery:** Oh, for God's sake!

**Hon SIMON O'BRIEN:** I wonder whether any members opposite would have the guts to say that to Mark McGowan?

**Hon Sue Ellery:** I didn't discuss it with Mark McGowan!

**The PRESIDENT:** Order! Hon Simon O'Brien, I appreciate you were trying to respond to those matters, but I perhaps might remind you to go back and focus on the motion that is actually up for debate today, and perhaps direct your comments back to the detail of that motion.

**Hon SIMON O'BRIEN:** Indeed I shall, Madam President. I thank you for your forbearance as I have sought to address the matters that have been raised in the course of the debate, that I, if no-one else, have been listening to and weighing up the merits of.

Let us come to the merits of that argument. We have heard accusations of hypocrisy shouted across this chamber today because the former government brought forward this regulation that is now the subject of a disallowance motion. You know what? It got it wrong. We know that from no less an authority than Labor Party members, whose attitude to this regulation seems to have changed dramatically as they crossed from one side of the house to the other in the course of an election. Yet they presume to accuse members here of hypocrisy. When it comes to this matter, I am capable of weighing up the merits of the argument and of sorting my way through the nonsense spoken. How would the government presume to know what my response would have been to a disallowance motion on this matter brought forward by the government? I have crossed the floor in this house. Have any members opposite? Would they? Would they have the guts? No. But I have, and I have done it. I remember on one occasion I was standing there with my good friends Hon Lynn MacLaren and Hon Robin Chapple, arms around each other as they started counting the votes. We were thinking: Jeez, I hope three is enough! We sang *Kumbaya* at one point! Sadly, we were just defeated, but we accepted that because that is the weight of numbers. I would never reflect adversely on a decision of the house, Madam President.

**The PRESIDENT:** No, I should hope not.

**Hon SIMON O'BRIEN:** But that is what I have done. This regulation is, in its substance, without merit; that is why it deserves to be disallowed. Not because, "You moved it or gazetted it", or, "We were in opposition then but we're in government now and we need the money." No. On its merits it does not deserve to stand. That was portrayed by the remarks of the honourable Leader of the House and the honourable Minister for Agriculture and Food just now when they came to the substance of their debate, which was this: the Minister for Agriculture and Food was saying, "Look, we have an immensely difficult fiscal situation. We desperately need this money or else it's going to be terrible." The Leader of the House lectured us at some length about wrecking the budget. But then they undid their own argument through the words of the Leader of the House, who said, "You know what's going to happen if we haven't got access to this money? We're going to take it out of other moneys that are given to local government for roads, for example." It sounds to me like that is hardly a problem for the government in dealing with an immensely difficult fiscal situation. It is going to rob local government with the left hand, or if that does not work it will rob it with the right. Either way, the government is doing the wrong thing by local government.

It is the case that the former government brought forward this measure to raise money by denying local governments the concession on licensing that has previously been available to them, and that was wrong. It was wrong to do that and it should be undone; that is what this disallowance motion proposes. It is absolutely disingenuous of the government to suggest that this will wreck its budget because it has just told us that it will cut road funds for local roads. At least that will be a bit more transparent.

I can see this debate continuing—can members not? Nonetheless, the merits of the argument are quite clear. This needs to be disallowed and that is why I support the motion. Members on the government side do not seem to know what they are doing. In the past, they have told us this is an unnecessary—or whatever stronger word I can use—impost on local government, yet it has kept up with it. The government has fought tooth and nail and even tried to get rid of pairs. I will have a bit more to say about that when I have a greater degree of indulgence. Members opposite have a bit to learn, I can tell them. Where does the government stand now? It is defending what it previously opposed, and it is doing it for the wrong reasons. It fought tooth and nail to stop the matter being brought on before 30 June, but it failed. Thanks to this house of review, the government failed, so now government members are disappointed that their desire to rip off local councils has been frustrated. Frustrated it must be, and for all the good reasons, and others, that were advanced by the mover of the motion and others, I strongly support this disallowance motion.

**HON MARTIN ALDRIDGE (Agricultural)** [3.31 pm]: I rise to speak on this important and, at times, entertaining disallowance motion this afternoon. I want to talk about a few things that have been said in the debate and then address the regulations. I found it interesting that in her speech, the Leader of the House talked about hypocrisy. I did not think that the Leader of the House would bring it up, particularly given that since this

Parliament has opened, she has been quick to remind us of who won the election, the mandate that the government has, the delivery of all the government's election commitments and then, in the last couple of weeks, we saw a big backflip on Perth Modern School. If she comes in and alleges hypocrisy to this house —

Several members interjected.

**Hon MARTIN ALDRIDGE:** I think members on this side of the house said to the Leader of the House that we would support her in reviewing her position, yet it is clear that the opposition does not have that same entitlement to review the positions it takes from time to time. The Leader of the House also talked about communication, which was rather interesting because I sit next to my friend the Leader of the National Party in this place, and she has had no communication from the Leader of the House about the management of this matter in this house. That is a rather interesting point.

Several members interjected.

**The PRESIDENT:** Order! Only one member gets to speak at a time and Hon Martin Aldridge has the go right now.

**Hon MARTIN ALDRIDGE:** It was an interesting point to make about communication. I was one of the members who was away on Thursday with a pair, attending to some medical business. It was not until afterwards that I found out my pair had been revoked. I went back and checked the division records in *Hansard* from last Thursday and I am recorded as not voting in the chamber. That concerns me. When people reflect on the record of this place, I neither voted for or against, nor was paired in the division. I think the display put on by the Leader of the House on Thursday will come back to haunt her during the term of this Parliament because it will be her and her government that will ultimately benefit from pairing arrangements, not us.

I rise on behalf of the National Party to support this motion to disallow the regulations. As members have said, this regulation formed a decision that was announced in the 2016–17 budget but it did not come into effect until the 2017–18 financial year. From listening to the contribution of members opposite, I would think that every budget and its forward estimates—this matter was ultimately in the forward estimates, not the budget year—that is brought to Parliament will be introduced in full on every occasion, without exemption, without change, variation or amendment. The government will bring in a budget and bills in September and it will make no changes whatsoever to those budget papers, forward estimates or any of the decisions that it announces during the budget process! If that is the bar this government will introduce, I will be very surprised. It will certainly be a very interesting process if the discipline the government is talking about means not being willing to revisit its positions or undertake further consultation, particularly when some decisions are made in cabinet and through Treasury, processes in which consultation often cannot be done to the fullest extent. I look forward to holding the government to account over the next four years on this new bar that it has now set.

I remember the now Leader of the Opposition, I think in my first budget process in this place, being quite frustrated by me when I questioned him about some changes in the budget that related to how we would charge the parents of school students who had 457 subclass visas in Western Australia. I did not think the government got that decision right. To his credit and to the government's credit, they went back and reviewed that position and changed it. I think that delivers a better form of government than this. I sometimes question: if we are never able to revisit something and are never able to change a position, as the Leader of the House clearly seems capable of doing, why do we have a Parliament? We could just have an executive government and it could make decisions while we sit in here like puppets and vote the way our parties tell us to.

The Leader of the House raised some interesting points about when people became aware of these changes. I understand that there may have been some awareness but I am not sure to what extent it was within cabinet. Cabinet deals with a very big budget with many elements. I do not think every cabinet minister would be aware of every decision that is made in the cabinet process. I think that would be the same regardless of who is in government. We heard a contribution from the Minister for Agriculture and Food. When we have the estimates process after this government finally hands down its budget, we only need to call on the Minister for Agriculture and Food because, clearly, she will know everything about her budget! All we need to do is call on her in the estimates process, and she will be able to answer every question on every policy and every decision, such is the contribution she has made in the house today.

Members would be aware that this regulation, if it were allowed to come into effect in the new financial year, would raise about \$5.6 million from vehicle licence fees. It would have a range of impacts, ranging from a very small impact to a very large impact—some in the order of 10 per cent. On top of the vehicle licence fees, stamp duty payments will also be affected. Being a member for the Agricultural Region, I think with the boundary changes we now have somewhere in the order of 60 local governments. Many of them have extensive road networks and very small rate bases. Particularly off the back of a number of natural disasters over the last 12 to 18 months, those local governments, particularly the smaller ones, are really struggling to do a range of things, and also respond to the significant impact of those natural disasters on their road networks. That includes some of the heavy rainfalls we had in just the last few weeks—as if what they experienced a few months ago was not bad enough.



The debate has included mention of the state road funds to local government funding agreement, which was struck at 27 per cent of vehicle licence fees being returned to local governments, although there were some amendments over time to cap it at a dollar value rather than a percentage transfer. It would be interesting to know what the impact would be on local governments if that was taken into consideration. Almost 25 cents in the dollar would be returned to local governments through that funding agreement. I first became aware of this issue late in 2016. The Leader of the House made a comment about who asked questions about this during estimates. To be fair, no member of this place asked questions about this issue during estimates, including members of the now government, because there was no awareness of it. The Western Australian Local Government Association certainly was not aware of it, and the first time that there was an awareness of this fee change was when local governments and the sector were written to by the then minister in December last year. I am happy to be corrected on that, but that is certainly my understanding of the situation and why it became such a hot issue over December and January, and leading into the election campaign.

**Hon Darren West** interjected.

**Hon MARTIN ALDRIDGE:** Although Hon Darren West does not say much these days, because I think he has been told to keep quiet now that he is in government —

**The PRESIDENT:** And I hope that you are not encouraging him.

**Hon MARTIN ALDRIDGE:** He will be held to higher account now that he is a member of the government and the executive. Certainly, his social media activity has declined and his contributions to this house have declined. It can only be with the aim of productivity gains.

This is a situation in which I do not think anyone can say, hand on their heart, that they identified this issue in the budget papers. The local government sector did not, local governments did not and members of Parliament did not. That is why this became an issue late in the piece last year when we had a budget in May, and the first awareness of this, in my view, was later in December. When I sought information about this issue, one of the arguments put to me at the time was that a review undertaken, I think, by Treasury—it may have been by the Economic Regulation Authority or some other government body—to look at the concessions applied to a whole range of people from the state government. This was one of the issues that it looked at. One of the points that was made to me was that Western Australia is one of only two jurisdictions in Australia, the other being Queensland, I think, that currently apply concessions to motor vehicle licensing for local government. In isolation, that fails to recognise a number of things in the Western Australian local government sector. One is the significant role that local governments play in the road network, particularly outside Perth. The majority of the road network is theirs; it is their asset. Their ratepayers maintain it, with assistance from various sources I should say. Local governments play a very active role in road maintenance because their roads are theirs. They are largely the owners of those roads, and I would have thought that for the majority of the time that their motor vehicles are spending on the road, they would be travelling on their roads, less so on state or federal roads. In fact, one of the local governments in my electorate, the Shire of Narembeen, has no state roads within its jurisdiction. There would probably not be too many local governments that could say that they have no state-maintained roads, or roads that are the responsibility of the state, within their local government area, but Narembeen is one. Let us assume for a moment that the majority of the Shire of Narembeen's light and heavy vehicles go backwards and forwards on the road network within the shire, with some exceptions—obviously, the people driving these cars leave their shire boundaries to go to meetings and other things. They would be paying a higher increase in vehicle licensing for travelling on the roads that they own and maintain.

**Hon Darren West:** This is your regulation.

**Hon MARTIN ALDRIDGE:** Hon Darren West has been saying the same thing the whole time. I know that he is not known for great substance, but he is welcome to jump up and make a contribution to the debate. I am not sure what value his contribution will be, but he is welcome to make one.

**The PRESIDENT:** Member, I will just remind you that your comments should be directed to me. You should not be trying to incite other members to interject on your debate.

**Hon MARTIN ALDRIDGE:** Madam President, if I may clarify, the member was interjecting and I was responding.

**Hon Sue Ellery:** No, you may not clarify.

**Hon MARTIN ALDRIDGE:** The last time I checked, the Leader of the House was not in the chair.

**The PRESIDENT:** Hon Martin Aldridge, you have the call; continue.

**Hon MARTIN ALDRIDGE:** Thank you, Madam President. I still have 32 minutes remaining, and I am happy to use more time if the Leader of the House would like me to.

**Hon Simon O'Brien** interjected.

**Hon MARTIN ALDRIDGE:** Since we have had a version of how the Leader of the House thinks the house should act today, clearly she has stood up and done otherwise in the address that she has given to this house. Anyhow, we move on.

If we are going to make a decision to remove concessional licensing that applies to local government vehicles, one of the things that we should also consider is whether it would not be fairer to remove the same concession that applies to the State Fleet because, after all, the State Fleet would be travelling on local and state roads?

**Hon Dr Steve Thomas:** And on local government roads.

**Hon MARTIN ALDRIDGE:** Yes; correct. If we wanted to apply the principle that everyone should pay their fair share for vehicle licensing, which ultimately goes into the maintenance of our road network in Western Australia, regardless of its ownership, and if local government should pay, I would have thought that the state government should pay. We are seeing that in other areas. The last government took some decisions on electricity tariffs and requiring state-owned departments and enterprises to move towards full cost reflectivity in the electricity tariff that is paid. If we are going to enforce full vehicle licensing costs on local governments, it would only be fair to do the same to the state, therefore increasing the amount of money that is available in the vehicle licensing pie. Although it would be hard to do the modelling unless we were Treasury, I think it would increase the return to the state and local governments for maintenance of the road network. If that were to be accepted as a principle, I think that we would have a stronger argument for charging local governments full vehicle licensing costs because, after all, they are owners and maintainers of a significant section of the road network in Western Australia.

I am quite happy with the position that we have got to. All members of Parliament should be able to review the decisions of their government, whether they are in government or in opposition. I know that this decision was to take effect in the 2017–18 financial year, for which a budget has not yet been handed down. We published a set of forward estimates about the things that we think we would achieve if we were still in government over the forward estimates, and this was one of the measures that was taken. But we are not in government. Members opposite are the government now and they need to make decisions for their own. I do not think that this outcome today would have been any different whether we were sitting on that side or this side of the house. Just as we took issue with a number of things whilst I was a government member, I believe this issue would have been pursued whether we were in government or in opposition. I detect that members opposite think we are doing this only to be spiteful and to be wreckers; we are doing this only because we no longer have responsibility for the budget outcome. The local governments in my electorate, particularly the smaller local governments, are more vulnerable. They have written to me and spelled out quite articulately the impact that this decision will have, if it is upheld, on their jurisdiction. It is not so much the mid-tier to the larger local governments; in fact, when I have met with them, they have not even raised it as an issue.

Two members of the government have spoken. I am still not quite clear what their position is on this regulation. If the government votes against this disallowance, it might like to consider how it may be implemented more fairly, particularly in light of every local government in Western Australia being quite different in its size, both geographically and in its road network, and also its financial capacity to maintain that road network. Perhaps a fairer approach, if the government supports cost reflectivity in local government vehicle licensing, would be to consider some sort of safety net that would provide for some of the smaller local governments in particular. As I said, two members from the government have spoken. Apart from yelling at us and one of them telling us that she knows everything about the budget, about which we will hold her to account in September, we are still none the wiser about how they are going to vote or what their position is on this regulation. We heard a lot about this matter from government members when they were in opposition. However, all we have had during this debate is silence, apart from some unintelligible interjections from a member opposite. I would be very surprised if Hon Darren West seeks the call to speak on this motion, because I think he has been gagged by his party.

I am very proud of the record that we left in government, particularly for local governments. When I meet with the Western Australian Local Government Association and local governments, they know that the end is near for support from this state government. From 2008 until the change of government, our government delivered, just through royalties for regions, \$1.3 billion directly to local governments in infrastructure and service assistance. Hon Dr Steve Thomas outlined quite well during the debate the costs that regional local governments in particular need to bear. These include the provision of health care, child care and aged care, and the provision of general practitioners. I do not think metropolitan local governments are required to provide these kinds of services. Regional local governments usually have lesser means to enable them to provide these sorts of services. However, they have to answer to their communities and try to find a solution to make their communities better places in which to live. I commend the motion to the house and indicate that the National Party will be supporting it.

**HON ROBIN SCOTT (Mining and Pastoral)** [3.51 pm]: I want to make some brief comments on this disallowance motion. I have been listening to the government and the opposition and I am trying to figure out what they are arguing about. It does not seem to be about this disallowance motion; it seems to be more about

who is to blame for it. My electorate, the Mining and Pastoral Region, has a lot of small shires. The Shire of Meekatharra has only one bitumen road that comes from the south and heads north, and Cue has only one bitumen road—Great Northern Highway. Mt Magnet is lucky, because it has not only Great Northern Highway but also a bitumen road to Sandstone and Leinster. Wiluna has been waiting for 40 years to have the 184-kilometre road from Meekatharra to Wiluna bituminised. The former government said it would bituminise that road, but the new Labor government has said that is now under review. Last week, I had many communications with those shires, in particular the Shire of Sandstone. The Shire of Sandstone has approximately 150 inhabitants and covers an area of more than 32 000 square kilometres. It has to maintain over 1 000 kilometres of gravel road, with a fleet of 40 vehicles. If that local government has to pay licence fees, it will cost it more than \$37 000 a year. That money will have to come from its ratepayers. I have to let every member in this place know that these small shires are already struggling. A lot of members in this place are stuck in the metropolitan area. They have never had to travel on gravel roads that have not been graded properly. I have done that; I have spent 30 years on those roads, and I am very grateful to the shires for the maintenance that they have performed on those roads. Most of these shires just manage to scrape by each year. With all the bickering that we have heard today, it was comforting to hear from Hon Simon O'Brien that a few local governments are cuddling each other and singing camping songs. No local government in the midwest or the Pilbara is doing any singing and dancing at the moment. They are very concerned that their ratepayers will end up having to pay this added expense.

I hope that when members vote on this motion, they will consider what I have said and will do what I will do and support Hon Rick Mazza's disallowance motion today. Thank you.

Question put and a division taken with the following result —

*Division*

Ayes (20)

Hon Martin Aldridge	Hon Peter Collier	Hon Rick Mazza	Hon Aaron Stonehouse
Hon Jacqui Boydell	Hon Colin de Grussa	Hon Michael Mischin	Hon Dr Steve Thomas
Hon Robin Chapple	Hon Diane Evers	Hon Simon O'Brien	Hon Colin Tincknell
Hon Jim Chown	Hon Donna Faragher	Hon Robin Scott	Hon Alison Xamon
Hon Tim Clifford	Hon Nick Goiran	Hon Charles Smith	Hon Ken Baston ( <i>Teller</i> )

Noes (11)

Hon Alanna Clohesy	Hon Laurie Graham	Hon Samantha Rowe	Hon Pierre Yang
Hon Stephen Dawson	Hon Alannah MacTiernan	Hon Matthew Swinbourn	Hon Martin Pritchard ( <i>Teller</i> )
Hon Sue Ellery	Hon Kyle McGinn	Hon Darren West	

Pairs

Hon Tjorn Sibma	Hon Dr Sally Talbot
Hon Colin Holt	Hon Adele Farina

Question thus passed.

**LOAN BILL 2017**

*Committee*

The Chair of Committees in the chair; Hon Stephen Dawson (Minister for Environment) in charge of the bill.

**The CHAIR (Hon Simon O'Brien):** Members, this is the first time in the fortieth Parliament that we have entered into the Committee of the Whole stage in the course of dealing with a bill. I draw members' attention to the Legislative Council procedural notes for members. In that material, they will find a discussion about the short title debate on clause 1 of a bill. I am not intending to go through that now, but members may wish to reacquaint themselves or in some cases acquaint themselves for the first time with the scope of the short title debate. That is what we call debate on clause 1 of a bill. It is particularly significant because if clause 1 of a bill is not agreed to, the whole bill will be defeated and done away with. It is a particularly important clause. With that preamble and advice for members, we will now go to our business.

**Clause 1: Short title —**

**Hon Dr STEVE THOMAS:** I take this opportunity to make some comments about the short title of the bill and the functioning of the bill. On your advice, Mr Chair, I took the opportunity during the break over the weekend to acquaint myself with the standing orders and learned that the committee stage of this process is to examine those things that might add to or improve the bill without necessarily going over the debate that has been held so far. That precludes me from making lots of points, but I would like to give members an idea of how, with my history in the other place, I think a minister might respond to the second reading debate and how we might

progress. It may be that the Legislative Council does things a little differently or it may be a government or a minister that does things differently. Something we missed in the response to the second reading debate was a conversation about those things raised by honourable members during debate. I think that is very important. It would be remiss of us to progress beyond clause 1 without addressing some of those key issues. I hope that during this process the minister will take the opportunity to give us his version of where the government sits on those issues that were raised.

I will start by talking about some of the contributions made around the chamber. Some of them were quite measured, intelligent and worthy of consideration. I start with the contributions from our friends in One Nation. I thank the members from One Nation for some additional information they gave me following their speeches so that I could work out in a little more detail where they were going. One Nation put forward the proposition that there might be alternative ways, apart from significant additional debt, to deal with the problems and the fiscal situation faced by the government. I noted with interest their proposal to, in effect, cash out longer term revenue streams, taking an immediate payment and therefore reducing debt. That is a perfectly legitimate economic prospect and something that is done in other jurisdictions. It was remiss of us to not make comment—I hope the government will make comment—on that proposal by the honourable members. I would say to the honourable members of One Nation that the only problem with that proposition in the longer term is that we have to be careful that you do not have your cake and eat it too—that is, that the government does not spend the money that would be coming in in long-term revenue and also factor it in even though it has been lost as an immediate debt repayment. The members discussed cashing out long-term royalty income for up to \$5 billion on a single large mine. There is nothing wrong with the mathematics—I went through it having received some additional information—and I think that is very good. The problem is that to allow that to happen, the government would have to be prepared to forgo that cash income. The difficulty is that we have had no indication from the government about how it will cut its expenditure to meet that revenue cloth. It is an issue worth exploring and it was good that it was raised. It needs to be part of a longer term conversation about how it might be used to reduce debt. It is not something that should be dismissed automatically. Unfortunately, it kind of got lost; even though it was raised in the One Nation members' second reading speeches, it has not been addressed. I am particularly keen to see that part of the debate addressed, and I thank them for raising it.

I enjoyed the contribution of Hon Aaron Stonehouse, representing the Liberal Democrats; it was fantastic. I am beginning to think that he should come and sit over here next to me in the far right corner because I think he and I might be more closely aligned than we think.

**Hon Aaron Stonehouse** interjected.

**Hon Dr STEVE THOMAS:** No, this is the far right over here. I suspect that this is where Hon Aaron Stonehouse should be. There is a spare seat and I would happily guide him through the process from over here. I enjoyed his contribution. I have looked at his amendment and I know that he and I agree that it is important that we look after the government's current expenditure problem. The unfortunate thing is that I cannot bring myself to support his amendment, and I give him some notice that the opposition cannot support his amendment. Unfortunately, by setting the level at \$1.5 billion, the government will get only a couple of extra months of debt borrowing activity before it will be forced, irrespective of its intent, to come back here and ask for another loan bill to be passed through Parliament. We would be debating another loan bill immediately upon returning to Parliament in another six weeks. Unfortunately, we cannot support Hon Aaron Stonehouse's amendment. I understand what he is trying to do. He is trying to limit the exposure of government and the people, and basically force the government to cut expenditure. Although I have some sympathy for his intent, the method that he is using is the old blunt instrument. Hon Aaron Stonehouse may have heard the expression to use a sledgehammer to crack a walnut; that is partly what he is proposing to do. I will come back to him in a little bit.

I have to say that the contribution from the Greens was also very good. The bit that concerns me about their contributions is that although most of its members stood up and railed against the previous government for its lack of budgetary control, most of the rest of the addresses were based upon expectations of additional expenditure in a range of areas. I have just listened to the Greens make a good and significant contribution to debate on the disallowance motion, which was ultimately an economic issue. I urge the Greens to make a choice about whether they will look at financial responsibilities as a primary concern or focus on additional expenditure. I think I heard the Greens call for additional expenditure on every possible area of government. I spent some time in the chair listening to that.

Several members interjected.

**Hon Dr STEVE THOMAS:** That is the classic example. The Greens contribution was good, but can you guys decide on which side of the economic fence you sit? Otherwise, it is very hard to take the Greens' contribution to economic debate seriously. The Greens deserve to be taken seriously, so they need to make a choice about where they will go with this. Hon Rick Mazza also made a very good contribution. Unfortunately, he is not quite ready to listen to economic reality about GST redistribution, but I think that he will get there.

Overall, we had a very good and high standard debate. Some suggestions were put forward by various members and I think that it is incumbent upon the minister and the government to reply to those suggestions. I will make one last point. The other thing that was missing from the debate and I think it is necessary for us to address before we progress was asked by every member of every party, including the Greens, One Nation, the Liberal Democrats, the Shooters, Fishers and Farmers Party, the Liberal Party and the National Party—that is, what is the government’s plan to reduce debt? To this point, I have not heard anything of significance from the government, but that is something that would make this bill better. As the standing orders suggest, we should debate in the Committee of the Whole what would improve the bill. As we progress forward, we look to the government for comments about how government debt is going to be managed into the future.

Honourable members will be aware that during last week the government announced some savings measures. I note with interest that they mostly revolved around grants and increases in power and charges. We should be courageous enough to have those conversations out in the open, rather than sneaking through things such as cost-shifting onto local government. If additional cost imposts are to be applied, it should be done in an open and forthright manner—and, to be honest, the government did that, and it was quite reasonable. Unfortunately, it was a very small contribution. According to the Treasurer’s media release, the announcements last week will result in an improvement in the state’s financial position of \$84 million across the forward estimates. At best, even if we put in every calculation, the best we will get out of that is \$80 million a year.

I raise this matter with Hon Aaron Stonehouse in particular. During the second reading debate on the bill, I spoke about his generation’s need to repay the bill. My friend Hon Aaron Stonehouse had better come to the gym tomorrow and let me set up an exercise regime for him, because if the debt is going to be paid off at \$800 000 a year, he will be over 400 years old by the time it is paid off. There will be no more parliamentary sausage rolls for you, my friend; you have a longer duty.

**Hon STEPHEN DAWSON:** I think there were some questions there, so I might seek to give some answers. I am very happy to answer questions that relate to the policy and content of the bill, and, obviously, my advisers are here with me for that. However, policy matters that are of interest to members but do not relate to the bill would be best dealt with by members submitting questions to responsible ministers. Some great suggestions have been made by a variety of members during this debate, and I certainly intend to ensure that the Treasurer sees each and every one of them. However, my job and our job this afternoon is to debate this bill and the policy and content of this bill.

Hon Steve Thomas mentioned budget savings measures or asked what we are going to do. We have a commitment to budget repair, and we have made some announcements already. Perhaps I will put some of those on the record for his information. Some measures announced to help share the burden and to help get the budget back on track include cutting the number of government departments by 40 per cent; a four-year pay freeze for members of Parliament and the state’s highest paid bureaucrats; a tighter wages policy across the whole public sector; increased port charges on the state’s largest miners; a service priority review to find ways of making the public sector more efficient; cutting the senior executive service by 20 per cent; and we have also committed to a commission of inquiry to investigate previous financial management. We have no option but to fix the mess left behind by the previous government, and we have made a start, but there is plenty more work to do. We will address those issues in the lead-up to and certainly when we release the budget in September this year. We have made a start. There is certainly a lot more work that needs to be done to get this state financially back on track. However, we will do that work, and it will be announced as part of the budget.

**Hon AARON STONEHOUSE:** Should I address you as Chair?

**The CHAIR:** Mr Chairman.

**Hon AARON STONEHOUSE:** Mr Chairman, thank you.

I would like to acknowledge the remarks I made earlier about sneakily trying to shift costs onto local government, and to apologise to the Labor government. It was actually the former Liberal government that implemented the changes to vehicle registrations; I got that wrong.

My issue is not solely with spending and debt; it is more to do with how money is levied. For the same reason that I oppose high taxes on mining companies, I oppose other government revenue-raising measures to pay off debt—namely, payroll tax, one of the biggest revenue-raisers in this state. I find that kind of perplexing because the government has a plan for creating jobs; however, the money it will spend to create those jobs is taken from revenue that will be raised from payroll tax. We are taxing jobs so that we can create jobs. That is a bit of an upside-down way of looking at it. Of course, government is never quite as efficient at creating jobs as is the private sector. I will address some of the points raised in the second reading debate last week if I have time.

**The CHAIR:** If the member would like to resume his seat for a moment, I would like to give him some guidance at this stage. One thing that the clause 1, or the short title, debate is not is a revisiting of the second reading

debate. The conclusion of the second reading decides the policy of the bill; therefore, we cannot now go over twice-trodden ground. That does not mean that we cannot refer to it because some aspects may inevitably be touched upon as part of a second reading debate that members may, for example, wish to put to the minister at the table, such as how does this bill address the policy objectives and how does this clause do it, and to put questions and so on. But we have to be careful that we do not revisit the second reading debate.

I will permit members, though, in canvassing the broad parameters of the bill in the Committee of the Whole, if they feel that something has not been addressed in reply to the second reading debate, to ask for some information about that. However, before you proceed, I offer that cautionary advice to all members.

**Hon AARON STONEHOUSE:** Thank you for that advice, Mr Chairman. In light of that, I might hold my remaining comments until we get to clause 3.

**Hon PETER COLLIER:** I have a few comments to make on clause 1 and they have more to do with the minister's second reading reply. The fairly consistent message that came through from all members who contributed to the second reading debate was the magnitude of the sum being asked for—that is, \$11 billion. From that perspective, we want a little more clarity.

I appreciate that the minister, in an acting capacity, may not have those details, and we do not ask him to provide them at this stage of the bill. Ideally, if we had some estimates hearings, that is where we would drill down in that area, but we do not have that luxury. We do not have a budget or a midyear review. This is based on the previous government's budget, so it is very difficult for the minister to give us any clarity on that. However, I draw attention to some of the minister's comments in his response to the second reading debate, in which he stated —

The reasons for this bill have been debated extensively but I would like to comment on some of the issues that have been raised throughout the debate. Some members in this place asked what the government is going to spend this Loan Bill on. This is a fundamental misunderstanding of the purpose of the bill. Loan bills are not loans; loan bills do not confer any power for the government to spend money. Loan bills provide the authority for the Treasurer to raise borrowings, if and when they are required, to fund consolidated account payments.

This is an important issue that members should be aware of. Indeed, Parliament could actually approve a loan bill seeking a \$100 billion authority, or even more, without changing the current outlook for net debt or spending.

That is true, but we could also ask for \$1 billion or \$5 billion. That is the issue that was raised consistently throughout members' contributions to the debate. It was reinforced on several occasions during the minister's response, when he said —

Seeking the full \$11 billion, as this bill does, does not strike a blow against transparency as has been claimed. The government will still be required to bring in budgets to the Parliament for scrutiny, and supporting legislation will need to be debated.

With all due respect, that is basically just telling us that the minister would like to give us some information but he cannot. That is my reading of his response to the second reading debate. I raised the issue of whether unallocated funds would be part of this \$11 billion. I thought the minister could have commented on that in his response.

Also, as I mentioned during my contribution, we have tried ad infinitum on this side of the chamber, and with the Greens as well, to get information from respective ministers on their funding schedules. One in particular that I alluded to—I will not traverse the second reading debate; it is just a point in question—relates to electricity price increases. That is why I specifically asked about the cost of service, and I was told to put my question on notice, which effectively means that the government does not know. It does not know because the question I asked after that showed that the board is regularly notified of that information. That is the sort of thing that raised concerns with me in trying to ensure that we had a little more transparency in this bill during the committee stage and then during the very significant third reading before we vote on it. Drawing from that, I was heartened by the last comment of the minister in his response, in which he said —

This bill ensures that we have the flexibility to deal with the funding requirements left behind by the previous government. While the McGowan government works to address budget repairs in the coming months, I look forward to answering further questions of the members opposite when we get into committee. I commend the bill to the house.

In conclusion, quite simply, I would like to know what we are going to get out of this committee proceeding. What can we expect during the committee stage by way of specific details? Will we get anything like the use of unallocated funds or is the use of unallocated funds a component of that \$11 billion? If not, what integrity is

there around the \$11 billion? I am still unsure of the integrity of the \$11 billion. Although we will not be supporting Hon Aaron Stonehouse's amendment, it is quite legitimate for the reasons that I have articulated—that is, we are not sure why we need \$11 billion. If we could have a little more clarity on that once we get into the formal component of the bill, I would be very grateful.

**Hon STEPHEN DAWSON:** I draw members' attention to the *Pre-election Financial Projections Statement*, which forms the basis of the bill before us. According to the PFPS, it is expected that \$4.4 billion will be required in 2017–18, \$4.2 billion in 2018–19 and \$2.3 billion in 2019–20. The PFPS was presented by the previous government last year. The Leader of the Opposition made specific comments about energy. If he would like a briefing on energy or energy policy, I am very happy to organise that but I will not have answers to questions about energy policy this afternoon. I appreciate that during the early stages of this debate he acknowledged that I will not have answers to many questions asked in this place. If he would like briefings on policy issues that are not contained in the bill, I am happy to raise those with the respective ministers. If the Leader of the Opposition is looking for a breakdown of all the categories that were listed in the PFPS, such as expenditure, staff numbers and accommodation et cetera, I am very happy to seek that information and provide it to him. Essentially, this afternoon I am happy to answer questions about the Loan Bill 2017 that is before us. With great respect to everybody in this place, I am not the Treasurer so I do not have and I do not expect people to expect me to have extensive knowledge of the budget, given that it has not come down yet. I am here this afternoon to ensure that I can answer as many questions as possible that relate to the bill. If the questions are about the PFPS and the Leader of the Opposition wants a breakdown, I am very happy to seek that further information and provide it to him.

**Hon Dr STEVE THOMAS:** Just in that same vein, whilst the minister is seeking additional information, he might ask the Treasurer if the government has a specific policy on where the net-debt-to-revenue ratio might go to in the future. I remember being in debates when government was determined to keep net-debt-to-revenue ratios at about 50 to 53 per cent —

**Hon Alannah MacTiernan:** We never went beyond 43.

**Hon Dr STEVE THOMAS:** I remember that the then Treasurer Eric Ripper had a policy of 43 per cent. I think Hon Alannah MacTiernan was a minister at the time.

Eight or nine years down the track, I am interested in whether the government has a set policy of where it takes net-debt-to-revenue ratios and what will be allowed in the future. Is there a limit to where this might end up? I know that it is a fairly broad question on the policy of the government of the day. Without some sort of direction and policy, it is difficult to know where we will end up. Accepting that the minister may not have the policy at hand, if he could provide that, along with the information that the Leader of the Opposition has talked about, that would be useful for us to progress.

**Hon STEPHEN DAWSON:** I thank Hon Dr Steve Thomas for his comments. I do not have that information at hand this afternoon. The last government was in breach of the targets that were set. They are the targets that currently exist. We are looking at new targets as we move towards a new budget. I have heard the questions that the member has asked and I am happy to forward them to the Treasurer and seek information and provide it to the member when it is available.

**Hon Dr Steve Thomas:** You might come back to me and say that it will be announced in the budget —

**The CHAIR:** Order! I will recognise anyone who wants to be on their feet. Is Hon Dr Steve Thomas seeking the call?

**Hon Dr STEVE THOMAS:** Thank you, Mr Chair. Sometimes I forget that I am not in the other place. Interjections are a bit more common down there.

**Hon Alannah MacTiernan:** You're with the vegies now, not the animals!

**Hon Dr STEVE THOMAS:** I think I will let that one pass. I am not sure there is a good answer to that.

Basically, my point is that it is possible that the minister will say that that will be announced at budget time. If that is the case, that is the answer. If the minister can seek some response, at least we will know when we can accept it. It is normal government policy to announce it at budget time. It is nearly July, so it is a couple of months away. The opposition expects that a more definitive position on the net-debt-to-revenue ratio will be announced at budget time and, in particular, where it is going in the future.

**Progress reported and leave granted to sit again, on motion by Hon Stephen Dawson (Minister for Environment).**

[Continued on page 1623.]

**QUESTIONS WITHOUT NOTICE****COMMISSIONER OF POLICE — RECRUITMENT****286. Hon PETER COLLIER to the Leader of the House representing the Premier:**

I refer to the panel of four people appointed to recruit Western Australia's next Commissioner of Police.

- (1) On what date or dates and in which media was the position of Commissioner of Police advertised?
- (2) What was the closing date for applications?
- (3) How many applications were received for the position?
- (4) When were applicants short-listed for interviews and on what date were short-listed applicants advised they were to be interviewed?

**Hon SUE ELLERY replied:**

I thank the honourable member for some notice of the question. The Public Sector Commission advises the following.

- (1) It was advertised on the Jobs WA website on Friday, 5 May; in *The Australian Financial Review* of Friday, 5 May; in *The West Australian* of Saturday, 6 May; and in *The Weekend Australian* of Saturday, 6 May.
- (2) The closing date was Monday, 29 May 2017.
- (3) Eleven applications were received.
- (4) The short-listing meeting was on 14 June 2017. Given the small applicant field, it was decided on 19 June 2017 to interview all candidates who met the criteria. All short-listed candidates were advised by Tuesday, 20 June.

**COMMISSIONER OF POLICE — RECRUITMENT****287. Hon PETER COLLIER to the Leader of the House representing the Premier:**

I refer to the panel of four people appointed to recruit Western Australia's next Commissioner of Police.

- (1) Who are the members of the panel?
- (2) When did Mr Mick Keelty advise the government of his resignation from the panel?
- (3) What reasons did Mr Mick Keelty provide for his resignation?
- (4) How many candidate interviews had to be called off or postponed as a result of Mr Keelty's resignation?

**Hon SUE ELLERY replied:**

I thank the honourable member for some notice of the question. The Public Sector Commission advises the following.

- (1) They are Mr Mal Wauchope, AO, chair; Hon Elsie Kay Hallahan, AO; Mr Robert Mitchell, PSM; and Mr Ken Lay, AO, APM.
- (2) Mr Keelty advised the Public Sector Commission on Thursday, 22 June 2017.
- (3) Mr Keelty identified commitments that prevented him being available on one of the proposed interview dates. As a result, he has excused himself from the panel.
- (4) Five interviews were postponed.

**MINISTERIAL OFFICES — STAFFING****288. Hon MICHAEL MISCHIN to the Leader of the House representing the Premier:**

I refer to the Premier's answer on 21 June 2017 to my question without notice 247 regarding the engagement of journalists in ministerial offices, in which his response was —

Information relating to staff in ministerial offices will be outlined in the Ministerial Resourcing Report that will be tabled in Parliament as part of this government's commitment to accountability and transparency.

- (1) When will that report be tabled?
- (2) Will that report also identify the journalists by name, the media organisation for which they formerly worked, the positions they now occupy and their salaries?
- (3) If no to (2), how is that an answer to my question, and how is it consistent with accountability and transparency to refuse to give that information?



- (4) Will that report also identify when each applied, or was approached, to join a minister's office, and by whom that approach was made?
- (5) If no to (4), how is that an answer to my question, and how is it consistent with accountability and transparency to refuse to give that information?

**Hon SUE ELLERY replied:**

I thank the honourable member for some notice of this question.

- (1) The Ministerial Resourcing Report was tabled in both houses of Parliament on Thursday, 15 June. For the benefit of the member, in the Legislative Council it is tabled paper 270.
- (2), (4) No. The Ministerial Resourcing Report provides only information regarding positions, salaries and whether a ministerial officer has a car bay, credit card or mobile phone allocated to them. Although the ministerial merit panel approves the CVs of applicants, there is no central database of employees' previous employment as well as no guarantee that all previous employment has been disclosed, as is standard for CVs. As such it is impossible to verify an answer on employees' previous employment.
- (3), (5) As per standing order 105(1)(b), questions may not seek an opinion.

## SECONDARY SCHOOL — KITCHENER PARK — ALTERNATIVE SITES

**289. Hon DONNA FARAGHER to the Minister for Education and Training:**

I refer to the answer given to question without notice 250 asked on Wednesday, 21 June 2017. For each of the sites identified in the answer, will the minister list the reason or reasons for why the site was deemed unsuitable as the location for the proposed new school?

**Hon SUE ELLERY replied:**

I thank the honourable member for some notice of the question.

The site at 151 Royal Street, East Perth is poorly located for providing relief to Churchlands Senior High School. The Tuart College site in Tuart Hill does not provide adequate enrolment relief for Churchlands and is poorly located for public transport access. Balcatta Senior High School in Balcatta was not considered as a proposed location for a new school but as an alternative site for Perth Modern School. The Perth Department of Housing building at 108 Adelaide Terrace, on the corner of Hay Street, was deemed unsuitable because the Department of Housing is not moving until 2019, it is poorly located for providing relief to Churchlands and it is not able to deliver a new school for 2020. Various vacant CBD office accommodation sites were deemed unsuitable because the government's preferred option was for a purpose-built school; given other options are available, existing CBD options were not pursued. Prospect Place, at the corner of Fitzgerald and Newcastle Streets in Northbridge, is a small site with no space for an oval if redeveloped for 2 000 students and is not well located for public transport. The School of Isolated and Distance Education in Oxford Street, Leederville is a small site that is not able to deliver a new school for 2020. Regarding the City Beach Senior High School site, the announced option is assessed as better located to service the student catchment.

## KUNUNURRA COMMUNITY RESOURCE CENTRE

**290. Hon JACQUI BOYDELL to the Minister for Regional Development:**

I refer to an article in the *Kimberley Echo* of 22 June 2017 entitled "Resource centre crisis" in which uncertainty over the future funding from the state royalties for regions program is reported as a key reason for the Kununurra Community Resource Centre closing its doors.

- (1) What does the minister plan to do to ensure that the Kununurra community has access to the following government and community services housed in the Community Resource Centre: Volunteering WA; the Department of Sport and Recreation; the Rural in Reach program; and, supervision for exams?
- (2) Did the member for Kimberley raise the issue with the minister; and, if so, when?
- (3) When will the minister provide funding certainty for all CRCs?

**Hon ALANNAH MacTIERNAN replied:**

I thank the member for the question.

- (1)–(3) It is true that the Kununurra Community Resource Centre has struggled and has been having difficulties. I understand that a meeting was called recently. I believe that the chair and the Treasurer felt it was difficult to get the buy-in needed to encourage them to keep going. As with all the community resource centres, it is currently going through the procurement process that was started under the previous government. We are very much in the final stages of that now and I anticipate that we will be able to make a decision within the next week. Yes, I certainly have been in contact with the member for Kimberley on this topic.

## BUSHFIRE MITIGATION

**291. Hon RICK MAZZA to the minister representing the Minister for Emergency Services:**

I refer to the current Department of Fire and Emergency Services budget of around \$360 million to cover all emergency services, and the minister's recent comment that a rural bush fire service would cost an estimated \$400 million. Does this mean that Western Australia is grossly underspending on bushfire mitigation?

**Hon STEPHEN DAWSON replied:**

I thank the honourable member for some notice of the question. The Minister for Emergency Services advises that bushfire mitigation is a very complex area and is handled by many agencies, of which the Department of Fire and Emergency Services is not one. However, if the honourable member is able to provide more detail, the minister would be more than happy to make inquiries on his behalf.

## WOODSIDE — KARRATHA GAS PLANT — INCIDENT

**292. Hon ROBIN CHAPPLE to the minister representing the Minister for Mines and Petroleum:**

I refer to an incident that occurred at Woodside Energy's Karratha gas plant on Saturday, 24 June 2017 that was reported to have burned for 24 hours and ask about what caused the incident and how long it burnt for.

- (1) What amount of gas was vented or flared?
- (2) Has an inquiry into the incident been established?
- (3) What category was this incident defined as?
- (4) Were workers at the plant mustered on site or ordered to evacuate; and, if so, for how long?
- (5) Were members of the public at adjacent beaches warned about the incident and evacuated?

**Hon ALANNAH MacTIERNAN replied:**

I thank the member for the question. The Minister for Mines and Petroleum has provided the following answer.

- (1) The amount of flare gas released will be determined and included in the incident report, which is currently being prepared.
- (2) Woodside is undertaking an investigation into the incident to determine the root causes. Woodside reported the incident and is working cooperatively with the Department of Mines and Petroleum regarding this incident. The department will review the investigation report once it is complete and determine whether further actions are necessary.
- (3) It was level 3, which requires Woodside to undertake an investigation and which will be reviewed on completion.
- (4) Yes. Personnel were mustered as per site requirements. The duration of the muster will be included in the incident report.
- (5) They were not directly, as this action was not required. The site muster siren is audible from surrounding locations.

## ALCOHOL CONSUMPTION — YOUNG PEOPLE

**293. Hon COLIN TINCKNELL to the parliamentary secretary representing the Minister for Health:**

- (1) Is the minister aware of a report by the McCusker Centre for Action on Alcohol and Youth and St John Ambulance WA, which received mention in *The West Australian* of Thursday, 22 June 2017, on subjects including ambulance call-outs for alcohol intoxication?
- (2) Has the minister noted that in a 12-month period, ambulances were called to 247 requests for urgent medical assistance involving alcohol consumption by girls aged 13 to 18 years old compared with 212 call-outs for males the same age?
- (3) Will the minister advise the chamber of steps being taken by the Department of Health to minimise alcohol consumption and overdosing by youngsters, especially girls?
- (4) Is there a cooperative effort in process between the Department of Health and the Department of Education to redress youth drunkenness?

**Hon ALANNA CLOHESY replied:**

I thank the honourable member for some notice of the question. I am advised the following.

- (1)–(2) Yes.
- (3) The Western Australian government is committed to a range of evidence-based initiatives to prevent and reduce alcohol-related harm experienced by children and young people. These strategies are not gender specific and aim to reduce alcohol-related harm in all Western Australian young people aged below 18 years. Strategies include the following. A school drug education and road aware program is

available to all schools across Western Australia, which provides students with the knowledge and skills to make informed decisions around alcohol and other drug use. Community education via the “Alcohol. Think Again” campaign, including the recently launched campaign titled “Parents, Young People and Alcohol”, advises parents and young people that for individuals under 18 years of age, no alcohol is the safest choice. Education and support is provided to the community and parents through the Alcohol and Drug Information Service and the Parent Drug Information Service. It is ensured that access to prevention and appropriate treatment services is available throughout the state. Secondary supply laws were introduced in 2015 to support parents who choose not to supply their child with alcohol. Encouragingly, the most recent 2014 Australian school students alcohol and drug survey found that fewer young people aged 12 to 17 years old are consuming alcohol than at any time in the past decade. Not only were fewer young people drinking, but of those who drank, fewer reported drinking at risky levels.

- (4) The state government funds the school drug education and road awareness program. This program is provided as a joint initiative of the government, and Catholic and independent schools. The SDERA program is the state government’s primary drug and road safety education strategy for children and young people. It provides a resilience approach to road safety and alcohol and other drugs education. The program supports school staff, early childhood educators and community agencies with professional learning, resources and statewide consultancy.

#### CORRUPTION, CRIME AND MISCONDUCT ACT — APPOINTMENTS PROCESS

#### 294. Hon NICK GOIRAN to the Leader of the House representing the Premier:

I refer to the Premier’s functions of consultation and recommendation under the Corruption, Crime and Misconduct Act 2003.

- (1) Is any aspect of the section 14 process to appoint an acting Corruption and Crime Commissioner currently underway?
- (2) Is any aspect of the section 193 process to appoint an acting Parliamentary Inspector of the Corruption and Crime Commission currently underway?
- (3) On what date does the tenure of the current commissioner expire?
- (4) On what date does the tenure of the current parliamentary inspector expire?

#### Hon SUE ELLERY replied:

I thank the honourable member for some notice of the question.

- (1)–(2) No.
- (3) It is 27 April 2020.
- (4) It is 31 December 2017.

#### LIGHT INDUSTRIAL AREA AND EAST RIVER ROAD BRIDGE PROJECT — DENMARK

#### 295. Hon Dr STEVE THOMAS to the Minister for Regional Development:

I refer to the Shire of Denmark’s proposal, as listed on the Great Southern Development Commission’s major projects bulletin of March 2017, to seek royalties for regions funding to develop a light industrial area and construct an East River road bridge in the Shire of Denmark.

- (1) Will the minister consider splitting the project into two separate projects, being the light industrial area separate to the East River road bridge and road construction?
- (2) If no to (1), why not?
- (3) Does the minister have a business case and cost–benefit analysis to both individual parts of the project?
- (4) If yes to (3), will the minister release the business case and cost–benefit analysis?

#### Hon ALANNAH MacTIERNAN replied:

I thank the member for the question.

- (1)–(2) Certainly, this is a real issue for the people in Denmark and I think we have listened to that community. When there was a very substantial dispute over the development of the location of the bridge into the industrial site, we gave a four-month extension. I recently met with the shire president and he asked whether I would consider allowing the two elements of the project to be split. I am waiting for a formal, written proposition to that but, as I have said, my inclination is that provided we can be assured that Main Roads WA will agree to the access to the site without the construction of the new bridge road, we will allow those projects to be split.
- (3)–(4) Yes, there are two distinct business cases—one for the industrial site and one for the road bridge. We will consider releasing those business cases once the final determination is made.

## REGIONAL DEVELOPMENT COMMISSIONS — DIRECTORS

**296. Hon MARTIN ALDRIDGE to the Leader of the House representing the Premier:**

I refer to the state's nine regional development commissions.

- (1) Who is the current director of each regional development commission and when does their contract in that position expire?
- (2) What advice has the Public Sector Commissioner or the Public Sector Commission given to each director in relation to their tenure as director?
- (3) Who will be the director of each regional development commission from 1 July 2017?

**Hon SUE ELLERY replied:**

What I might do, because there is a long list, is read the answers to (1) and (2) and seek leave that the answer as set out on the list in (3) is incorporated into *Hansard*. I thank the honourable member for some notice of the question. The Public Sector Commissioner advises —

- (1) The current directors of the regional development commissions and the dates of expiry of their contracts are outlined below in (3).
- (2) All directors were advised in writing by the Public Sector Commissioner on 19 June 2017 that the existing arrangement for directors to be appointed to CEO positions under the Public Sector Management Act 1994 would not be affected by the machinery of government changes that come into effect on 1 July 2017.
- (3) I referred to this list, and seek leave to have it incorporated into *Hansard*.

Leave granted.

The following material was incorporated —

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Mr Shayne Flanagan  
Director Goldfields-Esperance Development Commission  
Contract Expiry – 13/10/2019

Mr Bruce Manning  
Director Great Southern Development Commission  
Contract Expiry – 06/09/2020

Mr Jeff Gooding  
Director Kimberley Development Commission  
Contract Expiry – 06/09/2020

Mr Gavin Ross Treasure  
Director Mid West Development Commission  
Contract Expiry – 16/10/2020

Mr Andrew Ward  
Director Peel Development Commission  
Contract Expiry – 18/09/2021

Mr Terry Hill  
Director Pilbara Development Commission  
Contract Expiry – 04/07/2021

Ms Anna Oades  
A/Director South West Development Commission  
Contract Expiry – 30/06/2017

Ms Wendy Newman  
Director Wheatbelt Development Commission  
Contract Expiry – 06/09/2020

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## “TRAINING FOR THE FUTURE” — APPRENTICESHIPS

**297. Hon ALISON XAMON to the Minister for Education and Training:**

I refer to “Training for the Future”, which states —

*A McGowan Labor Government will create training outcomes that allow apprentices from craft industries with small numbers to still study within TAFE and Western Australia.*

- (1) Which specific industries does this statement refer to?
- (2) Has the government begun progressing this commitment?
- (3) If yes to (2), what work has been undertaken?
- (4) If no to (2), why not?

**Hon SUE ELLERY replied:**

I thank the honourable member for some notice of the question.

- (1) The craft industries are covered by the following qualifications: certificate III in electronics and communications; certificate III in engineering, fabrication trade; certificate III in automotive and marine trimming technology; certificate III in furniture making, wood machining; certificate III in farriery; certificate III in furniture finishing; certificate III in engineering—mechanical trade; certificate III in flooring technology; certificate III in textile fabrication; certificate III in engineering, fabrication trade; and certificate III in upholstery.
- (2) Yes.
- (3) Discussions have commenced with TAFE colleges to determine the cost and logistics of re-activating the training. In addition, industry peak bodies are being consulted to determine the impact of the proposed changes.
- (4) Not applicable.

## COMMISSIONER OF POLICE — RECRUITMENT

**298. Hon CHARLES SMITH to the minister representing the Minister for Police:**

I refer to the recent Western Australia Commissioner of Police selection panel debacle.

- (1) Can the minister advise the remuneration paid to date to the selection panel?
- (2) Can the minister confirm the reason for Mr Mick Keelty stepping down from the panel?
- (3) Can the minister advise who is now on the new shortlist for further interviews?

**Hon STEPHEN DAWSON replied:**

I thank the honourable member for some notice of the question. The following information has been provided by the Minister for Police.

The honourable member is asked to redirect the question to the Premier as it relates to the work of the Public Sector Commission. However, I note that some of those answers have been addressed by an earlier question this afternoon.

## BUSHFIRE MITIGATION SUMMIT

**299. Hon COLIN de GRUSSA to the minister representing the Minister for Emergency Services:**

I refer to the bushfire mitigation summit held on 23 June 2017, which I attended.

- (1) Of the 66 people who attended who the minister said had “skin in the game”, how many were Esperance residents involved in fighting the 2015 bushfires?
- (2) Given there have been two reports into the 2015 Esperance bushfires, both of which exposed serious issues with mitigation and first response to the fires, does the minister consider the people involved with these bushfires to have “skin in the game”?
- (3) Will the minister commit to holding further summits around regional Western Australia to allow those not invited to express their opinions?

**Hon STEPHEN DAWSON replied:**

I thank the honourable member for some notice of the question. The Minister for Emergency Services advises the following.

- (1) A wide variety of representatives were invited, including representatives of agencies, volunteers, farmers and local members of Parliament with responsibilities that include the Esperance region.
- (2) Yes; everyone involved in bushfires has “skin in the game”. Key stakeholders representing diverse constituencies were invited to the summit, and public advertising encouraging public submissions on bushfire mitigation was published in *The Esperance Express*.
- (3) There are no plans for further summits; however, the minister will be consulting further with regional communities. The state government is currently accepting public submissions on bushfire mitigation and all interested organisations and individuals are encouraged to participate in this process.

## DISABILITY SERVICES COMMISSION

**300. Hon SIMON O'BRIEN to the Minister for Disability Services:**

I am not trying to make the minister in any way nervous or anything when I ask the question.

- (1) Is the government going to bring forward legislation to remove the independent status of the Disability Services Commission and subsume it into a larger department; and, if so, will there still be a standalone portfolio of Minister for Disability Services?

- (2) Does any of this apply to the reason Dr Ron Chalmers was apparently pushed out of his office as director general of the Disability Services Commission?

**Hon STEPHEN DAWSON replied:**

I thank the honourable member for the question.

- (1) Yes; at some stage legislation will be brought forward, but those details are being worked through at this stage.

**Hon Simon O'Brien:** Legislation to do what, minister, if I may?

**Hon STEPHEN DAWSON:** This is question time, member, so you ask the question and I give my answer. It was not on notice. I am very happy to organise a briefing, but let me answer what I heard the question was today.

In relation to an ongoing Minister for Disability Services, absolutely there will be one as part of the McGowan Labor government. I continue —

- (2) Dr Ron Chalmers will finish at the agency in early August. He was intending to leave in early July; however, I have asked him to stay around longer to assist in negotiations with the federal government in relation to the National Disability Insurance Scheme.

#### BARRABUP FOREST

**301. Hon DIANE EVERS to the minister representing the Minister for Forestry:**

I refer to Barrabup forest near Nannup.

- (1) What is the total volume of merchantable timber expected to be logged from this forest, including by item—charcoal logs, green firewood logs and sawlogs?
- (2) Will the minister please table the latest Forest Products Commission indicative gross and indicative net native forest stumpages?
- (3) Will the minister confirm, by item, which of the following are costs likely to be incurred by government if this forest is logged: construction of new roads; upgrades of existing roads; construction of log landings; flora and fauna surveys; dieback surveys; and Indigenous heritage surveys?
- (4) Given the Forest Products Commission's annual reports show that native forest logging in WA occurred at a net loss to government in the past three years, does the minister agree that logging of the Barrabup native forest is likely incur a net loss to taxpayers; and, if not, why not?

**Hon ALANNAH MacTIERNAN replied:**

I thank the member for the question. The Minister for Forestry has provided the following information.

- (1) The total volume was 9 000 tonnes of sawlogs and 9 000 tonnes of other timber products, which includes green firewood log and charcoal logs.
- (2) The last indicative stumpage was determined in 2013, and I table the attached documents.  
Stumpages have not been used as the mechanism for setting prices since 2014. From 1 January 2014 prices for individual products have been determined through Tenders WA, which is a competitive tender process.
- (3) Yes, the FPC undertakes these activities and all costs are recovered through sales.
- (4) No; the harvesting of Barrabup forest is a profitable operation.

[See paper 316.]

#### COMMISSIONER OF POLICE — RECRUITMENT PROCESS

**302. Hon PETER COLLIER to the Leader of the House representing the Premier:**

I refer to the process to recruit a new Western Australian Commissioner of Police.

- (1) Has the member for Burns Beach contacted the Premier regarding this matter?
- (2) If yes to (1), what concerns and issues did the member for Burns Beach raise with the Premier?
- (3) What was the Premier's response to (2)?
- (4) Is the Premier aware of any other members who have raised concerns about the recruitment process; and, if yes, which members?

**Hon SUE ELLERY replied:**

I thank the honourable member for some notice of the question.

- (1)–(3) The member for Burns Beach raised the topic of the future Commissioner of Police position in passing. No further action was taken.
- (4) No.

## CLIMATE CHANGE — AMELIORATION MEASURES

**303. Hon TIM CLIFFORD to the Minister for Regional Development:**

I refer to the statement that Hon Stephen Dawson made during the motion on climate change and amelioration measures that was debated on Wednesday, 21 June when he said that the government has committed to undertaking a feasibility study into a major solar project in the goldfields.

- (1) Has the feasibility study commenced?
- (2) If yes to (1), what is the projected completion date?
- (3) If no to (1), when will the study commence, and when will it be completed?

**Hon ALANNAH MacTIERNAN replied:**

I thank the honourable member for his question and, indeed, his interest in this important topic.

- (1)–(3) We have asked the Goldfields–Esperance Development Commission to look at how we might best proceed with this, stressing the need for industry engagement in designing a way forward. The GEDC has had discussions with Western Power and several industry interest groups. The scope of the feasibility study is currently being worked out and we hope it will be completed in the next four months.

## SEAWATER SUPPLY— COST PER KILOLITRE

**304. Hon KEN BASTON to the minister representing the Minister for Fisheries:**

- (1) Can the minister please confirm the amount charged per kilolitre to tenants of the Broome Tropical Aquaculture Park to obtain and release seawater?
- (2) Can the minister provide an estimate of the cost per kilolitre to the South Metropolitan TAFE maritime campus to obtain and release seawater?

**Hon ALANNAH MacTIERNAN replied:**

I thank the member for some notice of the question. The Minister for Fisheries has provided the following answer.

- (1) The cost of seawater supply is \$15.71c per kilolitre, based on a 10 000-kilolitre per annum take. No seawater is currently being drawn.
- (2) As the South Metropolitan Regional TAFE falls under the education and training portfolio, I encourage the member to direct this question to that minister.

## WATER CORPORATION — POTABLE WATER SUPPLIES

**305. Hon JIM CHOWN to the minister representing the Minister for Water:**

What percentage of potable water used within the metropolitan area and surrounding environs since January 2017 is sourced from dams, groundwater and desalination plants?

**Hon ALANNAH MacTIERNAN replied:**

I thank the member for some notice of the question. The Minister for Water has provided the following answer.

The Water Corporation supplies potable water to the Perth metropolitan area, Mandurah and the goldfields via the integrated water supply scheme. For that scheme, between 1 January 2017 and 26 June 2017, the percentage of potable water sourced from dams, groundwater and desalination plants was two per cent, 48 per cent and 50 per cent respectively.

## LOTTERYWEST — CHIEF EXECUTIVE OFFICER

**306. Hon TJORN SIBMA to the Leader of the House representing the Premier:**

I refer to question without notice 281 that I asked on 22 June. The answer to parts (1) to (6) of my question states that the Premier met with Mr Paul Andrew only once, on 21 March 2017, and that there was no discussion at that

meeting about Mr Andrew's position as chief executive officer. I refer also to the Premier's response to part (6) of my question, which states, and I quote —

It was mutually agreed that Mr Andrew would step down from the role of CEO.

- (1) At what meeting was it agreed that Mr Andrew would step down as chief executive officer?
- (2) Was it at the meeting of 21 March 2017 or at some other meeting?
- (3) How was mutual agreement communicated to Mr Andrew, and by whom?
- (4) What role did Mr Wauchope play in this mutual agreement?
- (5) What role did Mr Daren Foster play in this mutual agreement?

**Hon SUE ELLERY replied:**

I thank the honourable member for some notice of the question.

The Public Sector Commission advises as follows.

- (1) At a meeting held on Wednesday 14 June 2017, between the Public Sector Commissioner, Mr Andrew and the Lotterywest board chair, Ms Heather Zampatti.
- (2) No. Refer to (1).
- (3)–(4) The matter of bringing Mr Andrew's contract to an early end was raised by his employer, the Public Sector Commissioner, at the meeting held on Wednesday, 14 June 2017. Mr Andrew agreed to end his contract at that meeting.
- (5) Nil.

**COUNTRY AGE PENSION FUEL CARD**

**307. Hon JACQUI BOYDELL to the Minister for Regional Development:**

I refer to an article in *The West* online on Thursday, 22 June, titled "WA Seniors Card holders the biggest losers with cuts to water and rates discounts", which refers to the government's intention to cut concessions and rebates for WA Seniors Card holders.

- (1) Can the minister commit to not changing any of the eligibility criteria for the Country Age Pension Fuel Card?
- (2) Can the minister commit to maintaining the Country Age Pension Fuel Card to at least \$575 a year, and to increasing the benefit in line with the consumer price index?

**Hon ALANNAH MacTIERNAN replied:**

- (1)–(2) The Premier made it very clear in the lead-up to the election that he supported the Country Age Pension Fuel Card and that the fuel card would continue into our government. Precise details will be provided when we announce the budget.

**LGBTI COMMUNITY — SPECIALISED SERVICES**

**308. Hon ALISON XAMON to the parliamentary secretary representing the Minister for Mental Health:**

I refer to "Suicide Prevention 2020" and to the identification within that plan of LGBTI people as a priority population. Will the minister please advise what government funding is available for the provision of specialised services for LGBTI people in the following subcategories: counselling; peer-based support; advocacy; and any other suicide prevention and early intervention initiatives?

**Hon ALANNA CLOHESY replied:**

I thank the honourable member for some notice of the question.

The Mental Health Commission has advised that in 2016–17 it provided the following funding: \$173 619 to the Western Australian AIDS Council for counselling, peer-based support and early intervention initiatives; \$40 000 to the Freedom Centre—Western Australian AIDS Council, \$17 286.50 to the Western Australian AIDS Council, and \$12 760 to the Albany Family Domestic Violence Action Group, for peer-based support; \$19 291 to the Western Australian AIDS Council for advocacy, including mental health promotion; and \$24 588 in grant funding for peer-based support to Living Proud for suicide prevention training. Under the statewide suicide prevention strategy, a further grants application round will be released in the September quarter of 2017.



## DEPARTMENT OF THE PREMIER AND CABINET EXECUTIVE TRANSPORT SERVICE

**309. Hon MARTIN ALDRIDGE to the Leader of the House representing the Premier:**

I refer to the Department of Premier and Cabinet Executive Transport Service, formerly the Government Garage.

- (1) On what date was each minister or office holder provided with a departmental vehicle?
- (2) On what date did each minister or office holder cease to have access to a departmental motor vehicle, if applicable?

**Hon SUE ELLERY replied:**

I thank the honourable member for some notice of the question.

The Department of Premier and Cabinet advises as follows.

- (1) On 20 March 2017, all ministers, excluding the Premier and Minister Ellery, were provided with a vehicle as a minister. Minister Ellery was provided with a vehicle on 27 March 2017. The Speaker was provided with a vehicle on 12 May 2017—a very auspicious day.
- (2) The following ministers returned the vehicle to the department on the dates listed: Minister Logan, 25 May 2017; Attorney General, 22 May 2017; Treasurer, 29 May 2017; Minister Papalia, 22 May 2017; Minister Johnston, 25 May 2017; and Minister Saffioti, 19 May 2017.

**HOUSING AUTHORITY — BIKIE CLUB***Question without Notice 284 — Answer Advice*

**HON STEPHEN DAWSON (Mining and Pastoral — Minister for Environment)** [5.09 pm]: I would like to provide an answer to question without notice 284 asked last week, on 22 June, by Hon Peter Collier, and I seek leave to have the answer incorporated in *Hansard*.

Leave granted.

The following material was incorporated —

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I thank the honourable member for some notice of this question. The following information has been provided to me by the Minister for Housing.

The McGowan Government will not tolerate the use of public housing properties for an illegal purpose.

The Housing Authority advises:

- (1) 11 August 2004.
- (2) Prior to signing leases with tenants, the Housing Authority checks identification, eligibility and any previous tenancy history with the Housing Authority.
- (3) The Housing Authority inspects properties annually and more frequently when issues arise. The last inspection for this property was conducted on 25 October 2016, and there was no indication of illegal activity and the property was in good condition.
- (4) No.
- (5) The Housing Authority is liaising with the WA Police to determine if any charges are laid.
- (6) Not applicable.

**LOAN BILL 2017***Committee*

Resumed from an earlier stage of the sitting.

**Clause 1: Short title —**

Progress was reported after the clause had been partly considered.

**Hon STEPHEN DAWSON:** Before we broke for question time, Hon Dr Steve Thomas asked me a question about the net-debt-to-revenue ratio. My wonderful advisers have sought some information and I am happy to provide further information to the house.

The government will be working to improve the state's debt and associated debt metrics, including the net-debt-to-revenue ratio, as it brings together its budget for presentation in September. The *Pre-election Financial Projections Statement* forecast showed that the net-debt-to-revenue ratio was expected to increase from 69.8 per cent in 2015–16, the last actual outcome, to around 91 per cent by 2019–20. These levels are well above the previous government's 55 per cent target limit and will require a reduction in borrowings and a massive \$17.9 billion reduction in net debt by 2019–20 to get to 55 per cent. Clearly, we will not be expecting rapid reductions in this ratio, which will obviously take years to address.

**Hon Dr STEVE THOMAS:** I thank the minister for those comments and the effort the staff has obviously gone to to deliver them in a fairly short time.

I will go back to the intent of the Committee of the Whole, which is to look at how the bill might be improved. Unfortunately for the minister, I will leave him with a set of questions—not a huge list; we do not want to be here all night—that at the end of the process the minister may have to take on notice and deliver at some future point. I preface this by saying that accompanying data, which might be in the form of a statement of risk, would probably be useful in a loan bill. I accept historically that this has not occurred and is something for the future rather than something that is necessarily missing in this bill. When most budgets come out, particularly government budgets, they are generally accompanied by a statement of risk that suggests the budget's intent and where it is thought the budget is going but that some variations will come in. A similar sort of process in a loan bill is probably quite useful, because there will be some things that impact on the borrowings and the state's capacity to borrow in the future.

One of the first of those is probably the state's credit rating. Obviously, the credit rating has declined. As the credit rating declines, the interest level goes up. That interest impacts on not only the recurrent budget of the government of the day, but also the interest payments and therefore the recurrent budgets of future governments. It also impacts on the capacity of any future government to borrow more. A comment on these potential impacts—at some point, not necessarily here tonight—would be fantastic. I guess these are comments that might be reflected to the Treasurer at the appropriate time. Knowing the potential impacts would enhance the Legislative Council's capacity to have a full debate—let us call it an economically literate debate—on all these money bills. A statement on the capacity of the credit rating to impact, in particular, on the interest rates that will be hit by this government and future governments would assist the chamber in a full disclosure of the impacts of additional borrowings. In the same way, the price of iron ore, for example, will have a significant impact on the state's capacity to make repayments. It will impact on the capacity of the state to have further borrowings as well. As we discussed in detail during the second reading debate on the Loan Bill, it will impact on GST returns in a very similar way. There is a balancing act here. This is not a criticism of the government, one way or another; this is simply a discussion about how a loan bill might be improved so that it is clearer for both houses, in the end, to make a good decision. There is a balance in that process, but a statement of risk, in effect, would look at such things as the iron ore price and, at the end of that process, the reflected GST component that might come back to the state. As we said during the second reading debate on the Loan Bill, the GST return is based on not just iron ore royalties but also payroll taxes and all the other forms of revenue that the state government has. In the same way, population growth has a significant impact on costs, revenue and the GST return, so it might be interesting to include that in a statement of risk as well. As we said, the GST return is significantly based on population growth and economic development, which is based very much on per capita consumption. Statements of risk in those forms would be particularly interesting. Interest rates may move in the future, irrespective of the credit rating the state has. Obviously, interest rates are at a very long-term low. There are some question marks. It looks like the United States will push up interest rates. Australia's interest rates, I suspect, will stay fairly low but, again, some form of statement of risk with future loan bills over time—this government might be in a position to establish a new trend of additional information—will make consideration of that better.

I could ask the minister each individual question, but unless he has a specific answer on any of those individual questions, I am happy to return to them at some other time because there will be plenty of opportunities for economic debate in the future. The Supply Bill is not too far away, and I suspect, given the financial situation of the state, the minister, for his troubles, will be listening to me a lot over the next couple of years. He has my commiserations—and probably those of my wife as well! The key questions are about the statement of risk and the impacts. We can pull them out from the previous budget, but then there is the government direction to consider. I will let the minister finish it.

I am trying to get this all out at once so that I do not have to stand up again and say anything further. Before I sit down, the other key question that has not been addressed by the government in any of its responses is how it fits its election commitments into the loan profile and the expenditure profile going forward—that is, approximately \$5 billion worth of election commitments. I have to say that the government was extremely generous in the south west, through my patch; some of those seats had hundreds of millions of dollars of investments. I think that the government might just struggle to deliver some of those commitments, but that is not the issue for us today. The issue is that those commitments will have an impact. I am interested in whether any of the Loan Bill expenditure is likely to be required to meet election commitments going forward. Some of those commitments are short term, but some of them are much longer term, but they will mostly come out of general government expenditure and are not in any budget to date. Do we assume that government election commitments—this would have applied to any other government that was successful in the election—will almost by default have to come from borrowings because in effect there is no additional revenue for them to come from? We need to find out whether those election commitments are unfunded at this point, whether it is the government's intent for them to be funded from savings yet to be found, or whether these commitments need to be considered as potential additional expenditure, which, as we accept, may well have to come from additional borrowings.

If the Loan Bill is to cover the full extent of the forward estimates, as promulgated during the second reading debate, we must ask where the funding for the government's \$5 billion worth of election commitments is going

to come from. We are particularly interested in hearing about that, because it will give us some confidence about whether we will be back in a few years' time to meet that process. The minister may tell us that the expectation is that its election commitments will be funded out of savings that will be made in the future. I would happily accept him at his word if that is what he tells us, but I think to progress this debate to its ultimate, to work out where we are going in a fiscal sense, the minister needs to make some remarks now or in the near future about how the government intends managing that process.

**Hon STEPHEN DAWSON:** I say at the outset that I enjoy listening to the honourable member and the contributions he makes, so he should not hesitate to continue to ask questions. He makes a very good contribution, so I have no problem with that.

A comprehensive statement of risks is available in the budget papers and the midyear review, the most recent of which is this year's *Pre-election Financial Projections Statement*. Interest sensitivities and other assumptions are shown in the statement of risks. Economic and financial assumptions, such as interest rate forecasts, are also available in those publications. I draw the member's attention to pages 23, 24 and 25 of the *Pre-election Financial Projections Statement* published in February this year, which actually touch on iron ore royalties.

**Hon Dr Steve Thomas:** Based on the circumstances at the time.

**Hon STEPHEN DAWSON:** Absolutely, but this is the document I am talking about at the moment. It is our intention to minimise the impact of our election commitments on state finances. I think the member answered his own question: as part of the budget process, we intend to create more savings to pay for our commitments. The timing, funding source and expenditure profile are all being considered as part of the budget. I think I have answered everything.

**Hon Dr Steve Thomas:** I will be watching to see how it all works out.

**Hon STEPHEN DAWSON:** Indeed, I look forward to further conversations about those issues as we progress.

**Hon MICHAEL MISCHIN:** I am picking up on the point raised by Hon Dr Steve Thomas a moment ago and the answer given by the minister. I recall that much of the second reading speech and the second reading reply focused on the need for the government to have a borrowing limit of \$11 billion to authorise the government to finance expenditure that had already been committed to by the previous government over the forward estimates to 2020–21, suggesting that there is no option but to authorise the previous government's borrowing program and to then work hard to ensure that the current government can slowly turn around the upward trajectory of debt, and that the government has the flexibility to deal with the funding requirements left behind by the previous government. If I understand the last answer given by the minister, there is also a component in this bill that is foreshadowed to fund the election commitments made by the current government while in opposition and prior to the election. We have heard the comment that the current government will work to minimise the impact of its election commitments on state finances, but am I to understand now that this borrowing is also meant to cover the government's election commitments, which were estimated to be to the tune of \$5 billion? Over what period of time are we looking that these election commitments will require drawing down on the \$11 billion borrowing limit we are providing by way of this Loan Bill?

**Hon STEPHEN DAWSON:** The answer is no. The bill before us is seeking to address those things that have appeared in the *Pre-election Financial Projections Statement*. In relation to our election commitments, we are looking at other ways of creating efficiencies and making savings, including seeking funding from the commonwealth, which we have done already for some projects in the Perth metropolitan area; but, in short, the answer is no.

**Hon MICHAEL MISCHIN:** I do not want there to be any doubt—this is the part that concerned me during my second reading contribution—that none of the money that is going to be drawn down under this Loan Bill will go toward funding election commitments the government made during the last campaign.

**Hon STEPHEN DAWSON:** Again, the advice I am given is no. This bill before us will address a variety of issues with the spending attached to the *Pre-election Financial Projections Statement*.

**Clause put and passed.**

**Clause 2 put and passed.**

**Clause 3: Power to borrow for public purposes —**

**The CHAIR:** I note that the supplementary notice paper contains an amendment standing in the name of Hon Aaron Stonehouse. Before I call on Hon Aaron Stonehouse, the question remains that clause 3 do stand as printed.

**Hon Dr STEVE THOMAS:** As I indicated during clause 1, it is with some sadness that the opposition cannot support the amendment to be moved by Hon Aaron Stonehouse simply because the number is wrong. If the honourable member were to propose a \$4.5 billion or \$5 billion limit to take the government through to the first year or perhaps two years of budgetary expenditure, the opposition would have been in a position to support him

and to come back with a loan bill in the not-too-distant future. Unfortunately, the amendment on the notice paper refers to \$1.5 billion and that will simply bring us back to this chamber in a couple of months to debate effectively the same bill all over again. I acknowledge the good intent of the honourable member, who I still think should sit over here so that we can keep a close eye on him and keep him under control, and the amendment he will put before the chamber tonight. Although we agree with him in many respects on government expenditure and fiscal responsibility, unfortunately tonight we find that our views diverge on his proposed amendment. I encourage him to maintain the rage and to watch government expenditure and, in particular, government waste at every opportunity. I am sure that he will be rewarded with plenty of opportunity in the not-too-distant future to look at government waste and that he will have some formidable things to say about it.

**The CHAIR:** By way of information for all members, Hon Aaron Stonehouse has the call. You can address the question before the Chair, but you might like to move at the outset the amendment standing in your name.

**Hon AARON STONEHOUSE:** I will address the issue first and then I will move my motion. It does not seem as though the minister has addressed my concerns or the concerns of other members in this chamber. We do not have much in the way of details or any plan of how the government plans to fund its election commitments or address the state's debt. We have no budget yet and I do not intend to block supply. The motion that I will put in a moment will show that. As I told someone who asked me the other day, I do not want no government; I am not an anarchist. Perhaps Grover Norquist put it most eloquently when he stated, "I don't want to abolish government. I simply want to reduce it to the size where I can drag it to the bathroom and drown it in the bathtub." That sums up my view on the size and scope of government quite eloquently. I understand that the funds are needed to get us to September, when a budget can be supplied, and that we will need a couple of months' buffer. That is why I have come up with the figure of \$1.5 billion. Hon Stephen Dawson has said that this is not a spending bill but that it is merely the authorisation for a loan and that \$1.5 billion is insufficient. I understand that. However, the \$11 billion, as I understand it, is based on pre-election forward estimates for four years. I do not know why we need to approve four years' worth of borrowing simply to get us through to budget time. It seems that we could approve a lesser amount to get us to the budget and come back if we need further loans. If there is a number that is more suitable than \$1.5 billion, I am all ears. I would love to hear, perhaps from Treasury, the minister or the Treasurer, what a suitable amount would be to get us to budget time. That being said, I move —

That the Legislative Assembly be requested to make the following amendment —

Page 2, line 11 — To delete "\$11 000 000 000", and substitute —

\$1 500 000 000

**Hon STEPHEN DAWSON:** I thank Hon Aaron Stonehouse for his interest in this bill. I hope that he was not suggesting that he wanted to drown me as he was drowning the government! However, I will not take it offensively. The intention is to find ways not to draw down on the full amount, if possible, but the majority of the \$11 billion is expected to be needed in the next two years. Going on the figures attached to the *Pre-election Financial Projections Statement*, there will be a need for \$4.4 billion in 2017–18 and \$4.2 billion in 2018–19. That is about \$8.6 billion out of the \$11 billion that will be needed in the next two years. The Treasurer has already noted on the public record that the reduction in revenue since we came to government has already been \$2.6 billion. That is \$2.6 billion in three months and is based on money that we had expected to get from federal health and federal education agreements. I think that the iron ore price and a range of other variables have impacted on revenue too. We are already \$2.6 billion behind the eight ball since we came to government. We have started responding with the revenue and expenditure announcements that we have made already but this task will need to continue and a great deal more work needs to be done. Meanwhile, government needs flexibility across the coming four years to respond to the volatility in our revenue base. We also need time to implement changes to expenditure while ensuring adequate access to funds to keep the essential business of government going, and we believe that the \$11 billion in borrowing authorisation will do that. The magnitude of borrowings needed over the next two years will require careful engagement with the financial markets and some certainty about timing and authenticity to contract with investors. Again, we believe that the \$11 billion in borrowing authorisation will do that. I appreciate Hon Aaron Stonehouse's amendment this afternoon. However, I indicate that the government does not support it.

**Hon MARTIN ALDRIDGE:** The minister just gave us a breakdown across the forward estimates of the amount of borrowings to be required. Could he repeat which financial years they were?

**Hon STEPHEN DAWSON:** According to the *Pre-election Financial Projections Statement*, which includes forecasts for the period up to and including 2019–20, consolidated account borrowings will total \$4.4 billion in 2017–18, \$4.2 billion in 2018–19 and \$2.3 billion in 2019–20.

**Hon Dr STEVE THOMAS:** I will not delay this. I make the point, though, that when the minister referred to the change in profile over the last two months, he said that revenue had dropped by \$2.6 billion. That is the sort

of thing that we are talking about when we suggest that the statement of risk needs to be updated with the loan bill as it comes through. That is the sort of information that should accompany this bill as we have the debate.

**Hon STEPHEN DAWSON:** I thank the honourable member for that contribution. I will raise that issue with the Treasurer for him to consider in future loan bills.

**Hon ROBIN CHAPPLE:** The minister just said that there had been a decline in income from mineral royalties. Can he attach a figure to that?

**Hon STEPHEN DAWSON:** I thank the honourable member for the question. I am advised that mining revenue is likely to be down by approximately \$882 million over the forward estimates. Of that, \$750 million is linked to the price of iron ore.

**Hon ROBIN CHAPPLE:** Obviously, we are still producing 27 per cent of the world's iron ore. We have done that consistently. The average price of iron ore has always been \$50 to \$60 a tonne. We currently have an assistance package for CITIC Pacific. I understand that last year CITIC Pacific made \$9.5 billion worth of profit. Will we still continue with that assistance package? If we did not continue with the assistance package, what would the net value of that be to the state?

**Hon STEPHEN DAWSON:** Unfortunately, I do not have the information about the second part of the question with me or available this afternoon. The first part of the question is not quite within the ambit of this bill but I am happy to go away and ask questions of the respective ministers and provide that information to Hon Robin Chapple at a subsequent time. Unfortunately, my advisers do not have information about what it might cost or the details of the CITIC Pacific deal. I am happy to give the member an undertaking that at a future date I will give him a briefing or provide that information to the house.

**Hon MARTIN ALDRIDGE:** I rise to respond briefly to Hon Aaron Stonehouse's amendment to the bill and put on record that the National Party will not support the amendment. I reiterate our position that was put in the other place, when the National Party sought to amend the amount of borrowings to \$3.8 billion, which was ultimately defeated. That figure was based upon the policy that we took to the election, which was an increase in special lease rental on the iron ore sector that, according to Treasury, would have raised \$7.2 billion across the forward estimates. Likewise, I think the Liberal Party proposed an amendment to reduce borrowings by \$5 billion, if I am not incorrect —

**Hon Dr Steve Thomas:** In the other place.

**Hon MARTIN ALDRIDGE:** Yes, in the other place, and it was also defeated. I have some sympathy for the position put by Hon Aaron Stonehouse. Many of the arguments that he put relating to this place currently do not have a budget for the financial year, which starts on Saturday, so it is very hard for us to make informed decisions. I am not blaming the government for that because the election process itself significantly disrupts budget preparation and planning, so delivering a budget on schedule is not achievable and was not achievable after the 2013 election either, when there was not a change of government. That is an immense task. I understand the challenges associated with that.

Having said that, we cannot support this amendment because reducing borrowings to \$1.5 billion will only offer short-term relief and we will be back here almost immediately after the winter recess dealing with another loan bill to increase borrowings probably before we even have a state budget. As the minister outlined, \$4.4 billion in borrowings is required for the 2017–18 financial year.

It was interesting to hear the minister reflect on some of the changing circumstances in the state's finances. He referred to changes in national partnership agreements, fluctuations in iron ore pricing and a range of other things. I am sure if we were on that side and the government were on this side, we would have been told that that was poor financial management. Now that Hon Stephen Dawson is on that side of the chamber, these are the realities that the government must face.

Unfortunately, the National Party will not be supporting the amendment put by Hon Aaron Stonehouse.

**Hon Dr STEVE THOMAS:** I appreciate the input from Hon Robin Chapple about iron ore prices. He is exactly right. The iron ore price, as we discussed earlier, sat in that \$US40 to \$US60 a tonne price zone for effectively 110 years of the last 125 years. My point is simply that we need to have a better measure of iron ore into the future. I go back to something that I said previously; that is, whoever in Treasury is suggesting that the price of iron ore is going to stay at \$US80 to \$US100 a tonne or more is messing with the Western Australian budget. If we pick a high price and determine that we are going to have higher revenues in the future, the automatic response of government is to spend that. If we start to think based on a higher iron ore price, we start to spend that money. If we are conservative with our estimates of the iron ore price, we will assume that our revenue will be lower and we might spend a bit less. I know that there is not much that the minister can do about this at the moment but I suggest that whoever is suggesting that the iron ore price will stay at historically unreasonable levels should be removed from Treasury. Maybe that might save at least one wage!

**Hon DIANE EVERS:** Given the significant budget deficits that we will have over the next few years, I am interested to know whether the government is looking at increasing the revenue that can be raised from industry, such as the mining industry. Will it consider reducing some of the subsidies to the mining industry?

**Hon STEPHEN DAWSON:** That is a good question. All options are on the table. Everything is being considered. We are going through some very difficult financial times at the moment. As part of the budget process, ministers have been asked to suggest savings right across their portfolios or look for a reduction in spending but certainly everything is on the table at this stage. We are keen to get the budget back on track as quickly as possible.

**Hon DIANE EVERS:** I am pleased to hear that answer because there are a lot of good suggestions and possibilities for that. I just want to say that we will not be able to support the amendment as \$1.5 billion would not be enough to get us far enough into the term.

*Division*

Amendment put and a division taken, the Chair casting his vote with the noes, with the following result —

Ayes (2)

Hon Colin Tincknell

Hon Aaron Stonehouse (*Teller*)

Noes (29)

Hon Martin Aldridge  
Hon Jacqui Boydell  
Hon Robin Chapple  
Hon Jim Chown  
Hon Tim Clifford  
Hon Alanna Clohesy  
Hon Peter Collier  
Hon Stephen Dawson

Hon Colin de Grussa  
Hon Sue Ellery  
Hon Diane Evers  
Hon Donna Faragher  
Hon Adele Farina  
Hon Nick Goiran  
Hon Laurie Graham  
Hon Rick Mazza

Hon Kyle McGinn  
Hon Michael Mischin  
Hon Simon O'Brien  
Hon Martin Pritchard  
Hon Samantha Rowe  
Hon Robin Scott  
Hon Tjorn Sibma  
Hon Matthew Swinbourn

Hon Dr Steve Thomas  
Hon Darren West  
Hon Alison Xamon  
Hon Pierre Yang  
Hon Ken Baston (*Teller*)

**Amendment thus negatived.**

**Hon MICHAEL MISCHIN:** I have just a couple of questions on clause 3 more generally. I note again the remarks made and the assurances given that the purpose of the Loan Bill 2017 is to cover forward estimates through the next four years until and, indeed, past the next election date of March 2021. Although the assurances have been that it is to cover only the expenditure included in the forward estimates, plainly, as time goes on, the need to draw down that amount will diminish. But I note that no such restriction is placed in clause 3, or any other clause of the bill, that entitles the Treasurer to borrow for public purposes sums of money not exceeding \$11 billion in the aggregate over an indefinite time. I ask whether any particular reason has been determined for not placing a temporal limit on the period of time authorising the Treasurer to borrow these sums of money. It leaves open the prospect that in the last financial year of this government, it could be used to fund election commitments—notwithstanding the assurances that we have been given that the bill is not intended for those purposes and will not be used for those purposes—promises and expenditure in the lead-up to the 2021 March election. I seek the information from the minister as to why no limit has been placed, given the extraordinary nature of the bill and the extraordinary nature of the amount that is being sought as the borrowing limit under this bill.

**Hon STEPHEN DAWSON:** I thank the honourable member for his comments and his questions. It has not been standard practice to limit or to put an end date on any loan bill we have dealt with in this Parliament before. Over the life of the last government there were four bills that equalled approximately \$23 billion, but there was never an end date in any of those loan bills. It was never stated that “You have to spend it by a date, or else you can’t”, so it certainly was not standard practice. I have to say that it is the appropriation bills that allow us to spend, and we will get an opportunity at some stage later this year to debate the appropriation bills and seek approval from the Parliament for how the money is spent. The bill we are debating this evening is not seeking approval to spend the money; it is simply seeking approval to borrow.

**Hon MICHAEL MISCHIN:** That is, of course, quite right, but I maintain my concerns about the extent of the borrowing enabled by the bill and the lack of a limit on it, because previously with loan bills, large amounts were borrowed, but successive bills were brought before Parliament to extend the borrowing limit. In this case we have a substantial amount that is not covered by any cap in time, other than \$11 billion over the next four years, and it can extend beyond that, of course, if not all that sum is drawn down within that time. As to the borrowings, the clause states —

The Treasurer may borrow for public purposes, from the Western Australian Treasury Corporation or elsewhere, sums of money not exceeding \$11 000 000 000 in the aggregate.

I ask: apart from the Western Australian Treasury Corporation, where does the Treasurer borrow the money from? Are any sources of funds being considered other than the traditional sources of funds that have been used in the past?

**Hon STEPHEN DAWSON:** I am advised that we have previously borrowed from the commonwealth government, but at this stage there is no intention to borrow from it. This allows us some flexibility. With regard to the member's comments about previous loan bills, we had more loan bills in the last Parliament because money was exhausted before the previous government intended. Parliament has previously approved big loan bill amounts, in the order of \$8 billion, \$8.3 billion, \$5 billion and \$1.7 billion, but we had so many of them because the money was spent a lot sooner than we anticipated. I said earlier that the intention is to find ways not to draw down on the full amount, but it is \$11 billion to give us some flexibility to deal with issues as they arise. As I said, some significant issues that have caused us some strife have arisen since the election already.

**Hon Dr STEVE THOMAS:** In the same vein, the minister has advised us that the government potentially has the option of using alternative sources of borrowings, including the issuing of bonds. Can the minister indicate whether any of those borrowings are likely to be taken up by foreign investors and whether it is likely that foreign investment may be a part of the \$11 billion that will be borrowed as part of this bill?

**Hon STEPHEN DAWSON:** I thank the member for the question. It is not anticipated at this stage. We get our loans through the Western Australian Treasury Corporation and that is the process we plan to continue using.

**Hon MICHAEL MISCHIN:** Just to pick up on that point. I appreciate that the minister is not the Treasurer and is acting on advice on this bill, but I appreciate his efforts to answer the questions that have been posed to him during the life of this Parliament and his respect for the parliamentary process. Part of my question, of course, was: what have been the sources of borrowings in the past? The minister indicated, as I understand it, that the commonwealth government was at least one source of borrowings but that the government does not intend, at this stage, to avail itself of that as a source of funds. The Western Australian Treasury Corporation was specifically mentioned as a source of funds, but the "elsewhere" has not been ascertained. I am just interested in what other sources of funds have been utilised over the last several years—we will make it simple and limit it to the previous government's two terms. Secondly, what alternative sources of funds are being contemplated or explored?

**Hon STEPHEN DAWSON:** I am advised that no other sources have been used in the past, other than the commonwealth government and the Western Australian Treasury Corporation.

**Hon Michael Mischin:** All right. Are any being contemplated or explored?

**Hon STEPHEN DAWSON:** I am advised no, not immediately, but we never know what opportunity might arise in future to access funds that are needed.

**Clause put and passed.**

**Clauses 4 and 5 put and passed.**

**Title put and passed.**

*Report*

Bill reported, without amendment, and the report adopted.

*Sitting suspended from 6.00 to 7.30 pm*

*Third Reading*

**HON STEPHEN DAWSON (Mining and Pastoral — Minister for Environment)** [7.30 pm]: I move —

That the bill be now read a third time.

**HON Dr STEVE THOMAS (South West)** [7.31 pm]: I want to thank every member of the chamber for their contributions to debate on the Loan Bill 2017. I like to think it has been an economically literate debate, and I have to say that we do not get many of those. The chamber can be particularly proud of the way it has gone through the process. I thank all members who have contributed to debate, particularly the Pauline Hanson's One Nation group. I hope the minister has taken some notice of, and passes on, the range of issues raised by all members on all sides. Obviously, Western Australia faces a large increase in its debt burden but, as the minister has rightly said, we do not necessarily have to increase our debt to match our credit limit. Most of us have credit cards that allow us to borrow far more than is wise. Members who were around in the 2000s will recall that it was usual to get a letter every couple of years asking them to increase their debt levels and offering them the capacity to borrow a little more each time. Just because a person got a letter did not mean they should increase their debt. That is the message the opposition passes back to the government. I know the minister is aware of this, and he said on numerous occasions that just because we allow him and the government to borrow an extra \$11 billion does not mean it would encourage the government to do that. We still encourage the government to come forward with alternatives. We will be particularly interested in how it might reduce or manage expenditure over time. We note that the government has made some efforts in this area. We think they are very small to date, and the government will tell us there are announcements coming of far larger efforts. We expect that, and we expect to scrutinise them in this chamber in great detail. I am sure that all members who contributed to this debate so far will be back to speak on the supply and appropriations bills, and all the other bills that will come

up. The minister can expect to have a very difficult time every time he presents a Treasury bill to this house, I suspect. We look forward to debating those bills. I am not sure the minister does, but we wish him the best all the same.

I encourage members to maintain the rage to some degree in watching expenditure and debt levels, and making sure that every part of that is scrutinised as much as possible. It is with some trepidation and no small amount of fear that we accept that the additional debt is required at this point, but we will watch to make sure that the government does not exceed the capacity of the state of Western Australia to repay it.

**HON AARON STONEHOUSE (South Metropolitan)** [7.35 pm]: I thank Hon Stephen Dawson for attempting to address some of the concerns of members in this chamber. Unfortunately, all my concerns have not been addressed. Namely, I note that that the figure of \$11 billion is based on the forward estimates over four years; however, we have been told those numbers are out of date and that we have lost \$2.6 billion in three months and we are expected to spend \$8.5 billion in the next two years alone. Based on that, I think a different figure should have been brought before us in this Loan Bill 2017, and not \$11 billion, which was based on the *Pre-election Financial Projections Statement*. The figure of \$11 billion may be too much or it may not be enough, but based on what we heard earlier it is certainly not the right amount. Given that, I understand the government is in a tough position. I sympathise. I would not want to be in its position, but as my amendment was not passed I cannot in good conscience support the bill and I will be voting against it.

**HON STEPHEN DAWSON (Mining and Pastoral — Minister for Environment)** [7.37 pm] — in reply: I too thank all members for their contributions to the debate on the Loan Bill 2017. As I have undertaken, I will pass on to the Treasurer the comments, contributions and suggestions made by members so that he can take those on board as we move forward in this term of government. I am disappointed I was not able to answer Hon Aaron Stonehouse's questions or give him comfort; however, I look forward to more conversations and debate with him as we progress through this term of government.

We have some hard work ahead of us and some difficult decisions to make. We are working through those. The house will get an opportunity to debate like issues again as we work towards the September budget. Thank you, members.

#### *Division*

Question put and a division taken, the Acting President (Hon Robin Chapple) casting his vote with the ayes, with the following result —

#### Ayes (30)

Hon Martin Aldridge	Hon Stephen Dawson	Hon Alannah MacTiernan	Hon Matthew Swinbourn
Hon Ken Baston	Hon Colin de Grussa	Hon Rick Mazza	Hon Dr Steve Thomas
Hon Jacqui Boydell	Hon Sue Ellery	Hon Kyle McGinn	Hon Darren West
Hon Robin Chapple	Hon Diane Evers	Hon Michael Mischin	Hon Alison Xamon
Hon Jim Chown	Hon Donna Faragher	Hon Simon O'Brien	Hon Pierre Yang
Hon Tim Clifford	Hon Adele Farina	Hon Samantha Rowe	Hon Martin Pritchard ( <i>Teller</i> )
Hon Alanna Clohesy	Hon Nick Goiran	Hon Robin Scott	
Hon Peter Collier	Hon Laurie Graham	Hon Tjorn Sibma	

#### Noes (3)

Hon Charles Smith	Hon Colin Tincknell	Hon Aaron Stonehouse ( <i>Teller</i> )
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Question thus passed.

Bill read a third time and passed.

### CONSTITUTION AMENDMENT (DEMISE OF THE CROWN) BILL 2017

#### *Second Reading*

Resumed from 17 May.

**HON MICHAEL MISCHIN (North Metropolitan — Deputy Leader of the Opposition)** [7.43 pm]: I rise as the lead speaker for the opposition on this Constitution Amendment (Demise of the Crown) Bill 2017 and advise that the opposition welcomes and supports the bill and, as presently advised that, subject to any matters that might arise in debate, it sees no reason for the bill to be referred to and trouble the Committee of the Whole.

The Leader of the House's second reading speech covers the relevant policy considerations underlying the bill, so I will not repeat them any more than is necessary. Although the issue is one of which members of this place who were present during the thirty-ninth Parliament are familiar, I will make some short observations for the benefit of new members.



The term “demise of the Crown” refers specifically to the cessation of the monarch’s reign by death or abdication. Such demise had consequences in times past. One consequence was the immediate dissolution of Parliament; another was the immediate vacation of office of all officers of the Crown; and a further consequence was that proceedings brought by or on behalf and in the name of the Crown were discontinued. One can understand the operation of this constitutional principle when the concept of the Crown and the authority derived from it was of a more personal nature and the individual who occupied the position of the King or Queen of the day was in a very real sense the head of state, so the fountainhead of that authority. However, the evolution of the nation-state and of more permanent institutions providing continuity of government and the parliamentary democracy we enjoy today are inconsistent with consequences of the nature I have mentioned. Accordingly, a great deal of legislation in the United Kingdom over the years has dealt with the consequences of the demise of the Crown that I have mentioned—some from as long ago as the sixteenth century.

This bill has its immediate origins in the eighty-eighth report of the Standing Committee on Uniform Legislation and Statutes Review tabled on 17 February 2015, which related to the Succession to the Crown Bill 2014. That bill concerned the changes to the law agreed by all commonwealth sovereign nations several years before to reform the order of succession to the Crown and the eligibility of certain categories of persons to succeed to the throne. It was reflective of changes made by way of the United Kingdom’s Succession to the Crown Act 2013, which dealt with those matters in the United Kingdom and needed to be adopted for consistency and constitutional reasons by all commonwealth nations that still regarded the Queen as the notional head of state and of constitutional authority.

As an adjunct to that report, the uniform legislation committee saw fit to refer to a Law Reform Commission of Western Australia report of October 1994 titled “Project 75: United Kingdom Statutes in Force in Western Australia” that reported on imperial legislation that applied in Western Australia and that was in need of repeal or reform. In that context, it also considered imperial legislation dealing with the demise of the Crown and how that issue was dealt with in other Australian jurisdictions. The Law Reform Commission recommended that “consideration be given to enacting a general Demise of the Crown Act”. The committee concluded that the potential consequences of the death of the reigning monarch was something that ought to be addressed by specific legislation attending to the situation and proposed an amendment to be passed along with that immediate legislation, the Succession to the Crown Bill, to deal with the question of what happens on the death of the sovereign.

At the time, on behalf of the government, I opposed that proposed amendment, as I recall, on several bases. The first was the issue of the consequences of the demise of the Crown was not something that fitted comfortably within the scope of the Succession to the Crown Bill dealing, as it did, with rather different issues of eligibility for succession to the throne and removing impediments for that succession, and the order of succession to the Crown. Secondly, I wanted to take further advice on the subject about whether a demise of the Crown bill, or legislation concerning it, was necessary and, if necessary or desirable, the best manner in which to implement such a provision. The house took the matter further by referring it to the Council’s Standing Committee on Legislation, and a specific inquiry was conducted by the legislation committee and reported on 13 August 2015 in its twenty-eighth report.

I made submissions to that committee on behalf of the government and supported the idea of legislating on the subject and recommended some amendments to the Constitution Act 1889. The amendment I proposed was, as I recall, one drafted by the then Solicitor-General, which the committee adopted, but varied slightly on advice from, as I recall, Parliamentary Counsel, into the form of a draft bill, which now forms the basis of the legislation before the house. The committee reported accordingly, recommending that a bill be passed dealing with the demise of the Crown and proposed that that bill take the form of an amendment to the Constitution Act. Leaving open the question of whether the demise of the Crown had consequences to Western Australia and what those consequences might be, the effect of this bill will be to make clear and readily apparent that which should be clear and readily apparent—that is the significant advantage of this piece of legislation. I say that I leave open the question of consequences because different opinions were presented to me on the subject. So far as the prorogation of Parliament is concerned, for example, the demise of the Crown has not presented a problem in Western Australia in the past. That said, as the Standing Committee on Legislation pointed out, in the case of past demises of the Crown the Parliament of Western Australia was either prorogued, not in session or was prorogued within six months of the demise. Sessions of Parliament lasting several years, of the character that we are accustomed to now, are a relatively recent development that has taken place within the 64-odd years since the last demise of the Crown and the succession of Her Majesty Queen Elizabeth II. Furthermore, it was suggested to me that officers of the Crown in Western Australia derive their authority differently from those in other jurisdictions. Be that as it may, the position on the demise of the Crown should be clear and readily apparent, and this bill achieves that objective.

I cannot take credit for the drafting of this bill. It was drafted and ready for introduction previously. It is a rather simple and elegant piece of drafting—a credit to the then Solicitor-General—based, as I recall, on section 5 of the Constitution Act 1986 of New Zealand, and as further refined by Parliamentary Counsel. I have to say that

my preference was, and I submitted to the committee accordingly, that the issue be resolved by way of an amendment to and incorporation into the Constitution Act, rather than a standalone piece of legislation, so as to endeavour to consolidate any matters establishing and preserving our body politic in the legislation intended for that purpose. Unfortunately, we, uniquely among Australian jurisdictions, have two Constitution Acts, but nevertheless that does not mean that we should have three or more that address issues of a constitutional nature for Western Australia. I had proposed that such a bill be introduced last year, but unfortunately other legislative priorities interfered. I am pleased that the work done by not only the drafters, but also the two committees that turned their attention to this matter, has come to fruition. It was a very worthwhile exercise that the then Standing Committee on Uniform Legislation and Statutes Review that was dealing with the succession to the Crown bill should have identified the issue and brought it to the attention of this Parliament. The work done by the Standing Committee on Legislation is also very commendable in having taken the issue on board, explored it extensively and made the recommendations that form the basis for the legislation being dealt with today.

On that note, I indicate again that the opposition supports the bill and, as presently advised, sees no reason to go into Committee of the Whole.

**HON ALISON XAMON (North Metropolitan)** [7.54 pm]: Nobody lives forever, so the Greens will support the Constitution Amendment (Demise of the Crown) Bill 2017.

**HON MARTIN ALDRIDGE (Agricultural)** [7.54 pm]: Hon Alison Xamon said she was trying to condense her speech, but I was not aware that it would be quite that condensed. I rise on behalf the National Party to indicate our support for the Constitution Amendment (Demise of the Crown) Bill 2017 and, in doing so, make a few brief remarks. It is interesting to note from the second reading speech by Hon Sue Ellery, to some extent reinforced by Hon Michael Mischin, that this issue has faced Western Australia for a number of years, having been first identified in the mid-1990s, resulting in a Law Reform Commission report. This process was kicked off as a result of the Commonwealth Heads of Government Meeting in Perth in 2011, at which commonwealth nations agreed to a range of measures on the succession to the Crown, which I think we dealt with in 2014 in this place, and on review the Standing Committee on Uniform Legislation and Statutes Review made recommendations and observations about this issue still being unresolved. This is a very simple bill, inserting new section 74A into the Constitution Act 1889, to preserve a number of rights, statutes and office-holding positions in Western Australia. As I understand it, the only reference currently in the Constitution Act 1889 is to justices of the court continuing should the demise of the Crown occur. This bill will hopefully put beyond doubt some of the issues associated with the demise of the Crown through death or abdication. Again, I indicate that the National Party will support the bill. I hope this new section in the Constitution Act will not be needed for many years, as Queen Elizabeth continues to reign over her many realms.

**HON COLIN TINCKNELL (South West)** [7.56 pm]: One Nation supports the passing of the Constitution Amendment (Demise of the Crown) Bill 2017.

**HON SUE ELLERY (South Metropolitan — Leader of the House)** [7.57 pm] — in reply: I thank members of the house for their support of the Constitution Amendment (Demise of the Crown) Bill 2017. This has been a long time coming. We are one of the last, if not the last jurisdiction to deal with such a piece of legislation, and it is an important technical bill that we need to get through. I thank members for their support, and commend the bill to the house.

Question put and passed.

Bill read a second time.

Leave granted to proceed forthwith to third reading.

*Third Reading*

Bill read a third time, on motion by **Hon Sue Ellery (Leader of the House)**, and transmitted to the Assembly.

**SUPPLY BILL 2017**

*Second Reading*

Resumed from 15 June.

**HON PETER COLLIER (North Metropolitan — Leader of the Opposition)** [7.58 pm]: Our lead speaker on the Supply Bill 2017 is currently on urgent parliamentary business, but he wants to make some comments on this bill, because it is very important.

**Hon Sue Ellery:** You can talk about anything.

**Hon PETER COLLIER:** I know, but I am very conscious of the fact that, even though this bill is very important, the necessity to have it passed by the time we rise for the winter recess is not imperative, but I would imagine it would be very helpful if the government wants to get this legislation through. That is why we will be accommodating with the government to get it through. The big issue we had, of course, was with the Loan Bill. We expressed some concerns about the magnitude of the loan and whether or not we could bring ourselves to pass that legislation, given the minuscule amount of information we received about what it was going to be spent on.

Having said that, as far as Parliament is concerned, I think that each one of us will go back and look at our areas of responsibility —

**The ACTING PRESIDENT (Hon Robin Chapple):** Members, there is only one speaker at the moment. Could we please give him some time?

**Hon PETER COLLIER:** No, they can talk amongst themselves. We will be looking at our areas of responsibility and forensically going through those areas of responsibility to ensure that that \$11 billion is effectively and efficiently spent.

I could talk for hours on this bill, but I would not want to deny my colleague the opportunity to speak on behalf of the opposition. Do not tell me I have unlimited time in this debate. Having said that, I do not think that we will be speaking too much more about this bill, but I have got great confidence in Hon Dr Steve Thomas to make some more comments on behalf of the opposition.

**HON Dr STEVE THOMAS (South West) [8.01 pm]:** I expected the debate on the Constitution Amendment (Demise of the Crown) Bill 2017 to last slightly longer than it appears to have lasted. A little research has gone begging. It is with great pleasure that I address the Supply Bill 2017 as opposed to the Loan Bill 2017, to look at the next step in the process. As I said numerous times during my address on the Loan Bill, the critical part of this process for the Legislative Council is to ensure that we have an economically literate debate about the fiscal economy of Western Australia and the way we might improve that. The standard of the debate on the Loan Bill was exceptionally high, having listened to state and federal debates on the economy for a long time. That probably puts me in the category of a masochist, but it is funny what we get interested in over time.

With this bill we move from the ability to borrow money to the actual expenditure of the money. This bill potentially gets a bit more interesting because we can look at where the money is going and how we might manage that for the best benefit of the people of Western Australia. Some members stood and spoke at great length about where better expenditure might be made. I mentioned in my address earlier tonight that during the debate on the Loan Bill the Greens spoke in particular about where expenditure might occur—that is acknowledged by Hon Alison Xamon. That should happen in the debate on this bill. The Supply Bill concerns where the money is going to go. I want to make a fair few significant comments about where expenditure ends up and how we manage that process. I look forward to making sure that that expenditure is well managed.

Just before I progress, I have made numerous comments about the distribution of the goods and services tax and how that relates to Western Australia's fiscal position. As I have mentioned, it is my intention to make sure that all our economic debates lift to a level that is far beyond the debate that I see in the public arena and the popular press. I will note, Mr Acting Speaker, that as a result there has been some —

**The ACTING PRESIDENT:** Acting President. I am not an Acting Speaker.

**Hon Dr STEVE THOMAS:** Sorry, Mr Acting President. It is going to take me a while to move on from that habit. I apologise.

I note with interest a couple of articles in *The West Australian* yesterday and today that are worth mentioning before we progress to the detail of the expenditure of the state. In particular, I note *The West Australian* story on page 6 of yesterday's paper titled "No GST quick fix: Treasurer" and very similar comments from the Deputy Leader of the Liberal Party and Minister for Foreign Affairs, Julie Bishop. The article was written by Shane Wright, and to give him his due, as an economic journalist he is probably the best economic journalist floating around at the moment.

**Hon Alannah MacTiernan:** Why do I keep having to agree with you? You're the most sensible person on your side.

**Hon Dr STEVE THOMAS:** Again, because Hon Alannah MacTiernan is trying to get rid of me by getting me out of my preselection the next time around. That is the problem.

**Hon Alannah MacTiernan:** That is about the third time you have been right this week.

**Hon Dr STEVE THOMAS:** I will quickly digress, Acting President, the Truffle Kerfuffle was an excellent event this year. It was good to see the Minister for Regional Development in the south west. I think it was an excellent event and we look forward to the minister visiting a few more agricultural events in the not-too-distant future.

**Hon Alannah MacTiernan:** It was excellent. Agritourism at its best.

**Hon Dr STEVE THOMAS:** It was excellent. We all behaved ourselves remarkably well and we were very civil and polite for the entire process. It was very good last weekend. I cannot promise it will last forever.

I note that there is no quick fix to the GST issue for the fiscal position of the state. Those who suggest that if we repair the GST, that will simply fix the state's economic problems are obviously living—dare I say it, because it is a movie now—in la-la land. Work can be done. The same article looks at an issue that Hon Alannah MacTiernan

and I have both spoken passionately about—gambling revenue and GST. The federal government has always said that we should not necessarily assume that will fix the problem. I agree with that, but there are things it can do. As I have said in previous speeches, if we want to fix this, we need to look at a number of things, including a real-time evaluation of GST returns, rather than moving from a five-year to a three-year lag. That was very good. I am pleased to see that *The West Australian* has addressed the issue in a fairly sensible and non-hysterical way. I think even at some point *The West Australian* is trying to join the Legislative Council in engaging in a literate and educated economic debate. That is really pleasing, because otherwise we will degenerate into a group of minor parties that can simply come out with rhetoric and assume that they will get votes, to the point at which commentators are saying a couple of Senate seats might be picked up by a party with absolutely no credibility apart from rhetoric that will deliver something that is undeliverable. That frightens me. I would hate to think that we would degenerate into that.

I note that the next day a similar article stated that the Chamber of Commerce and Industry of Western Australia has suggested that we simply exclude sections of our mining royalties. For the same reason that I have suggested previously that that is difficult, I reiterate that it is very difficult to change the rules for some people but not for others and for some sections of an economy but for not others. Let us not get bogged down in saying that there is an easy fix; there is not.

There is no easy fix for the economic problems facing the government in Western Australian economy. There was no easy fix for the previous government, I might add. No government has an easy solution to the volatility of the economy, but we need to do some things such as make far better predictions about the revenue streams from iron ore royalties and various other revenue streams. Whoever made those decisions probably should be removed from the position that they hold.

The bill before the house tonight is one of supply. Where does the money go? I have to admit that in opposition it is obviously very difficult to go into much detail. The government will look at this. We will have a much greater degree of certainty when the budget is handed down and obviously we will come up with suggestions as we go along. I hope that my colleagues and the very educated and literate colleagues in the Greens will make a contribution that recognises both the economic imperative as well as where they might like to see additional expenditure, because I know that all the other parties in the chamber will do exactly that. I am certain that no party wants to see the state of Western Australia in a worse position. This will be a competition of ideas and a competition for every available dollar. I am glad that the Minister for Regional Development is in the chamber because I think that portfolio will be absolutely critical in the debate about where expenditure will go. I do not necessarily envy the job Hon Alannah MacTiernan has in working out where money that has been promised will end up. Hon Alannah MacTiernan might need some of my extreme “right wing-ness” over here to remove funds potentially from those places that I think are not necessarily the best investment for the state.

**Hon Alannah MacTiernan:** Do not tell me you’re opposed to singing toilets!

**Hon Dr STEVE THOMAS:** I am not opposed to singing on toilets, but I am opposed to singing toilets. It depends on whether the lock works or not really, as to whether I sing on them!

I have grave concerns about a great number of other areas. I raised one issue in question time this afternoon—not necessarily that any of that project is not a good investment—and the crux of my question related to the Minister for Regional Development investing the dollars that are controlled by the state government in projects that will make a good economic return. My question related to the business case and the economic return available for that project. I think it is incumbent upon the minister and the government to make sure that all of those projects are gone through in an extremely rigorous manner. I am happy to support the minister if the government’s process looks at it to ensure that all that investment is reasonable and solid. I will be absolutely happy to assist in that process because we need to make sure that every dollar is expended in an appropriate manner.

As demonstrated by the charts that I have tabled previously—I do not intend to display them again tonight—the boom is over. The reality is that the economic position is now one that is much more long term and stable, and of average growth; therefore, the expenditure of the state of Western Australia and the government’s capacity to manage that is absolutely critical. The questions arise: Where does the government think expenditure should go? Is that expenditure funded by debt? That generally always depends upon perception and preferred priority. If a person has no particular interest in regional development, it could be argued that the entire royalties for regions fund was debt funded. By the same token, if a person had no particular interest in health, it could be argued that all that money went to health. I do not propose to get bogged down in any debate about whether any particular section of the expenditure of government is responsible for the debts and deficits we face. All those arguments are based on personal priorities. The reality is that the entirety of government now has an expenditure issue that it has to manage. As the opposition said during debate on the Loan Bill, I am extremely interested to see how the government will manage that process. I was intrigued when the minister said that the election promises are intended to be funded by savings made in the budget. It is one of those *Yes, Minister* incredibly brave moments.

It will be extremely difficult to do. If the government manages to do that, it will be extremely impressive. It would be an enormous task to make in the order of \$5 billion worth of savings. Some of those things will no doubt come from the redirection of existing programs. Obviously, the Minister for Regional Development will be central to much of that process. That is not sufficient. Savings in that department will not be sufficient to make up and reduce the expenditure to a level that will meet the budget and will meet the government's requirements to meet its fiscal target. It will be extremely interesting to see where cuts will be made.

It will be very difficult to make further cuts in many departments. In my view, the Department of Agriculture and Food is pared down to the bone. It will be very difficult to make any further cuts.

**Hon Alannah MacTiernan:** Oh my God—fifth agreement! We have our fifth agreement for the week.

**Hon Dr STEVE THOMAS:** Does the minister think she can cut it down a bit further?

**Hon Alannah MacTiernan:** No, no; I am saying it is pretty bad.

**Hon Dr STEVE THOMAS:** Plenty of departments will find it very difficult to make additional savings. Part of that process obviously is the wages policy. I was very intrigued to see the government come out with a \$1 000 pay rise wages policy instead of a percentage basis. There are two key areas. On a personal level I do not oppose a set increase. On one level it makes incredible sense. If the government increases every wage by \$1 000 or \$2 000, those at the bottom end will proportionately get a much higher pay rise than those at the top end. Let us take a look at the government's plan. If wages increase by \$1 000, a low-paid employee on \$50 000 will get a two per cent increase and an employee on \$100 000 will get a one per cent increase. It is not necessarily a bad policy. The difficulty will be whether the government has the capacity to deliver it. The Minister for Environment is responsible for this bill in this house. It will be interesting to know what the average wage of a Western Australian public servant is. Potentially over the next couple of days we could find out. It would give us an indication about what the pay rise is. I would be a bit intrigued. If the average pay rate of a Western Australian public servant is \$100 000, they will get a one per cent increase. Obviously that is not an average wage. There is a bit of a mixture. It will be interesting to see how that goes. The government's pay policy is not automatically bad if it can be delivered. The hard part is whether it will be delivered.

The government has made some small announcements about expenditure savings; some relate to power prices. Let us be honest: power prices were going up irrespectively. A Liberal government would have also included power prices. Major overhauls of that process were not unforeseen.

**Hon Peter Collier:** Not 11 per cent, though.

**Hon Dr STEVE THOMAS:** No. The quantum of the price rises and the way they were applied would have been different. There will be some major expenditure in power. The government will need to assess how it does that. I am particularly interested to see what it does with its generation policy in the not-too-distant future. A lot of the state's power stations are starting to get fairly old. I am particularly thinking of Muja power station. Muja A and B were built way back in the 1960s under Sir Charles Court's purview. Muja C and D are a little newer, but it is still a 45-year-old, nearing 50-year-old, power station. Investment in that sort of infrastructure will be fairly critical going forward and whether the government can get private investment in that industry to pick up the pieces. I am a great believer that when we can get private industry to invest in the provision of those services, we should do so. Bluewaters power station is already the first step along that way but it will be very difficult in this state with an interesting mix of fuels and a very isolated system. The grid cannot be tapped into anywhere else or on any other grid, so it will be interesting to see how the government manages the south west interconnected system's upcoming fuel supply. The Minister for Environment and I differ a little. My view is that small scale and very small scale is probably where extra capacity is going to be developed. The minister said he thinks the government may look at larger scale renewables. The debate about that in this chamber in the next two years will be interesting. A biomass plant to generate power was an election commitment that was made in the seat of Collie–Preston. Here is a little prediction: the government will struggle to deliver that because the realities of size and the economics of biomass are very different from lots of others. On the other hand, a commitment to a solar plant can be delivered; it is just a matter of the cost to get involved. At this point it is still partly subsidised because of the issue of the interconnected system and the transmission. If that becomes a decision of government, the business case becomes absolutely critical. That is what we want to see. We want to make sure the business case works. I obviously think I have some of those solutions, and I am happy to work at a state and federal level to see whether we cannot deliver a bit more of that.

This debate gives every member the capacity to stand and tell us where they think the additional expenditure should occur. The bill before the house tonight is, effectively, a half-year supply bill. The Loan Bill allows the government to borrow; the Supply Bill allows the government, effectively, to spend. So it will have a half-year expenditure that will get it past the budget, towards end of the year. The government has inherited some things that it has no capacity to change, but it will be very interesting to see where we go from here and where the government's own investiture starts to make a difference.

At this point we will see that the government can no longer have difficulty answering the questions about where the election commitments are going to come from, because it will have to start rolling them out. I am very keen to see how and where the quite significant election commitments in many seats—in many areas in the south west in particular—roll out. The delivery of a solar plant is a multiyear investment and the delivery of a biomass plant is a multiyear investment. The wave energy plant commitment down at Albany will also be a long-term investment. But the government will have some far more immediate pressing concerns about where its money will go. At this point we are a bit blind, honourable members, because we do not know where that investment will go. We are being asked to support this bill; with an appropriations bill at budget time we will be presented with a bill that is quite bland that states the government budgets \$25 billion for general government expenditure, but the budget papers break it down into significant detail. I urge members to look at that in some detail. I know it is very easy to put that aside and forget because it is quite complex, but I urge members to look at the detail and the forward estimates. The forward estimates are quite critical and show where each department's expenditure will go in the future. In opposition, the Labor Party looked at that regularly and found an inability to break down expenditure into departmental areas. I was quite interested to read the debate on the Supply Bill 2013.

**The ACTING PRESIDENT:** Members, could I just ask that the conversation be kept to a minimum. Thank you. Continue.

**Hon Dr STEVE THOMAS:** I am obviously keeping them up.

**Hon Alannah MacTiernan:** But not necessarily awake!

**Hon Dr STEVE THOMAS:** No, I was not pointing at any particular side.

During the Supply Bill debate of May 2013 the then shadow Treasurer, now Treasurer, said —

What is interesting for me and for the opposition to note is the fact that the stand-alone bill gives a general monetary limit. It does not stipulate how much will be going to the Department of Education, how much will be going to the Department of Health et cetera; it simply has 40 per cent of the entire previous budget, recurrent and capital, allocated in a general pool, for the Treasurer to allocate as he sees fit.

Those were quite prophetic words, because the now Treasurer who said those words is doing precisely the same thing. We have no idea precisely where the expenditure of the government will go over the next couple of years, particularly the expenditure in the second half of this year. It will be interesting to see whether we can get a breakdown from the minister during his reply to the second reading debate or an outline of where that expenditure is likely to go. It would be particularly interesting to see how much will go on interest payments, for example, and how much will go to manage the debt we discussed during the debate on the previous bill. Mr Acting Speaker —

**The ACTING PRESIDENT:** Acting President.

**Hon Dr STEVE THOMAS:** I keep doing that. Sorry; my apologies. Mr Acting President —

**The ACTING PRESIDENT:** I have no problem!

**Hon Dr STEVE THOMAS:** I will eventually get out of the habit, Mr Acting President; I absolutely guarantee you!

**The ACTING PRESIDENT:** I am actually keeping a tally up here!

**Hon Dr STEVE THOMAS:** That is good!

Let us look at the expenditure. I am particularly interested in the wages component and how the government plans to manage that into the future. The wages bill, as we said in the Loan Bill, has moved from around about 42 to 43 per cent of general government expenditure and is now sitting at about 49 per cent of general government expenditure. It may, without some sort of management, move to about half of our general government expenditure in the not-too-distant future. I note with interest that some unions and workforces have accepted the \$1 000 pay rise and that others are in some pretty significant negotiations to try to change that. As much as we would like to pay our workforce what we can legitimately afford, right at the moment what we can legitimately afford is probably not necessarily within the expectations of some of those people who would like to see significant increases. How the government manages that process is absolutely critical.

Another thing we need to consider when we start talking about expenditure is how much actually goes into capital. As we realised and discussed during the Loan Bill debate, because we are an economically literate chamber, we know that around about 12.8 or 12.9 per cent of general government expenditure has been going into capital over the last decade to 15 years; that is, the period of the boom has managed about 12 per cent. I note that the Supply Bill has the percentage slightly under that, and about \$1.2 billion going into the capital works bill out of \$12 billion-odd in the bill. There has been a slight decrease in the expenditure on capital, and so it will be interesting to see where that comes out.

Honourable members, there is absolutely no doubt that every member has a good idea for capital expenditure in their own patch. I certainly have. We can talk about the delivery of a number of significant capital areas in the South West Region, like the Bunbury Outer Ring Road, for example, or dualling the highway between Capel and Busselton. One day the government will extend that dual highway all the way down to Margaret River. It is an inevitability that we somehow have to start long-term budgeting for. We could also talk about the Albany bypass road, which, like the Bunbury Outer Ring Road, is about half-built. There is major infrastructure out there that requires a fair bit of investment, and it would be good to see, from my perspective obviously, that prioritised. Every member here today will have a number of those areas in which they want expenditure. I hope we are not going to basically end ourselves in some form of bidding war where everybody has their hand out for additional money. As my good friend Hon Aaron Stonehouse knows, we cannot just keep spending forever. As we said earlier, based on the current savings listed so far by the government, he will be 426 or 427 years old before the debt is paid off. He will have to work very hard to get there if the honourable member is going to get rid of the debt! We will have to try to minimise our demands. We will have to have a very sensible debate about where expenditure is absolutely required.

I want to spend a few minutes talking about how we manage expectation in the process of budget expenditure. I have to be honest: I see politics as having changed over the last 20 or 25 years that I have been involved. I am perhaps old enough to remember a time when the driving force in the election of a local member and the policies of the day tended to focus on what was best for the country, and I think that has changed over time. More and more, I see us getting into a bidding war, and I think that is a very dangerous process. I see it at the state and federal levels. We get stuck in a bidding war in which people, instead of looking at the best management option, sit down and look at lists of promises from one side and the other and then decide what is best for them. I think we are in a very dangerous place for the management of budgets, because if we stay in a bidding war, the fiscal economy will never recover. It is easy to suggest that Australia is in a fairly good position because comparatively worldwide we are. With a \$1.5 trillion to \$1.6 trillion economy Australia-wide, even with gross debt nudging half a trillion dollars, it still has only a 33 per cent gross debt component compared with gross domestic product. There are plenty of countries with well over 100 per cent gross debt.

One of the best statements I ever heard the then Treasurer Joe Hockey make was “but it’s not a race to the bottom” and I think we have lost track of that. When we say that we are a little bit better than everybody else, we forget that it is not a race to the bottom. Everybody else seems to be racing exactly there. We think as long as our debt to GDP ratio is not over 100 per cent, then we are not as bad as Japan, China or the USA, but there is still a reckoning coming over that process. Probably up until the Rudd era, governments in Western Australia in particular, and in Australia generally, recognised that we need to manage that process down to a point where we are not simply running up the credit card. I will use this example because I think it is particularly relevant. The Rudd government spent a fair bit of money on what it called “stimulus” during the global financial crisis, largely during 2008 and 2009. It is very proud of the fact that it saved 200 000 jobs. I remember the press release that said that 200 000 jobs were saved but, in that process, \$100 billion was effectively spent. If we divide that, we discover that it cost not only more than keeping that group of people on employment benefits, but also significantly more than if they had been paid the average Australian wage.

The problem is that when governments start to engage in stimulus—when we make the economy subject to government rather than the government subject to economy—we make it far, far worse. It costs us far more money to prop up the economy and give out money, which people then use to spend on plasma TVs from China, than it would cost under almost any other system. That is the danger when the government starts to think it has all the answers. That danger is enhanced by the Keynesian economy that says whenever it gets tough, you just spend. Honourable members, let us not follow that process; let us manage our expenditure for the best outcomes for the state of Western Australia, recognising that the purse is not unlimited and the pool has a bottom. I think that is the critical path we need to follow. We will have some debate over the Supply Bill about how more money might be put into our own electorates and I absolutely understand that. I also get that we have a greater calling to look after the interests of Western Australia. I think all our contributions to the debate tonight and tomorrow should be based on the fact that we need to get particularly good outcomes. Ultimately, every dollar is precious.

I will address a couple of issues. I will now do what I suspect everybody is going to do and look at a few issues in my electorate. In effect, an appropriations bill allows members to talk about the things that they really want to talk about. I promise not to be anywhere near as long as I was during debate on the Loan Bill. I want to talk about some of the patches where some investment in a small way, but more so, policy changes, might be significant. I would like to start in the town of Collie, which has had an extremely difficult time and will continue to have an extremely difficult time. The economics of the coal industry in Collie has come and gone for many years. The town has been through crises before. I have seen the closing of the underground mining system when hundreds and hundreds of coalminers were put out of work. There was a correction for a little while, but it went back down again. The town of Collie will continue to struggle based sheerly on economics. The price it receives for its coal at the moment is in the order of about \$42 a tonne in both major companies. I will not go

through the economics of each company in detail; I am happy to do that privately for any member who is interested. One of those companies is producing coal for about \$42 a tonne and the other one is still in the \$60 range. That means for every tonne of coal that is produced out of the ground, the best they can do is break even and they can expect, in many cases, to make a significant loss. That loss is impacting on not just those companies, but also on the community more generally. The town is really struggling. The member for Collie–Preston, who beat me in an election, so will be very nice, has recognised that fact. I note that the government's election commitments were based on diversifying the economy. As I have said to the Minister for Environment, I think some of them are incredibly optimistic and it will probably be unable to deliver some, but at least there is a focus on diversification, which is absolutely critical. Those companies also need the capacity to have a workforce that allows them to be economically profitable, even in a small way. At the moment, both companies are going through an enterprise bargaining agreement negotiation. I am on record as saying that in some of those circumstances the negotiations are in good faith and in some of those circumstances they are not. I urge the community, the unions and the companies to recognise the economic reality of the production of coal at the cost that it is, with a calorific content of about 19 gigajoules a tonne, which is about two-thirds the value of the export coal from the eastern states. The economic reality needs to be acknowledged, and everybody associated with the negotiations needs to understand that it will not benefit Collie or the coal industry if those companies go under. I know there has been discussion about the need to have one coal company—the need for a merger—but both companies need to survive for the time being. One company cannot automatically usurp and take over the other. Even if that were to occur, the job losses in Collie would be significant—it could be in the hundreds. There is no easy or simple answer to that process that does not involve some heartache and hardship. I hope that the end of the negotiation might deliver one or two economically sustainable coalmines that can continue into the future because it is still critical for Western Australia that some of its energy production is based in the coal industry and around Collie. It will take some time for the economy to diverge, expand and diversify. We did a fair bit of work over the last few years looking at what other options are available. Some options included making better use of the water resources in that region. The area has a significant capacity to provide water-based recreation activities and there is the capacity to expand that. There will be some difficulties in the government releasing Lake Kepwari for recreational use and I fully understand that. It will not necessarily happen very quickly. The liability issue is still not sorted out. The government, through the local member, has pulled that on in a fairly big way. When our party was in government, it did a lot of work to try to make that happen and it struggled because of the liability issues. I wish the Labor Party well but I think it will find some very similar issues. There is a lot of work to be done in the Collie community. The transition will take some time and it will not be a simple process. We are committed to making sure that it can be done in the most appropriate manner and we will obviously try to support that community through the process as best we can.

In other areas of the south west region at the moment there is a significant reliance on the tourism industry, but diversification is still the key to making those towns as bulletproof as possible. My question tonight to the Minister for Regional Development is about Denmark and the need for the light industrial area there to expand. It is the typical example that needs to be repeated in country towns across the south west and probably the entire state of Western Australia—that is, diversification out of a single economy. When we were young, a wheatbelt town could just live off wheat or sheep. The south west could live off potatoes, dairy or one of those industries, and Margaret River or Busselton could just survive on tourism. Those days are gone. Diversification is critical. Government investment to allow that classification is critical, but government getting out of the way and allowing diversification is most important, so allowing alternative industries to develop is equally critical. We need to make sure that we are not impinging upon development, and that we are enhancing the economy and trying to make that deliverable in the most efficient way we can.

The minister would probably be aware that, in relation to environmental outcomes, I could probably suggest a couple of billion dollars' worth of environmental programs beyond just the control of arum lily, which I am sure we would both be highly interested in and which I would love to see happen. Members would be interested to know that when I was the shadow environment minister 12 years ago, it was not difficult to get media on an environmental issue. The media and the community were a little bit passionate about environmental outcomes. I thought I had a pretty good issue. The current Labor government, despite all its protestations in opposition, is not providing a state of the environment report. I was a little saddened to see that interest in the environment has waned in my absence and it has become a little bit more difficult to get people enthusiastic about environmental outcomes and programs. Having said that, we will be doing our best to make people care a bit more and be a bit more passionate about the environment in the future, and I would happily help the minister produce a few programs to allow that to happen.

**Hon Stephen Dawson:** I appreciate your offer of assistance, member!

**Hon Dr STEVE THOMAS:** Sure, absolutely.

Invasive species will always be very difficult to manage. Government has always been of the view that it manages invasive species to the extent of its budget, and it has legal interpretation to support this. It is not



uncommon for me to receive great outcries because of infestations of all sorts of things from blackberry to cotton bush, in particular around the south west region. They are very common invasive species. Unfortunately, I think it is too late for arum lilies to be eradicated and I suspect the same thing now applies to cotton bush, which is largely endemic. I suspect that the opportunity for its eradication is now largely gone, which is a shame. We could set up a program, but it is about reward for effort. I will never forget that some years ago I read a report on the distribution of blackberry around the south west. Members will probably be aware that two species of blackberry have invaded Western Australia; there is an American version and a European version. We used to have a separation zone based along the Collie and Preston Rivers where we tried to keep the two from getting together, because the theory was that there might be crossbreeding to make a super blackberry, as it were. I remember reading the report about 10 years ago that stated that it was absolutely vital that the two species be kept separate. I think it was produced in conjunction with the South West Catchments Council at the time. There was a map at the back of the book. It was very lovely and glossy. We used to get very lovely and glossy environmental books on everything 12 years ago; it was quite an exciting time!

**Hon Stephen Dawson:** We cannot afford any more!

**Hon Dr STEVE THOMAS:** Yes, austerity has kicked in. Looking at the map at the back of the book, we discovered that where European and American blackberry were being mapped, they had already decided to cross over—they had already jumped the Preston River. The first 99 per cent of the book stated that it was absolutely critical that the two species be kept separate and the last page demonstrated that it was already too late. The spread of blackberry is just a prime example of where we might engage in some environmental activity, but, unfortunately, the eradication of the species now is largely impossible. Cane toads throughout the Kimberley are probably another example of a species that is now impossible to eradicate. The good thing about cane toads is that most of the rivers in the north west run largely east–west. The cane toad spread as it moves along the western end of the Kimberley will hopefully keep most of the cane toads above a fairly arid zone that sits at the top end of the Pilbara. I know we always talk about the passenger toads that arrive here and there, but the reality is that where toad numbers have expanded, the passengers do not generally result in an outbreak of toads. Maps of cane toad spread do not show a bunch of toads here and a bunch of toads there and the main front coming down; they all come down the main front. Some interesting research shows that the front toads are adapting and they are the biggest, strongest and most robust toads, so they are the hardest to get rid of and that is why they spread so quickly. It is largely a uniform spread and the only thing keeping the south west of Western Australia toad free is really the arid region.

Having said that, looking at where they started in Queensland, we know that the population explodes and then the ecology re-establishes itself. Previously in the debate on climate change we talked about treating the world as a single organism that tries to adapt. I remember as a kid in Queensland that when people went to a sporting event and left the light on at the front door, they would come home and there would be 60 or 70 toads sitting underneath it. These days that does not occur because the ecosystem has adapted and we see only the occasional one. It is the front of toads that causes the greatest issue and does the worst environmental damage. I am happy to work with the minister on a cane toad strategy, but the reality is that now it is about limiting their spread rather than eradication, which is a little sad. The reality is that we have not been very good over the last 40 or 50 years at finding invasive species and eradicating them. If anybody in the Legislative Council can name a species that we have managed to eradicate, please let me know, because I think we struggle. It is a saddening process. Outside of that, I think environmental investment is unfortunately a bit less popular than it used to be, but we will do our very best, minister, over the next few years to reverse that, give it a bit more impetus and have a bit more fun with it.

I think that we can progress with the Supply Bill. I need to say that the opposition will not oppose the Supply Bill. The government needs to endorse its expenditure. It needs to be able to operate, it needs to be able to pay its public servants and it needs to be able to have its programs going through. I expect us to have a forensic analysis of all of those parts of government in which expenditure occurs. I commit to a forensic examination, I guess, particularly of those areas in which there has been some flexibility. It is very hard to be flexible in the education budget when there is a certain number of students and there has to be a certain number of teachers and a certain number of classrooms. At the end of that process there is this tiny bit of discretionary budget that allows us to do a few things. The health budget is a little bit similar, although the demands on health keep creeping up and it is probably going to be the most dangerous budget, the hardest to control and the worst to watch. The royalties for regions budget will be incredibly interesting because it is to a large degree the most flexible budget and government expenditure there will be critical to how it manages the budget into the not too distant future. I have no doubt that savings need to be made from that budget. Obviously, the Liberal Party went to the March election with a policy to reduce expenditure in the discretionary part of the royalties for regions budget and transfer some of that, effectively, to the general government budget. I have absolutely no doubt that the Labor Party will do something very similar. The opposition may support the government in parts of that and would have done something similar, and we might agree on areas of review, but it will be very interesting to see how the government manages that process. That will be the critical path in where we go from here.

I urge members to look at where they think expenditure should be managed. Most importantly, I urge members not to turn this into a bidding war for government expenditure. As much as I would like to spend the entire budget on environmental outcomes and create the Western Australian environmental ark, or oasis, that will not occur. In engaging in debate on this budget, I ask members to make sure that rather than austerity, economic literacy and reality are at the forefront of our minds as we go through the process of strategically and forensically examining government expenditure.

**HON RICK MAZZA (Agricultural)** [8.52 pm]: I rise to make a few brief comments on the Supply Bill 2017. Hon Dr Steve Thomas will be pleased to know that I keep my cotton bush under control. I just wish my neighbours would!

The Supply Bill is required because we have a late budget this year due to the election held in March. The Financial Management Act 2006 provides for only a two-month extension at the end of the financial year. We need the Supply Bill so that we can appropriate funds to government agencies and continue supply beyond August and into November. Supply will be 50 per cent of the 2016–17 appropriation or just over \$12 billion. The Shooters, Fishers and Farmers Party supports this bill.

**HON COLIN TINCKNELL (South West)** [8.52 pm]: Pauline Hanson's One Nation supports the Supply Bill 2017. The most important thing to remember is that we are supporting this bill because of the deficit of the previous government, and now this government. We are not necessarily in favour of the way the funds have been supplied to support this Supply Bill; however, we have no option but to support the motion.

**HON DIANE EVERS (South West)** [8.53 pm]: Here we are, going after \$12 billion—it is going up! The Supply Bill 2017 is a very different case from the Loan Bill 2017 and it is something that we need to do. It is based on a budget that was put in place for 2016–17 and we are just continuing on with that. I look forward to debating the budget so that we know exactly what the money is going to.

It seems that the process has a bit of a flaw. Every four years we have an election, so it should be no surprise to anyone that the budget is delayed until after the year has started. Do we have a solution for this? It seems like there might be an issue and that we should have a budget before we deal with the Supply Bill.

As my colleague Hon Dr Steve Thomas said, he hopes that the more literate Greens members will look at this. I will look to the more numerate Liberal members to have a good thorough look at the budget when it comes out. I look forward to that week and to spending an entire week going through the budget line by line, if we need to, asking questions about every issue in there. That is where the crossbench might have its best opportunity to raise issues about individual budget items and try to make changes. My colleague Hon Dr Steve Thomas suggested that what the Greens are putting up is just spending issues. If he had been listening, he would know that much of what I have been talking about, and what I have been saying all along, is that we need to invest in things that will save on ongoing costs, such as putting more into health care so that we keep people out of hospitals. We need to invest in renewable energy technologies, which will create more jobs and industry in this state and bring in revenue in the future. I intend to have some influence and provide some encouragement to the government to put into the budget things that will reduce our costs. We have been talking about debt. One way in which we can stop having to borrow money all the time is if we spend less than we take in as revenue. Many people have experienced that in their household or business budget. We also need to do that as a state. We need to look at how we can spend less than we are taking in and thereby reduce the amount of money that we need to borrow. There are ways in which we can do that. That may cost money in the first instance. However, the idea is to reduce ongoing costs. We need a healthier population, a better educated population and a more employable population. We need industries such as the renewable energy industry that will increase the prosperity of this state, rather than propping up mining companies with subsidies and rate relief and all sorts of other things, as has occurred over time by governments of all persuasions. That is what we need to look at.

Just as a joke, I was talking to one of my colleagues about the \$1 000 limit that has been put on wage increases for public servants. That is great for low-income people. However, if a person is earning \$200 000 plus, they might say, "That is an increase of only half of one per cent. What about me?" If I had my way, I would look at a 10 per cent decrease in the wages of people who earn over \$200 000. How much do people really need to live on? I am not proposing this as an item. I am saying we need to shake things up. If we are paying a person half a million dollars to do a job that someone else is willing to do, and do it just as well, for \$250 000, why should that other person be paid half a million dollars? How did we get to the position in which a person thinks they deserve that much money to contribute to their community and to help run a very well managed state? I am hoping that with the support of the crossbench, we will be able to have some impact on the toing and froing and back and forth that we have seen between Liberal and Labor over the last several decades. That is what I am looking to do.

The Supply Bill is for \$12 billion. I am looking forward to a new budget with new ideas and new ways to reduce our ongoing costs. We need to pick up the revenue where we can. That may mean looking at the idea that was raised by the Nationals during the election campaign of trying to get more money out of mining companies. If

we cannot do it that way, there must be some way in which we can do that. We need to encourage new mines. We want to see that happen. However, remember, the iron ore in the ground belongs to all the people of this state, and they are the people who should benefit from the sale of that iron ore. It seems simple to me. I do not understand why the Western Australian government has not figured that out. However, we will see.

We need to invest in projects that will reduce our ongoing costs and bring in income in the future. We will look at the budget when it comes out in September. I do not know whether anyone is looking forward to the budget more than I am. That is where we need to start to make our mark. That is where we can rein in our spending and try to make a difference so that we will not have to sit in this place in four years and say that we need another \$10 billion or another \$15 billion. As my colleague Hon Dr Steven Thomas has said, there is no upper limit. We cannot say this is the ratio of debt to revenue that we should have. I am saying there needs to be some upper limit. We need to say at some time, “Enough is enough; it is time to rein it in.” If we do not start to pull back spending each day we come into his place, we will never be able to pull it back. It is like quitting smoking; we have to start the day we decide to do it; we cannot say that we are going to quit in a month. We cannot say in four years that we are going to start working out the budget; we have to start today. Yes, the Greens will go along with this Supply Bill; that is what you do. We need to keep government functioning but, just on notice, I am looking forward to seeing that budget. Thank you very much.

**HON AARON STONEHOUSE (South Metropolitan)** [9.00 pm]: There is not much further for me to say on this matter. I think I articulated my view during the Loan Bill debate. My views on this bill are more or less the same. But given the broad topic of a supply bill, I might take this opportunity to make a couple of quick points, if I may. It is my view that we have a spending problem, not a revenue problem. I was talking earlier about the government’s plan to try to fix a lot of the problems in the economy—joblessness, for example—but the absurdity of this is that spending comes mostly from payroll tax, which, for those who are unaware, is essentially a tax on jobs. We are taxing jobs and using that money to create jobs. Of course, government does not really create jobs; four out of five jobs in Western Australia are created by the private sector. All government can really do is redistribute jobs in a much less efficient manner than the private sector does. Most government jobs are temporary through infrastructure projects and capital works. We may employ someone for 12 months or 24 months. Once that project is complete, those jobs are lost—they are gone—whereas if that money was left with the businesses that provide services to society, those jobs would be longer term and more sustainable.

Western Australia has one of the lowest thresholds for payroll tax, at \$70 000 a month. This tax affects small and large businesses alike, not just the big mining companies, but also small business. Western Australia also has one of the highest payroll tax rates. We are only just behind the socialist people’s republic of Tasmania and the bureaucratic hive mind of Canberra with our payroll tax rate, and that should cause some concern. Of course, the former government had eight years to pass some kind of tax reform and it did not, so this does not fall solely on the shoulders of Labor. With the power of hindsight, the Liberal government certainly should have done something about it. I have every reason to believe that during the minerals and construction boom, the policy wonks at Treasury would have been pleading with the Liberal government to do something about stamp duty and payroll tax to at least soften the blow of GST when it was equalised, but that did not happen. That is probably why we have such a problem right now.

**Hon Dr Steve Thomas:** It is very rare to see a Treasury official impose any tax. That is just something to bear in mind.

**Hon AARON STONEHOUSE:** That is a good point. It is not only capital works that are causing the spending problems. Last time I spoke, I talked about vanity projects, and quite a few people took the opportunity to rebut me and claim that they were all fantastic projects. I would ask what use a taxpayer in Bunbury has for Elizabeth Quay. It might be fantastic for the people in Perth and the central business district who live around this area, and maybe for some of the cafes that benefit from tourism, but I doubt that the rest of the Western Australian public who do not live in the CBD or around Perth get much benefit from things such as Elizabeth Quay or even Perth Stadium.

**Hon Dr Steve Thomas:** There are a lot of AFL supporters in Bunbury.

**Hon AARON STONEHOUSE:** Perhaps, but I think the sporting associations and the teams will be the main benefactors of Perth Stadium, and they have more than enough money to build such projects. It is not just capital expenditure or investments in infrastructure that have got us into this situation; it is those ongoing expenditures, especially in health and education. Hon Peter Collier was boasting a few days ago that we have the highest paid teachers in Australia. That is fantastic, but overpaying teachers is not necessarily something to be proud of.

**Hon Peter Collier:** Would you rather have a teacher shortage?

**Hon AARON STONEHOUSE:** No, not shortages, but I think we should pay them a competitive rate. In all honesty, boasting that we pay them more than any other state in Australia during these times of financial hardship is not something to be proud of. Again, our ratio of health expenditure to tax revenue is the highest in the country and is only matched by that bureaucratic hive mind of Canberra. Not only have frivolous vanity

projects been constructed over the past eight years—some of them good, some not so much—but also ongoing costs in health and education have blown way out of proportion to the services that we actually receive. That being said, I have already done what I could about the Loan Bill 2017. It is my view that the Loan Bill should have sustained us only until the government delivered a budget. That is not going to happen. The Supply Bill 2017 is what I wanted the Loan Bill 2017 to be. It will give the Treasurer the ability to appropriate funds until we get to a budget or a little bit beyond that. I do not have an issue with that. The loan has already been approved, so at this point it is just a formality for the Treasury to spend it to keep the lights on, so to speak, until the budget is delivered. I have no issue with that. I will not vote against the Supply Bill 2017, although I think my objections have surely been noted.

**HON ALANNAH MacTIERNAN (North Metropolitan — Minister for Regional Development)** [9.07 pm]: I am pleased to be supporting the Supply Bill 2017. Our government is very mindful of the need to rein in expenditure and to bring the mess that is our current economic status under some sort of control. We need this Supply Bill so that we can continue to do the work of government. However, we are working very painstakingly, as I think I have said on numerous occasions, to try to ensure that we have—it will be over the long term—a process of budget repair whereby we clawback from the banana republic status that we are now almost achieving with an 82 per cent net-debt-to-revenue ratio.

After listening to the contributions from across the floor, I want to comment on something that I have noticed about royalties for regions. Quite aside from the merits of individual projects—I acknowledge that many projects have had merit—I think that the way the fund has been expended has really encouraged ill-disciplined financing. I believe that many projects were much more expensive than they should have been had there been proper, rigorous competition for the dollars. I have a sense that the availability of all this stuff led to some very good objectives costing much more to implement than they should have. Everyone was rushing to get the money and to employ people for the organisation. They had a chief executive officer, a general manager, and one person doing the project work and one person doing the administration. In the work of the organisation, what we saw very often was unnecessarily expensive projects being put in place. I think there have been problems with how royalties for regions has been dealt with. Now we have to go back and say that we want stimulation of economic activity within our regions, but that does not mean that we throw money away to create projects that are vastly more expensive and far less rigorous than they should be to achieve the stated end.

Hon Dr Steve Thomas, I am also a member of the Shane Wright fan club. I think that he is a journalist with a great deal of economic cred and he very brilliantly often manages to get to the heart of politico-economic issues. He is a great asset. I always say to Shane that it is a great problem for him that his stories often appear somewhere between the ice hockey and the lacrosse reporting on page 76 of the paper, but they are good stories.

**Hon Dr Steve Thomas:** Minister, he has been up a bit since Andrew Probyn jumped ship.

**Hon ALANNAH MacTIERNAN:** Has he? That is good.

I also want to comment on the gambling tax. I was intrigued to note that although we saw some posturing on the part of the federal government that it will look at the GST and it is very concerned about it and people started getting very excited, the government then said that it might not really be what we think. We have seen one step forward and three steps back from the Turnbull–Morrison government. I was intrigued to read the other day in the paper that Treasurer Scott Morrison claimed that he has looked at the gambling tax and there is no way that that can help Western Australia. I want to use this as an opportunity to not only set out the case for including gambling revenue in the calculation of GST, but also point out the fundamental error that has been made by people such as Scott Morrison in their view that this cannot help Western Australia.

My calculations suggest that this will not totally solve the GST distribution problem, but it is probably worth something in the order of \$450 million a year to Western Australia. It would not solve all our problems, but \$450 million a year would certainly enable us to do quite a few good things. As we know, every cent of our iron ore revenue is included in the calculation of WA's ability to contribute to the fund. When we think of the principle of horizontal fiscal equalisation, we recognise that the idea is that every state should be able to deliver the same amount of services. We have to look at two things—the revenue and how much it costs to deliver those services. The eyes of the Commonwealth Grants Commission are closed to the gambling revenue that is obtained by the eastern states. Indeed, there is some gambling revenue obtained by Western Australia, but it is minuscule because of our very principled limitation on the proliferation of pokies. I do not have the figures here, but somewhere between \$5 billion and \$6 billion a year in gambling revenue is collected by the eastern states. It is as though these things do not exist.

**Hon Aaron Stonehouse:** Let's legalise pokies in WA. Let's get some of that revenue.

**Hon ALANNAH MacTIERNAN:** We would not do that. Just on straight economic grounds, putting aside all the social grief that might be created with that, it is interesting to note that the Productivity Commission found in its study from around 2009 or 2010 that the social cost of gambling to the Australian community is valued at

\$4 billion a year. That is the cost. That is the net negative of gambling in terms of social and economic difficulties and the grief and strife that it causes families. The Productivity Commission valued that as negative \$4 billion. It is not a good solution for us to argue that we should follow suit and take the unprincipled line and expand pokies. Ironically, the whole system is encouraging the other states to do just that, because here we have this privileged class of revenue that is immune from the GST distribution. Why is this so? It was previously the case that, in one sense, gambling revenues before about 2009 were taken into account, but in a notional way. We looked at the nature and the structure of a state's population and compared what it could have got with what it actually did get. If the state was not collecting as much as it could have, it was penalised. Western Australia was actually worse off under that situation. Under either the Rudd or the Gillard government—I cannot remember which—gambling taxes were taken out of the reckoning, because the way in which they were being brought to account discriminated against Western Australia even more than the current situation does.

The fundamental problem is in treating gambling taxes like any other revenue. In assessing a state government's ability to levy taxes, the assessors look at the ability to do it, not what is actually done. The reason for that is that we do not want to encourage Bjelke-Petersen-type behaviour—he started abolishing all these other taxes and every other state had to chip in. Gambling taxes are different. They should not be based on some notional average of what we should be able to raise. Gambling taxes, from a very fundamental policy principle, should be included on the basis of the actual revenue. In order to truly get horizontal fiscal equalisation, this is the one tax that should not be based on a state's notional ability to raise the tax but, rather, on the actual receipts. If we said that gambling revenues were to be brought to account as actuals, we would start seeing the fundamental change take place. New South Wales and Victoria would start having to do some of the heavy lifting in supporting South Australia, Tasmania and the Northern Territory. We have done the calculations, and it was quite interesting. Those states did not actually have a diminution of their benefit, but New South Wales and Victoria in particular, and to a lesser extent Queensland, had to share a little bit more of the burden of supporting those other states and territories.

I set this out at some length because I can see the argument being misunderstood over and over again. It is very important for all Western Australians to understand that there is a very principled way in which we should be bringing gambling revenues into account. I had a letter some time ago from Andrew Wilkie wanting us to do something—I cannot remember what it was; I think it was something we were going to do anyway. I wrote back to him acknowledging that, but also asking him, given his concern about poker machines, what his opinion was about this privileging of pokies tax, and the fact that we are creating a great incentive for state governments to expand their base, because this is income that they do not have to share with anyone else. We all know that the problem in Tasmania is that they can continue to make anti-economic-growth cases within their own communities, because someone else picks up the tab. We are encouraging people to go down this path, with these sorts of taxes. Some months later I am still waiting for these very principled people in the federal Parliament, who are supposedly anti-pokies but come from South Australia and Tasmania, to put their hand up and say that this is wrong and we should not be doing this. Ironically, with Western Australia not having pokies, far from this prejudicing other states, we give them more advantage because they have more high-roller space and a greater ability to promote their products. All those traditional arguments about leveraging this tax on the basis of the capacity to leverage it rather than the actual leveraging of it simply do not apply with gambling revenue. I hope we will get the unanimity of view in this house that we demand from the federal government and bring this to account. This is something that can be done by the Treasurer alone. He does not have to get the consensus of other states to do this; he can do this by himself. It is well within his purview. Indeed, it does not offend the principle of horizontal fiscal equalisation. I argue that that fundamental principle demands that that be done.

I have spoken before about the absurd remoteness rules and the fact that Melbourne has been made the capital of Tasmania for the purposes of GST so even more money can be shovelled across Bass Strait, and that Adelaide is now the capital of Darwin so we can subsidise the Northern Territory even more, taking on more of what was the federal responsibility for a territory that has now largely been deflected to Western Australia.

**Hon Alanna Clohesy:** I think you need to explain that again.

**Hon ALANNAH MacTIERNAN:** I am sure members can read the *Hansard*.

We should not just focus on the GST as the inequality that comes into Western Australia. There are many examples of how the metrics that are chosen for funding are biased towards the economic structures of the eastern states. In their business case analysis, moving Weeties packets up and down Hume Highway, we have this great volume of often low-value product moving up and down, which counts more than building a road to a relatively small community such as Port Hedland or Karratha in Western Australia. The actual economic benefit of the multiplier that enables us to exploit our iron ore and oil and gas resources is not in any way adequately captured by the business case metrics that the federal government put in place when comparing development on the Hume Highway to development on the Great Northern Highway. As I often used to say when I looked at the National Transport Plan that was developed federally when I was a minister, the east coast

is like a game of snakes and ladders with the National Highway system running up and down the country and over to Tamworth, the country and western capital of Australia. That is a national priority. Mildura, with its grapes and sultanas, is a national priority. When I said, “What about the Burrup?”, the federal government did not even ask where the Burrup was. It said, “What’s the Burrup?” It just happens to be the place that brings home the bacon for the nation. We could not get the federal government to link Karratha to the National Highway linking Tamworth and Mildura.

I have found some other fascinating examples since I came into this portfolio. Many of our country members will know the Grains Research and Development Corporation. Western Australian farmers are very successful grain farmers. Our market is largely for export. We export about 90 per cent of what we produce. Our industry is very different from the industry on the east coast, where the ratios are the opposite and most grain is for domestic consumption. The GRDC is funded through grower levies with matching levies from the federal government as a top-up. Western Australia contributes 35 per cent of the money that goes into the pool, but we get only 20 per cent back. When we asked how that works and how it is that we put 35 per cent in and get 20 per cent back, we were told that we can take advantage of the research that is done over there. I told them that we would like to do the research over here and that they can take advantage of it. That is part of the capability that we are losing out on. All that research and development and the capacity to build our universities is being lost because of this absolute distortion. But no-one in recent years has rattled the federal government’s cage and said that this is wrong. We have to get our share back. At the moment, we are trying to negotiate the establishment of a grains institute. We have asked the GRDC to put in \$10 million and we will also put in \$10 million. But we will only do it if Western Australian grower groups—not the government—have control and the ultimate say about what is funded. We will not put in our money to have Canberra decide whether the projects that we want to fund will be funded. That is fundamentally important because, as I said, our industry has a very different structure. Western Australia is fundamentally an exporter. In the eastern states the situation is the opposite. It is an outrage. They tell us that we do not have the capability; however, we will not get the capability if all the money and research is taken over and the eastern states, very kindly, uses our money to do the research. Where do we develop the jobs? Where do we get the chance to develop that R&D and all the things that flow from it, such as the interesting jobs and the strengthening of our universities?

Working today with my very fabulous parliamentary secretary, Hon Darren West—who is here looking incredibly intrigued—we discussed the way that drought assistance is registered and how eligibility for federal drought assistance funding is decided. It is based on Bureau of Meteorology water readings and the farmer’s length of hardship. Farmers need to have two years of hardship, but they can anticipate a seasonal hardship in advance. Much of this system was developed in places with two growing seasons. We are advised that many places in the eastern states may have only a 12-month waiting period, whereas in Western Australia it is a lot longer. It fails to take into account our quite different climatic conditions in coming up with something that is inequitable. These things are multiplied all over the place. As I have said in this place before, it is very often exacerbated by a lack of action and a lack of ability to go in and leverage federal funding. We certainly saw that from the Barnett government.

Another thing I want to comment on is the disadvantage. I have been doing some work on Doppler radars, and I have to say that the investment in Doppler radars was one of the positive investments of royalties for regions. It invested in three Doppler radars to improve weather forecasting within, fundamentally, our wheatbelt areas. Although, I have to say that I was incredibly disappointed. While climbing the 92 steps to the top of the radar, I was admiring the metalwork and saying, “Oh, great, what factory were these made in? These were obviously made in Kwinana”, and the answer was, “Oh, no. We had them made in South Australia.” That is royalties for regions. It was absolutely unbelievable. Three radars worth \$23 million, and I was told that we could not make them in Western Australia and that we had to give our hard-earned taxpayers’ money over to South Australians who are already getting all our dough through the GST. How does that make sense?

**Hon Alanna Clohesy:** And through shipbuilding.

**Hon ALANNAH MacTIERNAN:** And through shipbuilding. As I said the other night somewhere, maybe we should just become a province of South Australia and we might start getting something!

It is very interesting to look on the map at where the Doppler radars are located. Again, it is like the roads to the National Highway. There are 14 of them on the eastern seaboard, about four of which are inland on the east coast. Western Australia has had only two, and it is the only state that has ever provided its own, although the Victorians might copy us soon. There are 18 on the east coast, and only two on the west coast. The Bureau of Meteorology said that we do not have as many people, but we have. We have no Doppler radars north of Wallaroo. We have these massive investments in the north of our state—in oil and gas, shipping and iron ore—but the Bureau of Meteorology does not prioritise putting Doppler radars in Western Australia. Again, it is almost like the BOM’s Brisbane Line! The vast majority of Western Australia has been ruled out of coverage

from the Doppler radars. As I say, notwithstanding the asset and money-making infrastructure that is here for all of Australia, we find an almost complete disinterest in providing any sort of equity.

My good friend who has been right five times today—Hon Dr Steve Thomas—spoke about what a success the truffle festival was. I want to use the opportunity to talk about some of the things we can be doing and some of the prospectivity there is in Western Australia. We really have to dig ourselves out of this economic hole and work out where those industries are that we can expand to create more jobs. I want to give a bit of a shout-out to Jenny and Wayne Franceschi; I am sure Hon Dr Steve Thomas knows them. They run a magnificent business. They are pioneer avocado farmers in Manjimup who have now developed an incredible packing facility that seems to have almost artificial intelligence for grading the avocados. They do that for not only their own production, but also many of the other growers in the region. What is really stunning is the investment these pioneer horticulturists down in Manjimup have made in developing new products and targeting smart value-added products. They have been targeting Singapore, Hong Kong and Japan. They have been investing in processing that can take all the high-quality fruit and veg that is not as pretty as it needs to be to get onto the shelves of the supermarkets, and have developed that into great products that are entirely preservative-free, such as baby food and health drinks. They are now morphing into their big pitch, and we went down and made a small grant to them to assist with their thrust into the Chinese aged-care market. The product this couple delivers is of great quality and they have invested a great amount into developing processes, logistics and state-of-the-art equipment. They have done some very intelligent work in developing markets throughout Asia for their products. All the research that has been done by various advisers to government tells us that it is this sort of high-quality, premium value-add that we should be targeting. I really want to compliment this couple and their company for the work they do. They have a full-time staff of around 25, including food technologists, marketers and social media personnel, and during the season they employ an additional 26 people. They are really looking to take this forward. As I said, it is a great thing for all the horticulturalists in that area because it gives them an opportunity to use much of their fruit and veg that would otherwise be thrown away. I must admit that when I used to go up to Carnarvon and help my friend who had a plantation there to pick the squash, I was always very aggrieved that if any of them were not of the absolutely perfect size, we would just have to leave them on the ground. That seemed to me incredibly wasteful. Now we have found this group that is really thinking very positively about how we might take this forward.

Hon Dr Steve Thomas also reflected on the future of Collie, and there will be a period of adjustment. Mick Murray, the member for Collie—Preston in the other place, has always been very conscious that this is going to be a big challenge. We are really looking very widely at diversification. Collie is a place where there is a lot of power infrastructure and we have made commitments to insert within that region both solar and biomass projects. We note that the Perdaman Industries project is still there and Vikas Rambal is still very interested in trying to develop that project, so we are working with them on that. There are also some other alternatives that we will see emerging. I know that the Greens have the mantra “coal—keep it in the ground”, and I can understand people not wanting to burn coal, but given the calorific value of coal, a lot of people have been doing some real thinking about what else we might indeed use coal for. It turns out that there are some very interesting technologies emerging in relation to coal. One in particular that both Mick Murray and I are looking at involves the use of coal as a bio-effluent.

If members talk to the local folk around Collie, they will learn that back in the old days they all used to put coaldust on their gardens and it was highly advantageous for the soil. There was a little problem with heavy metals doing it that way, but now there has been —

**Hon Alanna Clohesy:** Hang on; I’ve just got to google bio-effluent.

**Hon ALANNAH MacTIERNAN:** It is bio-effluent or bio-stimulant. A bio-stimulant, my good friend, refers to a product that is not necessarily a nutrient itself but enables the roots of the plant to take up more of the nutrients available. It makes the nutrients that are there more bio-available. It enhances a plant’s ability to extract nutrients from the soil. We think that technologies like this have very real prospectivity in Western Australia if we can get the product working for a modest price. Australia being such an old continent, we know that we have major problems with soil fertility; it is not any good for things like parsley or lettuces. Apparently, this bio-stimulant enhances the reproductive parts of a plant so it would be very beneficial for fruiting plants. It is just early days but we suspect that if we look at the fundamentals of coal, there will be other uses for this product. It is between turf, peat and diamonds. We are sure that other opportunities will emerge over the next decade. That is why we have to keep thinking about coal in different ways and looking at how else we may be able to use it and what other ideas there are. We need to invest in and be open to new ideas. We need to be open to research and development and be able to support our scientists and engineers who are coming up with these very interesting propositions.

Debate adjourned, pursuant to standing orders.

**EXPLORATION INCENTIVE SCHEME***Statement*

**HON JACQUI BOYDELL (Mining and Pastoral — Deputy Leader of the National Party)** [9.42 pm]: I rise tonight to quickly bring the attention of members of the house to an exceptionally important program, particularly for members of the Mining and Pastoral Region, the exploration incentive scheme. I have met with key stakeholders in the resources and mining industries and talked about how beneficial the scheme has been, particularly for the small to medium miners. In discussions with me about their concerns for the exploration incentive scheme, they wanted to highlight the benefits to the industry and the state that they feel members of this house should be made aware of.

The exploration incentive scheme was introduced in 2009. It was initially funded by the royalties for regions program. It is currently funded by the Department of Mines and Petroleum. The scheme's main aim is to stimulate increased private sector resource exploration leading to new mineral and energy discoveries. The industry is well aware of how it has been able to develop and that new stakeholders have been able to come on board in the mining sector because of the exploration incentive scheme. Since its inception, the EIS has offered co-funding to more than 650 Western Australian projects. That is an incredible number of projects, and it is something the industry is very keen to see continue. There are a number of projects in my electorate that I want to highlight, including Tropicana gold project north-east of Kalgoorlie; Camelwood nickel project at Fisher East, which is north-east of Leinster; Yeneena copper project in the Paterson province; McIntosh graphite project in the east Kimberley; Dusk til Dawn gold discovery in the north-east Yilgarn; and Nova-Bollinger nickel project in the Fraser Range east of Norseman, which might just be a little out of my electorate now, given the electoral boundary redistribution. Members can see the broad range of projects spread across the state that have benefited from the exploration incentive scheme. At a time when the government is certainly talking about economic opportunities within regional areas, I fully support that; I really do. I really would like the exploration incentive scheme to continue to provide the communities in the Mining and Pastoral electorate in particular with opportunities for job creation and for people to choose to live with their families in the regions, which is very beneficial to the state.

I was a bit concerned to hear Senator Hon Matt Canavan's recent announcement that the federal government's exploration development incentive scheme, which is a similar scheme that has run since 2014, was actually going to cease. I spoke to Matt Canavan about a month ago about the federal government's exploration development incentive scheme. He suggested during the Association of Mining and Exploration Companies convention in Western Australia, at a lunch at which he was a guest speaker, that he would take some of the stories he had heard from the industry in Western Australia back to Canberra and reconsider a way in which the exploration development incentive scheme, from a federal perspective, might be able to continue. I look forward to seeing what form that will continue in, but I was very grateful to be able to meet with the senator and to have him understand the unique environment and geology in Western Australia in which our miners operate. It is fair to say that he went away with a greater understanding of the expectations of the industry here, particularly from his involvement at the AMEC convention. I will continue to converse with him on that issue. I hope that he continues to progress a way in which the federal government, as well as the state government, can continue to support the mining sector.

I will close by just saying that in a difficult investment and economic environment, the exploration incentive scheme is one area that does assist industry; it creates revenue for the state, it creates jobs and it creates an opportunity for families to live regionally. It is a great thing that I hope the government will continue to support.

**PILBARA PORTS AUTHORITY — PILOT BOAT TENDER***Statement*

**HON DARREN WEST (Agricultural — Parliamentary Secretary)** [9.48 pm]: I wish to put on the record my extreme disappointment in a decision made by the Pilbara Ports Authority to award its new pilot boat to an eastern states boat manufacturer, Hart Marine. There is a fantastic boat manufacturer in my electorate in Dongara that builds pilot boats. It has a pilot boat that operates in Fremantle and a pilot boat that operates in Dampier. Its boat was deemed by the Pilbara Ports Authority, for some reason, to be unsafe for the port at Port Hedland. I do not accept that this boat was unsafe. It came within the budgetary requirements and all the specs of the tender, but for some reason we have had this culture in Western Australia for far too long that things are built better in the eastern states. Dongara Marine employs 29 full-time workers at its facility in Dongara. The boats are designed by Southerly Designs, which has just also designed an \$8 million boat built by Fine Entry Marine in Geraldton for the Tasmanian water police. If we can build and design boats that are up to specifications for the Tasmanian water police, who operate in some of the most difficult and challenging sea conditions in the world, why on earth can we not award the tender for the Port Hedland pilot boat to an award-winning manufacturer here in Western Australia that employs local people?



I have raised this with the minister. This process began under the previous government and no decision had been made at the time of the election, but recently we have been advised that the Pilbara Ports Authority has awarded the tender to Victorian-based Hart Marine, which also supplied the pilot boat in Esperance. I urge the Pilbara Ports Authority to review this decision and I urge the government to suggest that perhaps that might be a worthwhile course of action, because we have to get serious about local jobs. The economy is in trouble. We can dress it up and talk about it all we like, but we have to work together to keep Western Australians in work. We export enough money interstate as it is through the GST contribution and the Grains Research and Development Corporation. The Doppler radar units were built in South Australia; they are getting enough of our work. These boats should be built by award-winning Western Australian boatbuilders in Western Australia.

### **BUSHFIRE MITIGATION SUMMIT**

#### *Statement*

**HON COLIN DE GRUSSA (Agricultural)** [9.50 pm]: I rise to speak once again on the bushfire mitigation summit that was held last Friday. By now, I am sure members will know that I have some interest in the summit. In the interests of openness and transparency, I want to talk briefly about attendance at that summit. Of note to members is that of the 66 attendees, 15 were members of Parliament. There were no members from this place representing the South West Region, which I think is an anomaly given the specific discussion around the fire at Yarloop. Three attendees represented volunteer organisations and 20 attendees were from government departments. I think it is quite disappointing that many of the pragmatic and sensible ideas from our volunteers around this state could not be discussed at the summit because volunteers were not invited. A key theme that came through in the summit is that local knowledge is extremely important and must be better understood and utilised by the likes of the Department of Fire and Emergency Services and other departments. Yet the very summit that discussed this issue, which I must add is not a new issue, did not allow those people to be there to discuss those points. I hope that this summit is not merely an exercise in ticking boxes as a result of recommendations from the Ferguson inquiry and that real change and reform will occur. At this point in time I am not holding my breath! In the interests of openness and transparency I seek leave to table the seating plan for the summit.

Leave granted. [See paper 317.]

*House adjourned at 9.52 pm*

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