



Parliamentary Debates

(HANSARD)

FORTIETH PARLIAMENT
FIRST SESSION
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LEGISLATIVE ASSEMBLY

Thursday, 7 September 2017

Legislative Assembly

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THE SPEAKER (Mr P.B. Watson) took the chair at 9.00 am, and read prayers.

PARLIAMENTARY SERVICES COMMITTEE

Membership Change

THE SPEAKER (Mr P.B. Watson): I have received a letter dated 6 September 2017 in which the member for Central Wheatbelt resigned as a member of the Parliamentary Services Committee.

PARLIAMENTARY SERVICES COMMITTEE

Membership Change — Notice of Motion

Mr D.A. Templeman (Leader of the House) gave notice that at the next sitting of the house he would move —
That —

- (1) the member for Roe be appointed as a member of the Parliamentary Services Committee to fill the vacancy caused by the resignation of the member for Central Wheatbelt from that committee; and
- (2) the Legislative Council be acquainted accordingly.

MINISTER FOR EMERGENCY SERVICES — SOUTH WEST VISIT

Statement by Minister for Emergency Services

MR F.M. LOGAN (Cockburn — Minister for Emergency Services) [9.02 am]: Last week I had the pleasure of travelling through the south west to meet with more than 45 volunteer emergency groups. I spoke to hundreds of dedicated volunteers and career firefighters to thank them for their invaluable service and the critical role they will play in the upcoming bushfire season. One such volunteer was the awe-inspiring Mr Peter Clews, who serves with the Cowaramup Volunteer Fire Brigade. I had the tremendous honour of presenting Mr Clews with a certificate recognising 60 years of volunteer service—simply amazing!

I also got to see firsthand the incredible work of our state's volunteer firefighters when the Wallcliffe Volunteer Fire Brigade invited me to attend their area's first bushfire of the season. I was safely escorted to the area as the firefighters brought the blaze under control, demonstrating their professionalism and how invaluable they are to their communities. I visited Yarloop with the member for Murray–Wellington and listened to the concerns of the locals, who are working to rebuild their devastated town. I also met with volunteers and career officers in Bunbury, Busselton, Margaret River, Nannup, Manjimup and Collie. The week before, I toured Albany and Esperance to listen to volunteers and career officers and to thank them for their invaluable service. I met with those personally affected by the harrowing Cascade–Scaddan fires and listened to their concerns. I have also visited volunteers throughout the Kimberley, Pilbara, midwest and goldfields. This government highly values our emergency service volunteers and career officers, and I am very pleased to have met a massive number of them in Western Australia.

EAST GREEN PROJECT

Statement by Minister for Housing

MR P.C. TINLEY (Willagee — Minister for Housing) [9.04 am]: Last week I was in Greenwood in the electorate of Kingsley with the new local member, Jess Stojkovski. We were there to announce a \$51 million development that will deliver 138 new homes, including many affordable options, within the next four years. The East Green project, a public–private venture spearheaded by the Department of Communities through the Housing Authority, will create a vibrant new residential community less than 21 minutes from the central business district. A minimum of 20 of the new 138 residences created at East Green will be available through the government's shared-equity initiative for people on low to moderate incomes who wish to become home owners, and a further 15 dwellings will be set aside as social housing.

As well as the great social outcomes being realised through social housing initiatives in the East Green project, approximately 25 per cent of the total area of the new estate will be landscaped parklands, adding to the public amenity of the new development and providing the public open space critical for building successful communities. This is a flagship example of what can be achieved through using a starting point of thoughtful density when looking to design and create a built-form community.

In the broader context, East Green is particularly well situated for future residents who wish to get to Joondalup or the CBD, with it being centrally located between the Greenwood and Warwick train stations, which are both less than five minutes away, and with three bus routes running past the estate. This is another example of the McGowan government tackling the housing affordability issue in Western Australia head-on, through helping low to moderate income earners realise the dream of owning their own home. Furthermore, this is in a suburb in which the median house price is out of reach for many Western Australians. East Green is closing the gap in the market by delivering diverse housing options at an affordable price. I must say that the community leadership shown by the local member, Jess Stojkovski, at the critical point of the commencement of construction has been instrumental in ensuring that her community is fully informed. She is doing her job as a great community leader.

PERTH STADIUM — FERRY SERVICE

Grievance

MR J.E. McGRATH (South Perth) [9.06 am]: My grievance is to the Minister for Transport. I seek some clarification of the state government's position on the provision of public transport to the new Perth Stadium. As the minister is aware, \$5 million was allocated in the 2016–17 state budget as part of the Department of Transport's asset investment program to provide a new multipurpose jetty on the Swan River to service the Perth Stadium precinct. I was involved with the working group—the steering committee for the new stadium—on behalf of the Premier. The jetty was not included in early discussions, but the more that people like Ron Alexander and Richard Mann went out and spoke to the public, the one question they were asked was: will we be able to travel by ferry to the new stadium? A discussion was then had with the Department of Transport and it found \$5 million to put into constructing the new jetty at the stadium. To complement this, the Liberal Party went to the last election with a commitment to invest \$3 million to buy a new ferry. The Public Transport Authority had informed our minister at the time that the *Shelley Taylor-Smith*, one of two ferries operating between South Perth and Elizabeth Quay, would soon need some serious work done on it and that an extra ferry would be needed because of the workload now on that run and the number of people using that ferry service. It remains the only service in public transport, I believe, that does not cost the government any money. So, a third ferry will be needed. We understand those things take time. The other thing about having a third ferry is that it would allow the PTA, in time, to run some sort of public transport to the stadium. At the moment I gather it is only going to be charter boats or private boats that will be able to take people there. The PTA seems to be keen—it said it would do it—but it would prefer any service to be operated by a private operator, as is the case with the South Perth service. The other thing about the third ferry is that it would enable an expansion of services elsewhere. If we wanted to run a service from the Raffles Hotel into Elizabeth Quay, we would certainly need another boat.

I have talked about the public's enthusiasm for ferries many times in this place. People continually come back from places like Brisbane and say to us, "They have all these ferries on the Brisbane River; we haven't got them in Perth." I am sure that it will happen eventually. As our population grows, we will move towards the greater use of ferries. Obviously, we did not win the election, so we are not in a position to deliver on that commitment. I guess I am asking the minister today, in her role as Minister for Transport and as a big supporter of the new stadium: what is her view on ferries? What could we reasonably expect? What can we tell the people of Perth, because I am still asked whether people will be able to travel to the new stadium by ferry? What is the time line for the construction of the new jetty? We all understand that there has been a hold-up with the footbridge. Has that impacted on the construction times for the jetty? When does the minister expect the jetty to be completed? Will there be a ferry service to the new stadium in its initial days? When the ferry service comes on board, to what extent will members of the public be able to use that ferry service? It is important.

I hear the government talk a lot about tourism. The Minister for Tourism keeps saying that we are going to get more people to Perth. We are excited about that in South Perth. A big development is happening in and around the Mends Street precinct. The City of South Perth has plans to build a second jetty at Mends Street, so a lot more people will be able to come into that precinct. We see tourists come into Perth and we would like to see South Perth as a place where people say, "When you go to Perth, you know you can jump on a ferry, go to a place called Mends Street and they have all these cafés, specialty shops and all that stuff, and it's a great place to go." This is a growing picture that we will see in Perth, with the influx of more tourists, as the Minister for Tourism said on return from his trip to Asia. Pivotal to this is the new stadium that was built with taxpayers' money. It is going to be iconic and it will definitely lure visitors from interstate; even Collingwood supporters will come over! I am not sure they will be allowed to stay in South Perth, but I am sure there will be big crowds of people. A significant number of people will come to watch football and I am sure that international rugby and soccer or whatever is played at the stadium will attract big numbers of tourists.

I had a chat with a couple of private tourist operators the other day and they said that they would be very keen to set up some sort of service to take people to the stadium. They said that they might even make it an event for the day, like when the minister travelled to Stadium Australia in Sydney by ferry. They said that we could have a ferry service whereby people could have a couple of drinks and something to eat, and make it part of a tourism event. But they cannot do it if they cannot tie up at the jetty. I do not think the jetty will be available for someone from

Royal Freshwater Bay Yacht Club to tie up their big boat for the day and then go home. It has to be accessible to a lot of people. If we get that third ferry, there could be a component for the Public Transport Authority to run some sort of service from Elizabeth Quay that a lot of people would use. People might even come from some of the southern suburbs on the train, jump off at Elizabeth Quay and travel the second leg by ferry rather than go to the CBD and jump on a new train at the central station. They will have to do that, unless they are further south of the Kenwick line. Minister, this is mainly about clarification so that we can give members of the public some idea of what they can expect.

MS R. SAFFIOTI (West Swan — Minister for Transport) [9.13 am]: I thank the member for South Perth for his grievance. I will go through some notes, not my official notes, that I prepared earlier today about the issue. A total of \$5 million was allocated to the provision of a public jetty adjacent to the Perth Stadium. The jetty was not part of the original project definition plan that was released by the member's government and it was not part of the original plans. The jetty was added after several years, after discussions with precinct stakeholders. From the outset, this was intended to be a jetty for open watercraft use, not an exclusive ferry terminal for Transperth or government-funded ferry services. It is expected over time, with development around the Perth Stadium precinct, that it may become a 365 days-a-year attraction, but that is not what we are initially expecting. As the member knows, the jetty was funded by the Burswood Park Board and the project is managed by the Department of Transport. A tender for the construction of the jetty closed in late July and the submissions are being assessed. It is expected that the construction of the jetty will commence almost immediately after awarding the contract in coming months and the jetty will be completed in February 2018.

There are a number of challenges involved in extending the Transperth network to this new jetty. The first is the cost—its financial viability—and, also, the need to dredge particular channels. Other constraints are the low height of the Causeway bridge, permits, licences and other costs associated with developing maritime infrastructure. That is why, as was planned under the former government, the jetty was just going to be used for other watercraft. I allude to the transport challenges of the stadium because they are important. The member for South Perth is a big supporter of the stadium, but upon entering government—I will put this pretty clearly—I did not believe that we had a comprehensive transport plan for the stadium. No-one was talking to each other, so I was surprised about the lack of awareness about the transport constraints from some of the key agencies looking after the stadium. My view was that the transport agencies were not properly involved early on. I understand that even former Ministers for Transport tried to get more involved but they were not allowed to be involved in the process. I have asked for a comprehensive transport plan for the stadium. I thought it would have been prepared.

Mr J.E. McGrath: I went to all the meetings. The director general, Reece Waldock, was at all meetings.

Ms R. SAFFIOTI: My understanding is that the constraints of weeknights were not properly understood by the operators of that stadium. It is a shock to people that there might be constraints on weeknight events at the stadium. Even in opposition, I was alerting people to that. Parts of government did not understand that there could be constraints on weeknight events, even when the bridge is constructed.

Cycling is also a big part of the transport plan. I know it sounds a little out there, but the stadium is in a good location for cycling. I am getting an update on the cycling facilities there, whether we need more and how we will operate on game and event days. Because of its location, every person we can put on a bike means less pressure on our public transport system and our roads. There are public transport issues with not only the bridge, but also facilities on the city side and providing for the bus drop-off. We will make sure that there are some bus stands on the city side to allow the shuttle buses to travel from the CBD to the river. That was not funded by the previous government but it will be funded today. Of course there are issues with the bridge, public transport issues and cost recovery issues. It was not planned to have the stadium station open for every event at the stadium. I will outline that again: it was planned that the stadium station would not be open for some events. We are looking at that again because I do not think that events can be held at the stadium without that station being open.

We are going through numerous issues. The ferries are one of them, as is making sure we get the right configuration for public transport and the challenges weeknights present. I am not sure whether anyone across the media understood that when we were talking about it in opposition. We will now be running shuttles back and forth from the city to the stadium potentially at peak times when we are trying to get people out of the city to the northern and eastern suburbs. These are enormous challenges. Another challenge is vehicle access. Where there was meant to be parking, people have now figured out that that presents challenges because volumes of people will be walking across the main route that the buses will be taking.

It is a serious challenge and I am trying to work through every component of the issue. People did not speak with one another about this issue under the previous government—it is as clear as that. I know the member for South Perth is passionate about the stadium. I love his passion for sport and the stadium, but we must overcome big obstacles across government to get this properly managed. I have asked for a proper transport plan that takes into account all modes of transport whether it be walking, cycling, catching a ferry, public transport or driving a car—anything, even bridges, because this presents a serious transport challenge.

The cost is another thing. All these things are good, but nothing was funded. Again, when we look at managing the budget, it is not only the cost of the stadium but the cost of transport. Every time we make a decision about an event, there is a public transport cost. That is something to remember. Every time that someone negotiates an event, there is a public transport cost that we need to figure out —

Mr J.E. McGrath: That was all looked at.

Ms R. SAFFIOTI: It was looked at, but I am telling you that it was not funded, and that is the problem with the stadium. As I said, the stadium will be spectacular to look at; it will be a great stadium. We are doing what we can to make it work so that people can get in and out in an effective time frame.

NORTHLINK WA — MORLEY SCHOOL ACCESS

Grievance

MS A. SANDERSON (Morley — Parliamentary Secretary) [9.20 am]: This morning my grievance is to the Minister for Transport. I thank the minister for taking this grievance. My grievance relates to the NorthLink project, which runs along the eastern side of my electorate of Morley, particularly a couple of different access issues that arose during the management of the project over the last couple of years.

I take members back to August 2015. I remember it very well. I was literally two weeks away from having my son when I attended a P&C meeting thinking that it would be my last work engagement. I promised my family that it would be my last work engagement. When I turned up to the meeting, members of the P&C were incredibly distressed that access to the school was about to be cut off by the NorthLink construction site. It made several representations to the then member for Morley, the former Minister for Transport and the Department of Education; in fact, the Department of Education attempted to make representations to Main Roads, but they were to no effect. Seventy-five per cent of the school catchment lives on the other side of Tonkin Highway or NorthLink so basically access to the school would be cut to 75 per cent of students. The plans put in place by the previous government were completely unacceptable because they essentially involved small kindy children and children up to year 6 crossing a messy construction site for two years.

Mr J.E. McGrath interjected.

Ms A. SANDERSON: Member for South Perth, members sat quietly during your grievance. I would appreciate the same courtesy. This is a time-limited debate.

It was unacceptable that small children were expected to cross a construction site for two years to get to school. The end plan was that they would walk through what would be the biggest roundabout the state has ever seen, which was completely unacceptable. The previous government did nothing about it. I think the former member for Morley was having a snooze in one of chairs on the other side of the house. He was completely disconnected from the community and did not advocate for the school at all. We pulled together a public meeting, which was attended by parents. There was a range of publicity. The government flew in after realising that the seat of Morley was in trouble and said that it would fix the issue. At the community meeting, parents made it very clear to Main Roads and NorthLink that it was not acceptable that their children would have to cross an eight-lane freeway and navigate a giant roundabout to get to school. It was going to impact on the future viability of the school. Many of the schools in that area have low enrolments. If parents could send their children to Kiara or Beechboro rather than sending them across an eight-lane highway to get to school, many of them would make that choice. The situation became an issue about the life of the school. It is a great school with a very good history. To its credit, the former government listened and promised a number of things. The parents made it very clear that they wanted continued access to the underpass on Tonkin Highway because it was the only safe way to get their children to school. They also wanted adequate parking on the other side of the underpass. The government agreed to the underpass, which was a fantastic outcome for the school; it was excellent outcome.

Parents were concerned about how their children would get to school during the two years of construction. They were absolutely not going to accept their children crossing what is essentially a construction site. Anyone who has driven up and down Tonkin Highway knows how messy it is at the moment. The parents wanted the existing underpass to remain open until the new underpass became operational. I thought that was a big ask, but the former government committed to keeping the underpass open during construction so that there would be clear access for the children. I was a little dubious about this commitment, but I took it in good faith. In 2005, I asked questions in Parliament to get on the record exactly what the plan was. As a member for East Metropolitan, I asked the parliamentary secretary representing the Minister for Transport —

Can the Minister for Transport guarantee that the current underpass under Tonkin Highway will remain open until the alternative underpass is complete; and, if not, why not?

Hon Jim Chown answered —

... the P&C has ensured that the current underpass will be retained until a new underpass is constructed.

A very upset member of the P&C came to see me a few weeks ago to show me a letter from the contractor, John Holland, advising that it had already demolished the underpass. It was demolished during the school holidays and the government put in place the convoluted plan that involves small children crossing a construction site to get to school. We pulled together a meeting of the NorthLink community consultation group and parents. I very forthrightly outlined that this was completely unacceptable and that it was not a commitment of the former government. Main Roads advised at that meeting that it was never its commitment and that it was impossible for it to maintain the underpass. It said that it had never provided advice that the underpass would be retained. I had a very handy copy of *Hansard* at that meeting that proved that the government said in Parliament that it would maintain the underpass. It is clear that the previous government, the previous Minister for Transport and the former member for Morley lied to the community about access to the school. They were prepared to say and do anything to save the seat of Morley. They knew that engineering wise and technically they absolutely could not keep that underpass but they were prepared to say it in Parliament. The school thought, fantastic, the government has done a great job because it has fixed the issue. But it did not. They lied.

Withdrawal of Remark

The SPEAKER: Member, I have given you a bit of a broad brush with this. You cannot say that former members of Parliament lied. You can say that they misled Parliament, but you cannot say that they lied. Will you withdraw those remarks?

Ms A. SANDERSON: I withdraw those remarks. Thank you, Mr Speaker, for your guidance.

Grievance Resumed

Ms A. SANDERSON: The former member for Morley and the former Minister for Transport clearly misled Parliament about the closure of that tunnel. I also think the contractor needs to take a significant amount of responsibility for this. It was a very strange course of events that despite having regular community consultation meetings with the P&C, the board and the school principal, it just so happened that a consultation meeting about this issue did not happen. There was confusion about who to send an email to. I think they took advantage of a change of leadership at the school with the changeover of principal and the P&C president. There was a gap in leadership continuation at the school. The contractor and the previous government have a lot to answer for.

MS R. SAFFIOTI (West Swan — Minister for Transport) [9.28 am]: I thank the member for Morley for her advocacy on this issue. Even in opposition we saw her connect very well with the school community and take on its issues.

Road projects are always difficult to handle, particularly projects of this scale. I think the public has been patient with the NorthLink project so far. The scale of works going through that area is very significant. I have talked to other members about the scale of work and the significant disruption it has caused in Morley and Noranda and now there is disruption in my electorate with NorthLink stage 2. These projects are massive. The removal of traffic lights and interchanges and overpasses requires a significant amount of management. The key issue that the member for Morley raised a number of years ago was that the project would disconnect the school from the community, and access to the school became a big issue.

An issue that I raise with my department quite a bit when we build roundabouts—there is a big push for roundabouts throughout the community—is the impact they will have for pedestrians and cyclists. The idea is that roundabouts create a better flow of traffic; the modelling shows that they allow for better movement of traffic. But I think there are issues about pedestrian access because drivers seem to approach them faster. That concerns me. People approach roundabouts as though they are just kinks in the road. They do not slow down to see whether someone is coming around that roundabout.

The member for Morley brought the underpass issue to the previous government's attention. I sought advice about the underpass and it was pretty clear that it would have to be shut for operational reasons. Basically, it would not have been technically possible to maintain the underpass for the whole construction period. It was always planned that the underpass would be shut for two to three months and the young children would be diverted across to a new temporary underpass facility, which, as I understand it, is basically Morley Drive. That is a big walk for young children. Having young children myself, I know that those types of walks can sometimes be very difficult to handle, particularly in inclement weather. I understand that there have been some issues with the weather. Member for Morley, it was disappointing that communication about that closure was not handled effectively. Changes in leadership at the school and in the NorthLink community relations area meant that a number of people were missing at the crucial time. I apologise that information about the closure was not effectively distributed. Apparently work is being done with the school community about temporary facilities, whether it be shelter, better paths or bike storage at the school. I have encouraged my agency to work effectively with the school. The new underpass is pretty impressive; it is very big. I suspect the whole school could fit through it at the same time. It is a very big tunnel and I know it will be used effectively. There is always reluctance about safety issues with underpasses, but with clear activity from both sides, the school side and the side where a lot of people live, it will be a good place for people to pass effectively from one side to the other.

I want to raise again the member for Morley's advocacy for the Lightning Park community and the constructive meetings that we have had over recent months about getting better access to Lightning Park. As members will be aware, trying to get those community outcomes in big projects provides challenges, but we are working as hard as we can to balance what road engineers like doing with what the community would like to see. We are working to get the right balance of safety on our roads, with a very strong road network, and accessibility in and out of key points. I thank the member for her grievance. Hopefully, we can get this inconvenience out of the way as soon as possible to make sure that the young children have a very quick and effective passage from their homes to their school. Part of our overall message is, where we can, to get people to walk or cycle because it takes congestion off our roads. It brings a healthy element to our children every day if we get them walking and cycling, so we want to do whatever we can. Part of the challenge, but also the opportunity, that I have as Minister for Planning; Transport; Lands—although it keeps me busy—is that I am able, in many of the planning decisions we are looking at now about maybe even new train stations, to see how we can incorporate daily activity into our planning of new suburbs and key precincts. I thank the member for Morley for that grievance.

BUDGET PRESENTATION

Statement by Speaker

THE SPEAKER (Mr P.B. Watson): I remind members that the budget will be presented at two o'clock this afternoon. Members' 90-second statements will occur at 12.20 pm. Questions without notice will be at 12.30 this afternoon, after which I will leave the chair at one o'clock for the lunchbreak.

GREAT NORTHERN HIGHWAY REDEVELOPMENT — BINDOON BYPASS

Grievance

MR R.S. LOVE (Moore) [9.34 pm]: The Minister for Transport is very popular this morning. I also wish to grieve to the minister regarding my constituents, Kevin Venn and Debbie Warrener of 434 Gingilling Road in Bindoon. These constituents, like many others of mine, are now caught up in the redevelopment of Great Northern Highway, with the bypass of Bindoon, which, coincidentally, links down eventually with NorthLink and is part of a very large transport redevelopment that was initiated some years ago.

When Mr Venn and Ms Warrener purchased their 42-hectare property in 2015, they understood that the Bindoon bypass would be developed east of Bindoon. A longstanding bypass route east of the town of Bindoon had been mooted for many years—a relatively small bypass. The concept of the old Perth–Darwin highway, as it was called, which is now the route, had been taken off the books in 2012 and was no longer being seriously entertained. Going back a couple of years, some land acquisitions had already taken place on the eastern route under the hardship provision. When Mr Venn, an owner–builder, started constructing his home in March 2015, it was with the belief that the Bindoon bypass would follow that eastern route. Plans for the Bindoon bypass were released in April 2016 and showed three options. Corridor A, which followed the western route—the old Perth–Darwin highway, basically, with a bit of a change down in the lower area—was finally declared the preferred option in January 2017. Unfortunately, it requires that the brand-new home that Kevin had just completed be removed. As an owner–builder, Kevin has poured blood, sweat and tears into the construction of this property. Also as an owner–builder, I believe that there is a period during which he cannot become an owner–builder again.

Ms R. Saffioti: I think it's seven years.

Mr R.S. LOVE: Yes. If he wants to start again he is gazumped. If he is to replace his house, he will have to do that with a project builder of some sort. That is an unintended consequence of what has occurred. Main Roads Western Australia met with Kevin on 3 May 2017 and indicated that it would send a valuer to meet with him within the next month or two. Main Roads WA acknowledged that the outcome needed to involve a quick and fair resolution process. Three months passed and a complaint made to another contractor—I think a group called Jacobs was involved in some of these discussions as well—prompted contact from Main Roads, which promised contact within the next month. Four months had passed and the members of the Venn family still did not know their fate. That lack of communication is upsetting for the family. I have been given some late news that the family has had contact very recently, so that, at least, is positive. In correspondence to the Main Roads contractors, Mr Venn wrote —

Not only is this highway plan destroying our brand new home, it is beginning to destroy our lives. You informed us on January 12th that corridor A is the endorsed option and 8 months later we are still ... in limbo. This whole process is bringing undue stress, anxiety and aggravation to my family. My whole outlook on life at this point is absolutely miserable and it is beginning to have a huge effect on my partner and children. I am unsure how to move on as I don't know whether to continue landscaping my home, or finishing finer points such as hanging family picture on walls. We need ... clarity on what is actually happening so we can continue on with our lives. Up to this point, we have never refused access to our property and have always helped the people out where possible but we have not received any help or support from you.

Meaning the contractor. He continues —

Being told that our brand new home needs to be demolished for a highway that shouldn't even be here, is absolutely soul shattering. We had searched high and low to find a property that is hidden out of the way so we can build our dream home and live in peace and quiet.

We have invested considerable time and money to install new fences, firebreaks, build a new house, shed and tank and make this a place we can call home and be proud of. We also had many plans and projects organised for the property as this was going to be our forever home.

The uncertainty for the Venn family is totally unacceptable. I am asking the minister to give consideration to a hardship provision, which I understand can happen from time to time, and that an agreement be reached quickly on the purchase of this property. This settlement needs to be dealt with as a matter of urgency to give closure to not only this family, but also many other constituents in that area. Following a meeting that took place some time ago at Wannamal, communications were made with the minister's office. One of the meeting organisers contacted me recently and said that they had not heard anything back since those communications, and as a group they need that response. Perhaps the minister could look at that matter and give those people the consideration they need, including Mr Venn and his family and all the others affected by this route, which, as the minister knows, is a very long bypass option that takes in many different properties.

MS R. SAFFIOTI (West Swan — Minister for Transport) [9.40 am]: I thank the member for Moore for his grievance on this issue. This is a very difficult situation, and, to be honest, I am not sure how it eventuated. Was the member for Moore, as part of the previous government, told about the new route or consulted about it? I am not sure how a government could plan and endorse such a significantly new route and not deal with the community on the issue. I am not sure how that happened.

Mr R.S. Love: Three route options were put up, as the minister would know, and the communities were consulted. However, a technical analysis had to be done on the costs and the feasibility of the three options.

Ms R. SAFFIOTI: Did the previous Minister for Transport meet with the member to discuss the issues?

Mr R.S. Love: The previous Minister for Transport made the decision to endorse option A.

Ms R. SAFFIOTI: Was the member involved in any meetings on that issue?

Mr R.S. Love: I was initially opposed to any reconsideration of the Bindoon bypass because of the disruption that it would cause, and I made that clear to the minister at the time. Unfortunately, because of the demands to get very large trucks to Perth, Bindoon Hill was no longer seen as an option. The options that ran along a flatter terrain were then examined, and, finally, a decision was made on option A.

Ms R. SAFFIOTI: We have again inherited a process in which the community and the previous government—the National Party and the Liberal Party—did not work together and created this issue that we have to fix.

I will go through my notes. I appreciate the member's concern for the landowners but I suspect that these concerns should have been raised before the final route was endorsed by the previous government in January. I understand that the preferred western corridor route was endorsed in January this year by the former Minister for Transport. As I said, I am not sure how this can happen without consideration being given to the community, or why the Liberal Party and the National Party did not work together on this project. I still do not know why that did not happen. Of course, this presents major challenges because of the preferred route going through land owned by a number of private landowners.

On 7 January this year, we announced that \$20 million in savings were made on the Great Northern Highway project linking Muchea to Wubin. These funds will be set aside and used for a range of activities, including route refinement for the next stage, environmental approvals, geotechnical investigations and, most importantly, land acquisition. Some of these funds will be made available to acquire land, but the proper process needs to be undertaken. In this particular situation, a house was built while the previous government was considering a route that went through the land on which the house was built, so this is a significant issue. I understand that Main Roads Western Australia met with Mr Venn earlier this week, before I was alerted to the grievance, and a meeting has been scheduled for next week to discuss those land requirements further. I am confident, particularly with Mr Venn's case, that Main Roads will work with him to see whether we can find a solution given that he has just finished building a house on a new road corridor. The issue of alignments and bypasses is something that I have taken a keen interest in as Minister for Transport. Other issues were raised with me during the recent debate on how much of the existing Great Northern Highway we should use, how long the bypass should be, and the impact on and the uncertainty it creates for landowners. We need to get a balance between Main Roads, which likes to secure good routes, and the uncertainty for landowners, and I will try to see whether we can reduce that uncertainty so that we do not get situations like this.

Mr R.S. Love: This has been going on since 2002. The Perth–Darwin Highway was initially endorsed, I think—I do not want to mislead anyone—in 2002.

Ms R. SAFFIOTI: The Perth–Darwin Highway started in my electorate in 1994. The first route was done from Reid Highway—

Mr R.S. Love: It was an endorsed document back then, and then it changed, and for many years it was on that eastern sector. For probably a decade or so, those people on the eastern side of Bindoon have been living with the uncertainty of a bypass. We do not want to see the same sort of thing happening to these people whereby it drags on for years and years.

Ms R. SAFFIOTI: I understand that. This is why, when we create corridors—I am wearing the planning and transport hats here—we have to be aware of the uncertainty that we create. It is not as easy as putting a line on a map because that line represents people’s homes and backyards. It is something of which I am very conscious. From a planning portfolio perspective, I have to balance the requirements of the agencies to create corridors and to futureproof well into the decades, with the uncertainty that that creates for landowners in that process if we do not have the funds to acquire the land in that corridor. It is a balancing act. That is something that I am trying to focus on more greatly. In the past, one agency communicates with another that it needs to create a corridor. That agency then goes and appraises that corridor, but then who pays for that land acquisition, and is it the route that the government actually wants? That is all thrown into the process as well. That is an issue that requires my attention and I will try to work through it.

FAMILY AND DOMESTIC VIOLENCE — MULTICULTURAL COMMUNITIES

Grievance

MS J.M. FREEMAN (Mirrabooka) [9.47 am]: My grievance is to the Minister for Prevention of Family and Domestic Violence. I thank the minister for taking this grievance. The minister recently launched the report produced by the Metropolitan Migrant Resource Centre on family and domestic violence in multicultural communities. Members in this house would know that I have previously raised the issues affecting multicultural communities. The report on family and domestic violence issues affecting service delivery and relevance for women from multicultural communities was written in response to concerns in the Mirrabooka and surrounding communities that family and domestic violence may be more prevalent and reported in the multicultural communities, which particularly came out of discussions held with police. The Mirrabooka–Balga area was taken into account in the research, which reflected that the highest number of humanitarian entrants from 2010 to 2015 settled in the Cities of Stirling and Wanneroo. The City of Stirling had the highest level of humanitarian entrants, and the Wanneroo area—the areas of Koondoola, Alexander Heights and Girrawheen—had the third highest level. It is also important to note that 53.2 per cent of the Balga–Mirrabooka population were born overseas, and 40.6 per cent of the population speak a language other than English at home, which is vastly above community averages.

The report set out to ascertain whether there was under-reporting of family and domestic violence. A family and domestic violence group was put together to guide research and frame the report. The steering committee consisted of representatives from Western Australia Police, the Department for Child Protection and Family Support, MercyCare, the Ishaar Multicultural Women’s Health Centre, the City of Stirling and the Metropolitan Migrant Resource Centre, which facilitated the report.

The report raises concerns that both government and non-government service providers may not be providing culturally competent services, and that information is confusing. There was a general consensus that the Australian model of service provision and the legal foundations were quite alien to multicultural communities, and a perceived threat that, if a woman did not leave a violent relationship, children risk being removed. A view held by one section of the ethnic community was that Australian laws promoted the separation of families. Another ethnic community argued that preventing males from isolating their wives would assist in preventing family and domestic violence. The report also identified pushback from ethnic males in the community who argued that their traditional role is being undermined. The report calls on the Western Australian government to convene a forum on family and domestic violence with multicultural communities and service providers to explore ideas for improving service delivery to women and children from multicultural backgrounds. It also calls on the Western Australian government to ensure that agencies receive appropriate cultural competency training.

Currently, the Metropolitan Migrant Resource Centre has been delivering this training into quite a few agencies in the WA public sector and I am keen to know whether this will continue into the future, if the minister is aware of that. However, the report is clear on the need for community education for migrants, particularly those from refugee backgrounds, run by representatives from those communities. That will need to be facilitated by a service provision agency, and it is my view that the Metropolitan Migrant Resource Centre is well placed to deliver and facilitate that, given its work in the area. One of the issues that needs to be addressed is the strategies the government intends to apply to ensure that Mirrabooka residents from multicultural backgrounds know their rights, and that under-reporting is addressed.

Further to that, yesterday the minister celebrated the twenty-fifth anniversary of the Ishaar Multicultural Women’s Health Centre. A report, carried out by Murdoch University, summarised the services delivered and illustrated the return on social investment in services to CALD women in the areas of domestic and family violence. The Daring to Speak project summarised in the Murdoch report found that, for every dollar invested, the social return on investment analysis was estimated to be \$7.11. Every dollar spent in that area realised a vast return. Given this and

other information I have raised previously in this house from other states that have run projects particularly focused on women from culturally and linguistically diverse backgrounds, it is clear that the importance of specific services for this vulnerable group in our community has been established. With the commitment of this government to address the issues of family and domestic violence in our community through ensuring a standalone ministerial position and a voice in cabinet, I am keen to hear what the government will do to ensure that the needs of this vulnerable group are met. I am sure that that is a priority for this government.

The report by the Ishar Multicultural Women's Health Centre discussed the creation of a safe and trusted space where women feel respected and welcomed. I think the Metropolitan Migrant Resource Centre and Ishar do this very well. The report also shows that in the case of the Mirrabooka Neighbourhood Mother's Program, which visited women before and after they had had children, and was funded by the Mental Health Commission, for every dollar invested the estimated social investment analysis return was \$9.47. It is clearly of benefit to our community to focus on these communities in determining future strategies on domestic violence. In particular, the Metropolitan Migrant Resource Centre is well respected and well considered in the community and would be well placed to assist in this.

MS S.F. McGURK (Fremantle — Minister for Prevention of Family and Domestic Violence) [9.54 am]: I appreciate the opportunity to address the issues raised in the grievance of the member for Mirrabooka, because I think they are important issues facing our community. We know that more than 50 000 reports of family and domestic violence are made to police in this state every year. That number needs to be reduced, and we need to prevent family violence altogether. We are not going to be effective in doing that unless we understand the circumstances of the families and communities where that violence occurs.

As the member for Mirrabooka points out, in her electorate and throughout the state the circumstances of women and children from culturally and linguistically diverse backgrounds are different from those of families in mainstream communities. In Aboriginal communities, the situation facing regional communities is different from that in remote communities. We need to properly understand the situations in which violence is occurring if we want to respond effectively. That response needs to be around service provision, which is partly what the member was addressing, to ensure there are adequate services for women and children experiencing family violence, so that they have a safe place to seek assistance. We need to understand the circumstances in those communities so that we can start to do effective preventive work to stop the family violence, so that the message is very clear throughout our community that family and domestic violence is a criminal act and will not be tolerated, and perpetrators will be brought to account.

The member drew to the attention of the Parliament a couple of recent reports that highlighted the particular issues in Western Australia. In other states, the issue of unacceptably high levels of family violence has been the subject of quite a bit of public debate and discussion, although not so much in Western Australia. The McGowan Labor government wants that to change. We want the community to understand that this issue needs to be addressed effectively. By having a dedicated minister and some dedicated attention across the field, we are well placed to start to respond a lot more effectively.

The member for Mirrabooka raised the joint report by the Metropolitan Migrant Resource Centre, MercyCare, a number of local governments, the department that I am responsible for—the Department of Communities—and Ishar, that looks at the particular issues facing CALD women. The points she makes about a safe entry point for women, as they have experienced in her electorate through the Metropolitan Migrant Resource Centre or Ishar, is crucial. That was highlighted to me when I visited the Women's Health and Family Services centre in Northbridge, where women could use a medical appointment as a really safe entry point to discuss other issues. For many women that is where they have the opportunity to talk about violence and how they might seek further services. It is a safe point for women to come in, and behind those sorts of services—the women's health services, Ishar, and the Metropolitan Migrant Resource Centre—they can access a range of services that are appropriate to them.

The particular report that I was present for the launch of in June this year makes a number of recommendations about how we might improve services so that those service providers, whether they are women's refuges, medical practitioners, police officers or courts, properly understand some of the barriers facing women from CALD backgrounds seeking assistance.

The member pointed out that we said in the package that we took to the election that if we want to be effective in our response, resources need to be dedicated specifically to culturally and linguistically diverse communities. The budget will be handed down in a few hours. My intention, and the intention of the McGowan government, is to honour all our election commitments. I look forward to seeing what is in the budget. I also look forward to working with local members to ensure that we have a good understanding on the ground of how we can effectively meet the needs of the community. To reiterate, that involves not just the provision of services. We also need to have a conversation with community leaders about their role in sending the message that violence is not acceptable. Women are valued members of our community. We expect that standard to apply throughout Western Australia, and, indeed, Australia. Government certainly has a leadership role, and this government takes that role very seriously. The important message that I gave at the launch of the report to which the member referred is that the government, local members and community leaders all have a role in sending that message to women and men and girls and boys throughout our community.

COMMUNITY DEVELOPMENT AND JUSTICE STANDING COMMITTEE*First Report — “Annual Report 2016–17” — Tabling*

MR P.A. KATSAMBANIS (Hillarys) [10.01 am]: I present for tabling the first report of the Community Development and Justice Committee, entitled “Annual Report 2016–17”.

[See paper 576.]

Mr P.A. KATSAMBANIS: I am pleased to table the first annual report for the Community Development and Justice Standing Committee in the fortieth Parliament. This is a slightly different annual report in that it covers two parliamentary sessions. The 2017 state general election took place during the 2016–17 financial year; therefore, the activities of both the Community Development and Justice Standing Committee of the thirty-ninth Parliament and the Community Development and Justice Standing Committee of the fortieth Parliament are contained in this report.

I would like to acknowledge the admirable work of the committee of the previous Parliament, and especially of its chair, the honourable member for Girrawheen. That committee not only tabled a major report, “Cultivating promise: Building Resilience and Engagement for At-Risk Youth through Sport and Culture”, during the reporting period, but also conducted a number of agency review hearings.

To some extent, the current committee has expanded upon the work of the committee of the thirty-ninth Parliament. In September 2016, that committee held a hearing with the Western Australian Electoral Commission to ascertain its preparedness for the 2017 election. The committee of the fortieth Parliament followed up with the WAEC to ascertain how the election went and whether there were any areas for improvement. As a result of those initial investigations, the committee decided to initiate an inquiry into the administration and management of the 2017 election. This inquiry is ongoing. As part of this inquiry, the committee is assessing the adequacy of WAEC procedures in relation to ballot security; the participation of communities with traditionally low levels of enrolment or turnout; the levels of informality; remote polling; the operation of polling places, including pre-poll places; and the general responsiveness of the Electoral Act 1907. Ultimately, the committee wants to ensure that the electoral system is as robust as possible—that is, that eligible voters are given adequate opportunity to cast their vote and all political parties and candidates are able to have their policies and voices heard.

I look forward to working with my committee colleagues in this Parliament. Their contribution to our discussions and deliberations has been invaluable and I know that we will have a productive year and a productive term ahead of us. I am sure that when we complete our current inquiry, we will continue with other agency reviews and inquiries that will help inform the Parliament and the public of Western Australia and help to create better public policy going forward. Thank you.

**CORRUPTION, CRIME AND MISCONDUCT AND
CRIMINAL PROPERTY CONFISCATION AMENDMENT BILL 2017**

Second Reading

Resumed from 6 September.

MS M.M. QUIRK (Girrawheen) [10.05 am]: When I spoke yesterday on the Corruption, Crime and Misconduct and Criminal Property Confiscation Amendment Bill, I referred to paper 523 of 2016 from the Australian Institute of Criminology, “Procedural impediments to effective unexplained wealth legislation in Australia”. The authors of that report identified a number of deficiencies in the existing Western Australian laws. The first is that the risk of losing a case at trial and the consequent requirement to pay court costs and damages means that few unexplained wealth cases are pursued. The second is that in unexplained wealth cases, it takes several months to obtain examination orders, and that gives respondents time to plan an explanation for their financial situation or rearrange their affairs. The third is that there are often problems with communication and collaboration between agencies involved in unexplained wealth cases.

The authors point out that in Western Australia, over a 10-year period, about \$6.9 million was paid into the confiscation proceeds account from unexplained wealth investigations, whereas in a three-year period in New South Wales, \$14.4 million was recovered, and in Tasmania in a one-year period, \$820 000 in cash, assets and firearms was recovered.

In a larger monograph by the same authors, “Exploring the procedural barriers to securing unexplained wealth orders in Australia”, they expand on some of these issues and say that unexplained wealth confiscation action can be taken against persons who although not personally engaged in criminal activity are associated with criminals. They say also that in Western Australia, the Director of Public Prosecutions applies for wealth confiscation orders rather than WA Police, and they regard that as being slightly unusual. They note that only a small number of unexplained wealth cases have been pursued in Western Australia to date. They go on to say that one factor that might explain why this is the case is the risk of losing a case at trial and having to pay costs. They note also that

the Director of Public Prosecutions prefers to schedule examination orders at a later stage of the investigation, whereas the police may seek examination orders at an early stage of the investigation. The authors say that the issue for police is that it may take up to three months to obtain an examination order, and that gives the respondent time to devise an explanation for their wealth or rearrange their financial affairs, as I have said.

There is also some contention about how unexplained wealth should be calculated. One approach is to do what is done by the Australian Taxation Office and go back seven years prior to the start of the investigation and work forwards. The other approach is to begin at the present and work backwards, which addresses the issue of criminals legitimising their assets over time. In any event, the onus is on the individual to demonstrate that there is a legitimate source for their funds and assets.

The authors make another point that I think is key to why we need to amend the legislation. They say that there may be communication difficulties between police and the DPP. WA Police records show that only two production orders have been issued in 14 years and no monitoring orders have been made. They say also that the police do not have the power to issue orders, and that this function sits with the DPP, and that orders must be obtained in the Supreme Court of Western Australia or the District Court of Western Australia. Obtaining orders is an investigative role that presents difficulties for the Director of Public Prosecutions, being outside its normal functions, and the police require the support of the DPP to pursue unexplained wealth orders and rely on the DPP to conduct examinations and obtain monitoring orders. They conclude that, as a result, the police and the DPP must make these decisions in partnership. There are a number of problems and, hopefully, if most of the work is done within one agency, some of the silo problems will be avoided. The authors concluded that courts probably take a more conservative view of unexplained wealth in Western Australia than elsewhere. The member for Scarborough insists that the police could do the job. The facts over the last decade prove otherwise, and I am looking forward to a more robust regime under the Corruption and Crime Commission. If we were writing a school report about WAPOL's performance in this area, one might say, "Does not work well with others."

I also note the Leader of the Opposition's concern about resources. As I have already said, there is the issue of whether the CCC has divested itself of functions that it did under the previous government, such as education and prevention and the investigation of minor misconduct, which is now with the Public Sector Commission. Given that, it seems to me that the CCC believes that it has spare capacity and it is also my understanding that it has actively pursued that new role. One would not have anticipated that it would be doing it if its resources were stretched. Moreover, I think that these investigations are analogous to those of illicit enrichment, which involves detecting bribery, especially among public officers. That is very much within the CCC's remit. Exactly the same methodology is used for illicit enrichment cases that run throughout globally. Therefore, it is equivalent that the CCC should also develop the methodology in the current unexplained matters.

To conclude, I commend the bill to the house. I once again congratulate the Attorney General for acting on yet another issue that his predecessor was unable or unwilling to act on and I leave members with a quote attributed to Balzac or Mario Puzo in *The Godfather* —

The secret of a great success for which you are at a loss to account is a crime that has never been found out, because it was properly executed.

MR J.E. McGRATH (South Perth) [10.12 am]: I rise to make a few comments on the Corruption, Crime and Misconduct and Criminal Property Confiscation Amendment Bill 2017. I have been looking at the Attorney General's second reading speech and first I want to point out that the opposition will not be opposing this legislation because we see the need to crack down on people who are involved in organised crime and on drug lords, who are the scourge of our society. Drug taking in Western Australia has become a very big issue. The Attorney General mentioned figures that more than 60 per cent of Australia's highest-risk serious and organised crime targets are involved in the methamphetamine trade, and the 2013 National Drug Strategy Household Survey found that methamphetamine was used by more people in WA than in any other state or territory. We have to find more ways of cutting these people out of the game. If the police are not able to find these people through their resources, this is a way that we can confiscate their ill-gotten gains and maybe that will be a disincentive for people who want to look squeaky-clean on the outside, but are involved in very nefarious arrangements and organised crime and the like. The suggestion that Western Australia is an attractive and profitable market for serious and organised criminals is interesting. I have just read the book about the murder of Shirley Finn. It is very interesting. Even back then, the underworld figures from Sydney were coming to Perth and profiting from the prostitution trade. The drug trade was not there then, but the prostitution trade was, basically, run by the kingpins from Kings Cross.

Mr P.A. Katsambanis: Colourful racing identities.

Mr J.E. McGRATH: Not all of them were racing identities, but people such as Abe Saffron and even the prostitutes were brought over from Sydney. They were very involved in what was obviously a lucrative trade for them because Western Australia was a state that although it had booms and busts, they could see it as a profitable market. I do not think that there is anything new in what is happening in our state. People obviously see our state as a place where they can bring in drugs and they will find people who will buy them and use them.

Another thing is that the more we look at it, I do not think the Director of Public Prosecutions will worry at all if it loses this. It is not losing the power, but it does not have to chase this. I think the DPP has probably a lot more important things to do than chase up the assets of criminals under the Criminal Property Confiscation Act. The CCC obviously has the resources, even though we have asked on this side whether it will run out of resources because we can see this becoming quite a busy time for the commission. I imagine that quite a lot of people will be ringing the CCC like they ring the Australian Taxation Office. Someone down the road buys a big car or boat or races 10 or 12 racehorses and people say, “Well, where is he or she getting the money?” When we had the briefing from the CCC, it was prepared for that. I am sure that the commission is very capable of filtering out claims or allegations that are made against certain people. It will be able to separate the wheat from the chaff and it will be able to deal with any red herrings that are thrown up.

We support the legislation but we have some questions that will be asked during the consideration in detail stage and that is the proper way to deal with any legislation. Our spokesman on this bill, the member for Hillarys, will ask questions during consideration in detail. The other reference that the Attorney General made in his second reading speech indicated that the current system is probably not working because in 16 years there have been only 28 applications for unexplained wealth declarations and since 2011 there has been only one. People out there making big sums of money through illegal means or the proceeds of crime are not being caught up with. I hope it will not come to it that anyone who has a boat over 50 feet at Royal Perth Yacht Club, Freshwater Bay Yacht Club or Hillarys marina will suddenly have to explain where they got that wealth. I think we might find a lot of people saying that they won the quadrella at the races at Ascot or Flemington several times! That is the job of the people from the CCC. They will have to go through all that.

I heard the speech by the member for Vasse and the Attorney General appears to have done a backflip on this issue, because in an article in the November 2015 edition of the *Western Independent*, he talked about the injustice of the current legislation with proceeds of crime. He said that it was a —

... “great injustice” upon some innocent people, including those who had lost their home because of offenses committed by family members.

In the same article, he said —

“Upon becoming Attorney-General, I would ask the law reform commission to prepare an urgent report on these injustices and publish it for the community’s and Parliament’s consideration,” ...

I must admit that I agree with the Attorney General a little bit on that because I read a story about an 85-year-old lady who will lose her house because her son was dealing in drugs or something and because of the ownership of her house. I did not agree with that. I thought it was wrong. If the son had any assets, they had to be taken off him.

The other thing is that the Attorney General has done backflips before. I remember when he was sitting over here once and we accused him of doing a backflip. His words were: “There’s nothing wrong with doing a backflip as long as you land on your feet!” The Attorney General is good at backflips; he has perfected the art.

The opposition supports what the government is doing in this legislation. It will be interesting to see how the Corruption and Crime Commission will handle it. I believe there will be some review of the CCC’s funding in three years or something, but that will have to be monitored. I think it is worth a try. When this legislation was introduced in 2014 we had a problem, but I do not believe it is in this bill. We were concerned back then that the intent was for the CCC to work with police and we felt that as the body sitting over the police, it would not work; the police and the CCC could not work together. The same will apply to this bill. The police might be doing an investigation into someone and staking out a property or the place that a person frequents, and the CCC officers might be over the road in another car. I wonder whether they will work together and how it will all work. I guess that will be found out. The opposition is supportive of the thrust of what the Attorney General is trying to do. I do not think that the Office of the Director of Public Prosecutions has the resources to take it as far as the Attorney General wants to go with this legislation. The CCC is better resourced to do it.

Another issue that has been raised by our members is a bit unusual. A statement at the end of the Attorney General’s second reading speech, which is also included in an amendment to the bill, is about the Corruption and Crime Commission dealing with members of Parliament. I quote —

The second purpose of this bill is to restore the power and jurisdiction of other authorities, particularly the Corruption and Crime Commission, into misconduct by members of Parliament, which could constitute a breach of section 8 of the Parliamentary Privileges Act 1891 and a breach of the Criminal Code. The jurisdiction of the Corruption and Crime Commission to investigate members of Parliament for such breaches was removed by the Corruption and Crime Commission Amendment (Misconduct) Act 2014.

That was when the Liberal Party was in government. It continues —

The restoration of this power will be achieved by a minor amendment to the Corruption, Crime and Misconduct Act. The proposed amendment leaves the powers and privileges of Parliament unaffected.

There will be some concern in this area because it has been attached to the bill and we suggested that these two issues should be separated. The first issue would go through with fairly smooth sailing but I think the second issue will need to be looked at by Parliament. I am pretty sure that it will be looked at when the bill goes to the other place. The reason that we amended the act in 2014 was that an issue with parliamentary privilege had been raised with us. If the Attorney General wants to make changes to that, I am fairly sure that Parliament will want to be involved. In this Parliament, all members work under a regime under which we are monitored very closely by our peers and by the people who control Parliament—the Procedure and Privileges Committee in this house and the Standing Committee on Procedure and Privileges in the other house. Our conduct is always monitored and some serious penalties have been handed down in Parliament against members who have acted inappropriately.

Mr J.R. Quigley: Both in your time and my time.

Mr J.E. McGRATH: In both our times. The difference is that Parliament deals with its own transgressors. Members of Parliament who transgress against the rules of this Parliament are dealt with by Parliament. MPs who break the law and are found to be corrupt are dealt with by the courts. If a person breaks the law of the land, whether or not they are an MP, they go before the courts. Firstly, I want to mention what happened in Victoria; this is about Parliament dealing with its own members. A member in Victoria, whose name was Geoff Shaw—I think he became an Independent —

Dr A.D. Buti: The infamous Geoff Shaw!

Mr J.E. McGRATH: Yes, Geoff Shaw. A motion was passed in Parliament to suspend Independent MP Geoff Shaw from the Legislative Assembly. An article states that Shaw was unable to take his seat in the Legislative Assembly until 2 September, and the issue happened in June. He was suspended from Parliament for three months. He was also fined \$6 838 and ordered to apologise for his misuse of parliamentary entitlements. That is pretty serious. He had to pay back the money; he was disgraced because he was kicked out of Parliament; and he had to face his electors, who would have wondered what he had done. That is an example of a Parliament taking action against one of its own.

I was here in 2007, in opposition. That was in the famous Julian Grill–Brian Burke era. I was here, sitting on this side of the chamber, when Julian Grill had to come in and stand at the Bar of the house to apologise to this Parliament. It was like Christ going to the Crucifixion! This guy had to stand among all the MPs, with the press in the gallery up there and all the cameras outside, and apologise because he had done the wrong thing. As a member of Parliament, it showed us that Parliament will not stand for any misbehaviour or breaking of the code of conduct.

There was another occasion when Parliament voted on the future of John Bowler, who by then was an Independent MP. The Premier got up and spoke, and he said that he supported a motion that the state Parliament give the toughest penalty in its history to a former minister. The Premier's comment was that he had "done something that was unwise and stupid" and "Therefore, he must suffer the consequences". He did not break any law; it was not seen as a criminal act, but he did something that Parliament could not countenance. It went to a vote —

Mr W.J. Johnston: Are you talking about John Bowler?

Mr J.E. McGRATH: Yes.

Mr W.J. Johnston: John Bowler did break the law; he broke it on several issues.

Mr J.E. McGRATH: Yes, but he was not charged in a court.

Mr W.J. Johnston: No, he was not charged but he broke the law.

Mr J.E. McGRATH: He was not charged in a court.

Mr W.J. Johnston: No, but that is not the same thing.

Mr J.E. McGRATH: But Parliament took action against him. He was suspended from Parliament —

Mr W.J. Johnston: And then he went on to support the Liberal government gaining power.

Mr J.E. McGRATH: No, he became an Independent. He was voted in again.

Mr W.J. Johnston: Yes, after the CCC inquiry and after his apology to Parliament, he was re-elected at the next election.

Mr J.E. McGRATH: Yes, then he was re-elected.

Mr W.J. Johnston: Then he made the member for Cottesloe Premier.

Mr J.E. McGRATH: Well —

Mr W.J. Johnston: Every single day for the first four and a half years that the former Premier was in government, he relied on John Bowler's vote.

Mr J.E. McGRATH: The point I am making —

Mr W.J. Johnston: Is that the Liberal Party saw nothing wrong with somebody being found to have acted corruptly by the CCC and accepting their support in Parliament.

Mr J.E. McGRATH: He was re-elected by his people.

Mr W.J. Johnston: Yes, I know. I am not saying he was not.

Mr J.E. McGRATH: He is now Mayor of Kalgoorlie.

Mr W.J. Johnston: He was shown to have broken the law and acted corruptly.

Mr J.E. McGRATH: Yes, but no action was taken in court against him. He was not charged with anything.

Mr W.J. Johnston: Yes, but the decision not to charge him was after the change in government.

Mr J.E. McGRATH: Anyway.

Mr W.J. Johnston: What an outrage!

Mr J.E. McGRATH: The member for Cannington has his opinion on that, but all I am saying —

Mr W.J. Johnston: I'm just explaining what happened.

Mr J.E. McGRATH: The point I am making, member for Cannington —

Mr W.J. Johnston: The point you're making is that the Liberal Party —

Mr J.E. McGRATH: Yes, well, that is irrelevant. That happens —

Mr W.J. Johnston: — was led by a Premier who was investigated by the CCC, and relied on a member who had been found to have acted inappropriately —

Mr J.E. McGRATH: Things happen —

Mr W.J. Johnston: — the only reason you formed government was the support of a person who had —

Mr J.E. McGRATH: That is the political nature of politics —

Mr W.J. Johnston: What the hell was—the member for Cottesloe was investigated by the CCC and went on to be Premier.

Mr J.E. McGRATH: A lot of people have been investigated by the CCC.

Mr W.J. Johnston: I know. But that's the point I'm making—so what?

The ACTING SPEAKER: Members!

Mr C.J. Barnett: I tell you what, I wasn't!

Mr W.J. Johnston: Yes, you were! You were investigated by the CCC!

Mr C.J. Barnett: No, I wasn't!

Mr W.J. Johnston: Yes, you were!

Mr C.J. Barnett: No, that is a lie.

Mr W.J. Johnston: You were!

The ACTING SPEAKER: Members!

Mr W.J. Johnston: It's a statement of fact.

The ACTING SPEAKER (Mr T.J. Healy): Members! I would ask you to continue your remarks and speak to the Chair, member for South Perth.

Mr J.E. McGRATH: I do not think the Premier was investigated by the CCC.

Mr W.J. Johnston: He was!

Mr J.E. McGRATH: It was an issue about the Triffids or something —

Mr W.J. Johnston: Yes!

Mr J.E. McGRATH: Yes.

[Member's time extended.]

Mr J.E. McGRATH: It was a minor matter. But the point I am trying to make is does the member for Cannington want the CCC investigating everything that a member of Parliament does—a backbencher? What can a backbencher in opposition possibly do?

The ACTING SPEAKER: Member —

Dr A.D. Buti: Speak through the Chair.

Mr W.J. Johnston: Do you want me to respond? What happened when you were investigated?

Mr J.E. McGRATH: As the Attorney General said, I got an elephant stamp—I got a finding of no misconduct.

Mr W.J. Johnston: Yes, okay, but —

Mr J.E. McGRATH: I was a backbencher. I could not do anything.

Mr W.J. Johnston: Okay. But the point I am making is —

Mr J.E. McGRATH: But I was doing my best to achieve an outcome.

Mr W.J. Johnston: — was the fact that you were investigated by the CCC a problem?

The ACTING SPEAKER: Sorry. Members, you can seek the protection of the Chair, but if you seek to take the interjections, please receive them. But if you would like the protection of the Chair, please talk through the Chair.

Mr J.E. McGRATH: Yes.

Two elections ago I got the highest primary vote —

Mr W.J. Johnston: Yes, but that's not the point. You said it is a problem to be investigated by the CCC. Why?

Mr J.E. McGRATH: Because there was a slur over anyone who went before the CCC. The Attorney General has been before the CCC. If the member for Cannington really wants to know, when I spoke to Brian Burke about getting some action I was told that he had members on the Labor side—there were plenty of them; the member for Cottesloe mentioned a whole football team—and he said, “I’ll be able to get you some help, and we’ll get —

Mr W.J. Johnston: The member for Cottesloe’s famous football team speech was a joke —

Mr J.E. McGRATH: Let me speak! Do not interject!

Mr W.J. Johnston: — it was an embarrassment! It was entirely wrong.

Mr J.E. McGRATH: Let me speak! You are an embarrassment! He said, “I will get you to talk to the member for Victoria Park.”

Mr W.J. Johnston: And did you?

Mr J.E. McGRATH: I did. I came in the chamber and I spoke to the member for Victoria Park.

Mr W.J. Johnston: What did he say?

Mr J.E. McGRATH: And he got a bit, “Oh, you know”; he did not know what to say. But Brian Burke said to me, “I’ve been tutoring the member for Victoria Park.”

Mr W.J. Johnston: And so just because somebody asserts something it makes it true?

Mr J.E. McGRATH: No, no, but I do not—I like the member for Victoria Park —

Mr W.J. Johnston: But it was a false accusation!

Mr J.E. McGRATH: But the member for Cannington is full of this. This is him. This is how he carries on; he whinges and whines. The Labor Party is in government, and all I am asking is whether the member for Cannington wants his backbenchers, who might be working for their constituents, investigated? Every time a constituent comes into a member’s office, they are a lobbyist. The member might be doing something that they believe is right, and it might impact on that constituent’s business or give them an advantage because of a town planning scheme or something. Provided the member has not taken anything or made any benefit out of it and they are acting on behalf of their constituent, they have not done anything wrong. Does the member for Cannington want the CCC looking at everything any backbencher in his house becomes involved in?

Mr W.J. Johnston: But that’s not what this law says.

Mr J.E. McGRATH: No, but that is what I am saying.

Mr W.J. Johnston: But that is not what this law does.

Mr J.E. McGRATH: It will give the CCC more power. The thing about it is —

Mr W.J. Johnston: No, it restores the power that was removed from them.

Mr J.E. McGRATH: Yes, and we removed it because there was a concern about the Parliament —

Mr W.J. Johnston: Why was the removal of this authority for the CCC not mentioned in the second reading speech at the time it was removed?

Mr J.E. McGRATH: I was not the minister. It was removed because there were concerns about parliamentary privilege.

Mr W.J. Johnston: Why wasn't it discussed in Parliament?

Mr J.E. McGRATH: All I am saying is—the member for Cannington can talk about it—when this goes to the upper house, does the member think Parliament will want to have some say in this?

Mr W.J. Johnston: But Parliament is having a say. The question I have —

Mr J.E. McGRATH: Yes?

Mr W.J. Johnston: — is why was it removed?

Mr J.E. McGRATH: I cannot answer that because I was not —

Mr W.J. Johnston: You were in government at the time!

Mr J.E. McGRATH: Yes, I know, but I was not the Attorney General. That was done by our Attorney General on advice.

Mr W.J. Johnston: Whose advice?

Mr J.E. McGRATH: When it goes to the upper house —

Mr W.J. Johnston: It wasn't done on the CCC's advice.

Mr J.E. McGRATH: — it will be debated and it will more than likely go to a committee, and then it will be up to Parliament to decide —

Mr W.J. Johnston: It's always up to the Parliament to decide.

Mr J.E. McGRATH: — what happens in this case. That is all I am saying. We are all here doing a job —

Mr W.J. Johnston: Yes.

Mr J.E. McGRATH: — we all know the conditions under which we work, we all know what we can and cannot do and how we have to conduct ourselves. We know that if we do not conduct ourselves well in this place—does the member for Cannington not think the Procedure and Privileges Committee is getting calls or letters all the time about members of Parliament constituents are not happy about? That is the system we have —

Mr W.J. Johnston: I was referred to the privileges committee and it found that I had told the truth and I was an honest person.

Mr J.E. McGRATH: I was the same. So those things happen. I am saying that there is a stigma attached to anyone who goes before the CCC —

Mr W.J. Johnston: I don't have a stigma.

Mr J.E. McGRATH: I have a personal view that some of the Labor ministers who lost their ministries actually did not do that much wrong —

Mr W.J. Johnston: Of course!

Mr J.E. McGRATH: — but they made mistakes —

Mr W.J. Johnston: Yes.

Mr J.E. McGRATH: — and in politics we cannot make mistakes.

Mr W.J. Johnston: Yes, that's right.

Mr J.E. McGRATH: They were not criminals —

Mr W.J. Johnston: No, of course not.

Mr J.E. McGRATH: — but they made mistakes. That can happen. We are under so much scrutiny.

Mr W.J. Johnston: In the whole of that time when Carpenter was Premier, the only person that the CCC found had done something wrong was John Bowler. All the other ministers —

Mr J.E. McGRATH: Yes, but that is irrelevant.

Mr W.J. Johnston: — were shown not to have broken the rules.

Mr J.E. McGRATH: Yes, well that is on the record.

Mr W.J. Johnston: I know. That's the point.

Mr J.E. McGRATH: The member for Cannington is only repeating something that is on —

Mr W.J. Johnston: That is the opposite of the ones you are —

Mr J.E. McGrath: We do not want to go back through history about what happened in politics, because in politics people take votes from a lot of people. Julia Gillard took votes from people —

Mr W.J. Johnston: Yes. The member for Cottesloe came in here as recently as yesterday to say that the CCC had somehow found that the Labor government was corrupt, when actually the CCC found only one person was corrupt—that was John Bowler—who then put the member for Cottesloe into the Premier’s job! Do you see the irony?

Mr J.E. McGrath: No, he did not. He did not need John Bowler’s vote to become Premier.

Several members interjected.

The ACTING SPEAKER: Minister, you will be able to make your contributions at a later time. Member for South Perth, to enable you to continue making your learned contribution I would ask you to speak through the Chair and address the bill.

Mr J.E. McGrath: Attorney General, in closing, we will not oppose this legislation. We will support the main thrust of the legislation, but we believe that the second part involving members of Parliament being investigated by the CCC is a matter for Parliament to take a very long, hard look at. We are sure that will happen, because we are dealing with a convention that has been in place for a long, long time. With that, I conclude my remarks. Thank you.

Mr C.J. Barnett: Mr Acting Speaker —

The ACTING SPEAKER: Member for Cottesloe, I think you have already spoken on this. Member for Cottesloe —

Mr C.J. Barnett (Cottesloe) [10.37 am]: Yes, I would like to speak on this just very briefly.

Several members interjected.

Mr C.J. Barnett: I have spoken? Just check that out.

The ACTING SPEAKER: Just a moment, sorry.

Mr C.J. Barnett: I have? All right, I will leave it.

The ACTING SPEAKER: Can we allow him to —

Mr C.J. Barnett: No, no.

Mr R.S. Love (Moore) [10.38 pm]: As we have heard in the debate so far, this bill has two real purposes. The first is the clauses that deal with unexplained wealth and the changing of those provisions. My party has absolutely no problem whatsoever with that. The Attorney General’s office provided a briefing on those changes, and we are quite satisfied with the explanations given for the need for the change.

The second purpose of the bill, as outlined in the Attorney General’s second reading speech, is to insert “exclusively” into section 3(2) of the act. At the first briefing from the Attorney General’s people, no explanation was provided for the change, which said to us that this is perhaps some sort of a later addition to the bill after it was originally drafted. A subsequent briefing and some advice were provided by the Attorney General.

Mr J.R. Quigley: The Solicitor-General.

Mr R.S. Love: Yes, sorry, the Solicitor-General—arranged through the Attorney General’s office. That advice failed in my mind to establish a case for this change. I have been listening to the debate to and fro about things that have happened in this house and its relationship with the Corruption and Crime Commission over many years, which are outside my level of experience. I do not have the full knowledge of all the interplay between the CCC as it stands and the Parliament of Western Australia. However, it seems that it is a change sought without any real explanation, to me at least, and to members of our party for why it is needed. I understand work is being done on developing a memorandum of understanding between the two houses of Parliament and the CCC on how the CCC can operate in and around members of Parliament. I would have thought the development of the MOU would throw up some areas in which there might be challenges to the current legislation and that legislation would be introduced to support that better working relationship if it were agreed by both houses of Parliament and the CCC together, if that is what was required and, from that, some changes to the legislation might be advanced. However, it is not clear to me that there is that level of understanding between those institutions and a correlation between the work in determining the relationship between those institutions and the need for changes to the legislation. It seems to me that some further discussion is needed—I will ask questions or listen with some interest to the discussion during, I assume, consideration in detail—particularly around the term “exclusively” and its insertion into section 3(2) of the Corruption, Crime and Misconduct Act. From what has been said by Liberal Party members, it appears that if the bill goes through the Legislative Council in its current form, we expect it to be referred to a committee where it could be held up for some time. I wonder if perhaps it might not be more expedient to remove the second part of the Corruption, Crime and Misconduct and Criminal Property Confiscation

Amendment Bill and put through the admirable sections dealing with unexplained wealth. Then a bill could be introduced that deals specifically with Parliament's position and there could be a well-structured and considered debate around that provision on its own.

We will see what happens with the progression of the bill through Parliament. My suspicion is that when it gets to the other place as it stands, it will be referred to a committee and it will probably take some time for it to be passed. That will mean that the first section of the bill will be held up for some time, something that could be avoided if the bill were split into two and presented separately. We will see what happens and I will listen to the debate with some intensity.

MR J.R. QUIGLEY (Butler — Attorney General) [10.43 am] — in reply: I thank members for their contributions of somewhat varying quality; nonetheless, most matters have been canvassed. In addressing the general points made by members in their second reading contributions, it is important at the outset to once again stress to the chamber that this is not an ideological bill of the Labor Party or the government. Both opposition parties, the Liberals and the Nationals, have indicated that they will support the bill except perhaps for the proposed amendment to section 3(2). In my summation of the second reading contributions, I repeat that the genesis of this bill is to be found in a request from the Corruption and Crime Commission itself. As I look around, I can see only one former government member who sat in cabinet. When one comes to government, one receives briefings from the agencies that fall within their portfolio. The CCC falls within the Attorney General's portfolio. At my first briefing with the Corruption and Crime Commissioner, he attended upon me two matters. The first matter was administrative and the second matter concerned unexplained wealth. When the Corruption and Crime Commissioner attended upon me, he presented me with a briefing note, from which I will read and may be called upon to table; I do not mind. It answers some of the concerns raised during the opposition's second reading contributions, especially the Leader of the Opposition's contribution, who, in a flourish or a rant—whichever way we want to describe his speech—indicated that this was the Attorney General's idea to generate publicity unnecessarily. The briefing note states —

BRIEFING NOTE TO THE ATTORNEY GENERAL UNEXPLAINED WEALTH

Proposal

The Commission seeks your support for amendments to the *Criminal Property Confiscation Act 2000* (CPC Act) and the CCM Act to confer unexplained wealth functions upon the Commission in addition to the Director of Public Prosecutions. The Commission's expertise and experience as a multidisciplinary investigative agency is well suited to this function. The conferral of a new unexplained wealth function on the Commission will act as a measure to enable the Commission to fulfil its statutory purpose as a 'Crime Commission' to combat and reduce the incidence of organised crime.

This proposal seeks to:

- give the Commission the function to conduct investigations into unexplained wealth and civil confiscation proceedings where there is evidence of unexplained wealth;
- enable the Commission to self-initiate unexplained wealth investigations or to act on a referral from another law enforcement agency (including intra-state or interstate, territory or Commonwealth);
- draw on the experience and resources of the Commission and make use of under-utilised unexplained wealth provisions in existing legislation;
- enable the Commission to use its existing compulsory powers under the CCM Act to complement those under the CPC Act.

The Commission's unexplained wealth proposal does not diminish existing statutory functions available to the DPP and WA Police, but empowers the Commission to exercise a function provided for in the CPC Act which is not currently utilised by these agencies, particularly due to resourcing and operational limitations. Despite their relatively recent development in Australia, unexplained wealth legislative regimes have been implemented in most Australian jurisdictions and are considered an effective deterrent by removal of the financial incentive and profitability associated with criminal activity.

The Commission proposes initially to establish an unexplained wealth investigative team and legal practice using the Commission's existing resources, however the diversion of funds to unexplained wealth will have an impact on other investigative outputs. It is envisaged that the ongoing costs of the unexplained wealth function may be realised by the success of confiscation proceedings. Accordingly, the Commission seeks a review and evaluation of its performance within three years after the conferral of an unexplained wealth function.

Background

Past efforts by the Commission to amend the *Corruption, Crime and Misconduct Act 2003* ... and confer upon the Commission a non-conviction based asset confiscation function have not effected legislative change. The impetus for conferral of unexplained wealth functions on the Commission was a recommendation by Gail Archer SC in the February 2008 *Review of the Corruption and Crime Commission Act 2003*. That recommendation was supported by the bi-partisan Joint Standing Committee on the Corruption and Crime Commission endorsed in two separate reports (No. 28 of 2012 and No.1 of 2013).

A draft bill, prepared in consultation with the Department of the Premier and Cabinet, was introduced into the Legislative Assembly on 21 June 2012 but lapsed with the prorogation of parliament.

The conferral of an unexplained wealth function on the Commission has had, and continues to have, the support of the Director of Public Prosecutions and the Commissioner of Police WA.

I think that this addresses two points raised by the member for Scarborough in her contribution. The note continues —

The objectives of the Commission's proposal are closely aligned to the Labor Government's Law Reform Initiatives, and particularly, the Methamphetamine Action Plan. Serious and organized crime are known to be heavily involved in the methylamphetamine trade. Crime reduction in this trade particularly will be greatly enhanced by enforcement of effective legislation that reiterates the message that crime does not pay.

...

A Cabinet submission has been prepared for your consideration that seeks Cabinet approval to prepare a draft bill to grant the Corruption and Crime Commission powers and functions to investigate unexplained wealth and to conduct civil confiscation proceedings with respect to unexplained wealth.

Mr P.A. Katsambanis: I seek that that document be tabled.

Mr J.R. QUIGLEY: I am happy to table that document.

[See paper 577.]

Mr J.R. QUIGLEY: The initiative came from the commission itself, and the Western Australian government was responding directly to a request by the commissioner. I recall, leading into the 2013 election, that the then Premier said he would redirect some of the efforts of the Corruption and Crime Commission from some minor corruption and get it involved in fighting serious crime.

Mr C.J. Barnett: Organised crime.

Mr J.R. QUIGLEY: Organised crime—thank you, member for Cottesloe. That was part of his election promise going in. A bill was prepared that was not amenable to a lot of members on both sides of the house. As noted by the commissioner, it lapsed, and lapsed in its entirety so that the unexplained wealth aspect lapsed as well. The commissioner mentioned to me that he reapproached the former Attorney General, but there was not a positive response and nothing further happened in this space. It was not my first day of office, but it was my very first meeting. There are a lot of briefings, as the member for Cottesloe would understand, when a member takes on a portfolio, and a lot of agencies come within this portfolio. His Honour Commissioner McKechnie, QC, got to see me within the first 21 days. His first request was this, and I said that I would definitely look at it positively. He left my office and very shortly after I was presented with that submission.

The commission then presented me with another paper, a folio of which I am reading from now and will no doubt be called upon to table in due course. I am doing this because this should be bipartisan.

Mr P.A. Katsambanis: It is.

Mr J.R. QUIGLEY: I know; my approach is bipartisan. I am not holding any documents back, in other words.

We have been asked about the costing. The Leader of the Opposition made a big hoo-ha yesterday about this legislation being for publicity in *The Sunday Times*, but if there are not additional costings then it is all flim-flam and not genuine. In a document that I am holding, the commissioner states —

Since 2000, in NSW alone \$14.4m has been confiscated through either unexplained wealth proceedings alone or by commencing unexplained wealth applications but resolving matters using other assets confiscations procedures.

As described above, in most States or Territories, the unexplained wealth scheme requires cooperation by two agencies to act (usually the DPP and Police). However, recent research has indicated that the Crime Commission model, similar to that administered in NSW (and adopted by Queensland) is the preferred approach for efficiently and effectively restraining unexplained wealth.

Under the headline, member for Hillarys, “Costing/Financial Implications”, Hon John McKechnie, QC, states the following —

The Commission proposes to establish an unexplained wealth investigative team and legal practice using the Commission’s existing resources. The Commission does not require additional funding from the State Government to begin to investigate, or to initiate and conduct civil confiscation proceedings relating to unexplained wealth. As demonstrated in the table below, the Commission’s proposal does not have an impact on the Commission’s expense limit, net operating balance or net debt and does not require additional full time employees:

He then sets out a chart with the funding implications for 2017–18, 2018–19, 2019–20 and 2020–21. The adjustment to expense limit is nil; the net operating balance is nil; the asset investigation program cost is nil; and the total public sector cost is nil. The document continues —

Footnote: Above information verified by Emma Milne, Director Corporate Services, Corruption and Crime Commission.

While the Commission’s unexplained wealth team will be established using existing resources, the diversion of those resources from the Commission’s existing functions will have an impact upon other investigative outputs. The transfer of Commission resources to the investigation of unexplained wealth will require the Commission to rearrange its current operational and investigative priorities. While there will be an impact on the Commission’s capacity to investigate matters arising out of the performance of the Commission’s existing functions, the value of the impact upon organised crime of an effective scheme for the confiscation of unexplained wealth cannot be overstated.

The Commission proposes to review and evaluate the performance of its unexplained wealth team within three years of the conferral of an unexplained wealth function. That review may result in a revised funding approach.

I seek to table that document from Hon Mr McKechnie, QC.

[See paper 578.]

Mr J.R. QUIGLEY: I did then, as a result of matters raised by the opposition in debate yesterday, have a further telephone conversation with the Corruption and Crime Commissioner before this debate resumed this morning. I asked him about the reorganisation of priorities and whether any serious allegation of misconduct had been pushed aside. The commissioner explained to me that the Corruption and Crime Commission receives hundreds of allegations that have got to be filtered, assessed and prioritised. Hon John McKechnie delivered a letter to this chamber just moments ago. It states —

Thank you for your letter of 7 September ...

There is a problem with the email here and I have not got that letter of 7 September, but I am happy to give it to the member.

Mr P.A. Katsambanis: That would be good.

Mr J.R. QUIGLEY: The letter continues —

You have asked me to clarify our approach to resources in relation to serious misconduct and unexplained wealth:

1. Yes, The Commission has undertaken—

Sorry, the letter of 7 September has just been handed to me. I will go to that letter—

Mr P.A. Katsambanis: The Attorney General does not need to read it.

Mr J.R. QUIGLEY: I would like it put on the record because this is the question I raised and it comes straight out of the debate from yesterday. The letter states —

I refer to the above *Bill*, which will confer upon the Commission powers and functions to investigate unexplained wealth and initiative and conduct civil proceedings relating to unexplained wealth.

You will recall that your memorandum to me dated 4 April ... you advised that the Commission had the resources and the capability to undertake these functions within its existing resources.

The member for Hillarys got that memo —

Queries have since arisen as to these issues.

These queries were raised in the debate yesterday —

In that regard, I would be grateful for your specific advice as to the following matters:

1. Do you consider that the Commission currently has sufficient resources to be able to undertake the unexplained wealth functions proposed by the *Bill* in addition to its existing functions? ...

That was question one. I will now read the commissioner's reply to that question. His letter states —

Yes. The Commission has undertaken to exercise the proposed function within existing resources and review after three years. The scourge of the illicit drug trade and serious misconduct both impact on the state. The Commission will manage the priorities as to deal with what is regarded as most urgent from time to time.

I asked a second question in my letter, which states —

2. Do you consider that the unexplained wealth functions proposed by the *Bill* will, or could in any way, distract the Commission from fulfilling its existing functions in relation to potential serious misconduct and corruption by public officers?

I asked that question of the commission because yesterday it was put during debate that this was some ruse by the Labor Party to distract the commission from its core function. I put that question fairly to the commissioner. His reply stated —

No. Under the CCM Act all allegation of serious misconduct must be assessed. This will continue.

The Commission regularly assigns priorities and if necessary suspends or terminates an investigation if resources should be committed to a more important investigation.

This practice will continue.

The proposed unexplained wealth power is an important State tool in the disruption of criminal activity, particularly the illicit methamphetamine trade.

However if the public interest is better served from time to time by a particular serious misconduct investigation, resources will be diverted accordingly.

I will table a copy of the letter I wrote to the commission and the commission's reply, because they relate directly to and answer specific queries raised by the opposition during the second reading debate yesterday.

[See papers 579 and 580.]

Mr J.R. QUIGLEY: I regard it as a matter of rhetorical flourish by the member for Hillarys when he said that the amendments to section 3(2) were buried in the Corruption, Crime and Misconduct and Criminal Property Confiscation Amendment Bill 2017. In fact, they are set out clearly in the bill, but, moreover, I did not arrange for there to be just a briefing for opposition members by the department of the Attorney General; I went to the extent, and I did not experience this in opposition myself, of making available to the opposition the Solicitor-General for Western Australia, Mr Peter Quinlan, SC. Just because of that little dig in the paper yesterday that a judge happened to be appointed by me, I want to make it clear that Mr Peter Quinlan, SC, was appointed to the statutory independent office of the Solicitor-General of Western Australia with a five or seven-year tenure by the former government and the former Attorney General. He was in position when I came to office.

On my first day of attending cabinet, I was approached by a wall of media holding up the front page of *The West Australian* with the word “untouchable” written on it. It related to an article published by the Corruption and Crime Commissioner, Mr McKechnie, QC, who had delivered a paper at a university not directly upon the CCC, but generally upon the constitutional arrangements for oversight of the Parliament of Western Australia. The commissioner noted that in amendments recently passed by the former government, and as a consequence of those amendments, he no longer had the statutory authority to look at members of Parliament on an allegation of a criminal offence. Let us be clear here: we are talking about a breach of privilege of this Parliament that can involve matters that are to be dealt with exclusively by this Parliament.

Mr C.J. Barnett: The Attorney General is wrong.

Mr J.R. QUIGLEY: The Solicitor-General was wrong?

Mr C.J. Barnett: The Attorney General is wrong in the conclusion he is drawing. It relates to privilege; it does not relate to criminality.

Mr J.R. QUIGLEY: We will do this in debate.

Several members interjected.

Mr J.R. QUIGLEY: Mr Acting Speaker—

The ACTING SPEAKER: The Attorney General, please.

Mr J.R. QUIGLEY: Thank you, Mr Acting Speaker. After the “untouchable” headline, I did attend upon the Commissioner, Hon McKechnie, QC, with his paper that he published. Bear in mind that the Honourable John McKechnie, QC, prior to his appointment as the Corruption and Crime Commissioner, was also a very

longstanding prosecutor and had also been appointed a Supreme Court judge, serving for many years on the Supreme Court and the Court of Appeal. On the premises of the Corruption and Crime Commission, he took me through it, and this is what he said. Prior to the amendments of 2016, when the word “exclusively” was removed from the section, he could look at any matter that involved a crime committed by a member of Parliament. He specifically drew my attention to the Parliamentary Privileges Act 1891, which specifically mandated to the privileges committee the authority to look at bribery and corruption by any member as a breach of privilege. A member might commit a crime of bribery. Prior to the excision of the word “exclusively”, the CCC could not look at any matter—it was the jurisdiction of this Parliament alone, not any business of the CCC—that was exclusively a breach of the privileges of the Parliament but not a criminal offence. That is, if a member, as has been shown in the past, has surreptitiously changed a committee report and tabled it in this Parliament, that would constitute a breach of privilege, but it would not constitute a criminal offence. If I, by my conduct in this chamber, and by language most foul, addressed the Chair, that would constitute a breach of privilege and I could be referred to the Procedure and Privileges Committee, because these matters are exclusively matters of privilege. Once the word “exclusively” was taken out, that prohibited the CCC from looking at any matter that was a breach of privilege, including one that was also a criminal offence. If I, as the Attorney General—as I think happened in New South Wales with a guy called Jackson, who was either the Attorney General or Minister for Corrective Services—received money to sign off on a parole, that would be a criminal offence. It would also be a breach of the privileges of this chamber for me to do that as a member of this chamber. With the word “exclusively” taken out, the CCC cannot look at any matter that is a breach of the privileges of this chamber, even if it is a criminal offence. The police could look at it as an offence under the Criminal Code, but the CCC would be debarred from looking at it.

Once this was explained to me by the Honourable John McKechnie, QC—as I said, a very experienced Supreme Court justice who sat on the Court of Appeal—I asked the independent Solicitor-General for Western Australia to, first of all, explain it to me, because it is a little complex when one is first introduced to it, and he explained it to me. Once I understood, I asked whether he would attend upon the Corruption and Crime Commissioner to determine whether we could return it to what it always was, and whether there was a simple fix to return it to how it had been for the previous 12 years. The Solicitor-General was then requested to prepare a legal opinion on this matter—on this specific aspect. As I understand, at the briefings arranged, the Solicitor-General provided his briefing note—I am just getting an indication from the Solicitor-General—which is some five pages long and signed off by Mr P.D. Quinlan, SC, Solicitor-General for the state of Western Australia, Solicitor General’s Chambers, 25 August 2017, on this very point. I trust that I have paraphrased it reasonably well. I table the Solicitor-General’s opinion on this matter.

[See paper 581.]

Mr J.R. QUIGLEY: It is unusual to table briefing notes from the Solicitor-General to the Attorney General, but I want to do this —

Mr Z.R.F. Kirkup: You don’t usually table legal advice.

Mr J.R. QUIGLEY: I cannot hear what the member is saying. He should put a question on notice.

I table the Solicitor-General’s advice for the information of all members of the chamber. This is not the government seeking surreptitiously to extend the powers of the government and, more importantly, it is not the government seeking to diminish the privileges of this chamber, because the matters being referred to are not exclusively matters of privilege; they are crimes and other offences that in any event can be investigated by the police. The police can investigate these matters, but by reason of the amendments made in 2016, the CCC cannot look at them, even though the police can.

I have gone back and read the *Hansard* of the debate on those amendments. They were introduced by the then Premier, the member for Cottesloe, who had the CCC within his portfolio at that time. At that time, in the debate, there was no mention of this matter. On day 2 of consideration in detail, the member for Cottesloe sought leave of the Chair to read into the record a little dissertation on parliamentary privilege and the importance of maintaining parliamentary privilege, but it did not mention exclusivity and the shift that was happening. I do not believe that the people who drafted the amending legislation at the time understood the significance of that one word, “exclusively”. It was not mentioned in the dissertation, nor was it mentioned during the debate. I reflected on my own performance, asking whether I should have raised this at the time. It was never raised as an issue of import in this chamber by the then Premier, who had carriage of the matter. It also was not mentioned in the second reading speech. The Labor opposition of the day supported the bill that was brought in by the Premier at the time.

I then looked at the proceedings in the Legislative Council, in which the then Attorney General, Hon Michael Mischin, had carriage of the bill. Not once was the word “exclusively”, or the excision of the word “exclusively”, raised in the Legislative Council. It escaped the attention of every member in the other place. The first it came to anyone’s attention was when the paper was delivered to the students at Murdoch University.

Mr P.A. Katsambanis: Curtin, I think.

Mr J.R. QUIGLEY: Yes, Curtin; thank you. It then came to the attention of members on that Monday morning when we saw the headline in the paper, “The Untouchables”. I want to stress this, too. All that the word “exclusively” does is prevent the CCC from investigating a criminal offence committed by a member of Parliament. The police can still investigate a member who commits a criminal offence, but the CCC cannot do that. That is the only difference. I note also that when the bill went to the Legislative Council, the fact that we were proposing to take out the word “exclusively” was not cause for the Legislative Council to refer the bill to a committee.

Mr A. Krsticevic: It should have been.

Mr J.R. QUIGLEY: I do not think any of us realised at the time, member, otherwise the member or I might have raised it. It was because of the hawk eye of the commissioner who sat on the Court of Appeal that it was picked up. It was not drawn to the attention of the Legislative Council, and the bill was not referred to a committee of the Legislative Council, that the excision of the word “exclusively” would mean that the police could investigate a crime committed by a member of Parliament but the CCC could not. That word had been in the act for 12 years before it was cut out. That was not a problem, because during the time of what the opposition would like to refer to as WA Inc II, the CCC had the power to investigate whether a criminal offence had been committed by a member of Parliament. Ironically, had the amendment moved by the Liberal Party been in place when the CCC investigated the lobbyist allegations, the CCC would have been hampered in that investigation, because if any action had constituted an offence—we know that offences did come out of that—the CCC would not have been able to look at it; it would have been prohibited from investigating that.

Mr P.A. Katsambanis: Not if they were ministers. The commission distinguishes between backbenchers and ministers.

Mr J.R. QUIGLEY: I take the interjection that the commission distinguishes between backbenchers and ministers. I say this not just because I am a minister, but should a backbencher be protected from being investigated for a crime?

Mr P.A. Katsambanis: I do not disagree with your premise. You say they would not have been able to be investigated. I am saying that the commissioner has indicated that they would have been investigated, because in that instance they were ministers. That is the point.

Mr J.R. QUIGLEY: But people like Mr Burke could not have been investigated, because they were not a minister.

Mr P.A. Katsambanis: He was not a member of Parliament.

Mr J.R. QUIGLEY: He was not a minister either. All we are seeking to do is restore the act to give it the full force and effect that it had for 12 years before that word was excised. Perhaps I am being too benevolent and gracious. I believe that had the then Premier and member for Cottesloe had his attention drawn to the consequences for the CCC of the excision of the word “exclusively”, he would have mentioned it in his second reading speech or in the dissertation that he presented to Parliament at the time. I do not think his attention was drawn to that at any stage, and nor was it drawn to the attention of the then Attorney General, because he did not mention it either. The first person to raise this problem was the Corruption and Crime Commissioner. I have told the commissioner that we intend to restore his power to investigate criminal offences committed by a member of Parliament. It is only to restore that power; that is as far as we intend to go. It is the government’s intention to pass this bill as it has been presented. We do not intend to roll the Liberal Party on this point. This is not a party-political matter. It is about the running of this Parliament and the investigation by the CCC of a member who has committed a criminal offence. In good faith, I have already started to talk to members of the upper house. We do not have the numbers in the upper house.

Mr A. Krsticevic: Nobody has the numbers in the upper house!

Mr J.R. QUIGLEY: It is interesting, is it not! It might be that in the upper house, a group of members, which might involve the Liberal Party, the National Party and some crossbenchers —

Mr P.A. Katsambanis: The Greens.

Mr J.R. QUIGLEY: Forgive me, member, but there are so many. I will call them the crossbenchers. The major parties, together with some of the crossbenchers, may decide to knock out our amendment to put that word back into the act.

Mr A. Krsticevic: They might follow your advice and review it to ensure they get it right now when they did not get it right the first time.

Mr J.R. QUIGLEY: That might be the case, member. I have started those negotiations in good faith. It also might be the case that the upper house refers this bill to a committee to look at this word and at the Solicitor-General’s opinion. However, I have one plea in this regard, because I will not be on the floor of the upper house. My plea is that if the upper house believes it is necessary to refer this bill to a committee, it sets up a narrow term of reference so that the committee will look just at that clause and not the whole bill. We do not want to see—I will not use colloquial language—a delay in considering the substantive part of the bill. We must be able to work together in this Parliament —

Mr P.A. Katsambanis: It is your decision.

Mr J.R. QUIGLEY: I have confidence that the substantive part of the bill will pass through this chamber. What happens in the other place and whether it will delay the substantive part of the bill is up to other people. If the upper house wants to split the bill, that is beyond my power. If it wants to send it to a committee on a term of reference, let us hope it is a narrow term of reference.

Question put and passed.

Bill read a second time.

Leave denied to proceed forthwith to third reading.

Consideration in Detail

Clause 1: Short title —

Mr C.J. BARNETT: I want to make a brief comment. Obviously, the member for Hillarys is lead speaker for the opposition and he has stated clearly that we support the bill. The one sticking point, and the member was very reasoned in his comments, relates to privilege. With due respect to the Solicitor-General and the Corruption and Crime Commission and everyone else, Parliaments will jealously guard privilege because privilege is about freedom of speech in this chamber. Members of Parliament need the capacity to speak their mind, and any restriction on that is bound to attract attention. I do not doubt the legal opinions provided, but I think it would have been wise for the Attorney General to delete that clause and then this bill would go through without delay in both houses. We run the risk of the upper house getting bogged down in privilege. If members doubt that, the second reading debate has basically all been about the issue of privilege. My gratuitous advice is that it would be wise to simply take that out now and then I think the main substance of the bill would go through. Members can bet their bottom dollar that the upper house will probably form a committee or the Procedure and Privileges Committee will look at that issue, and it should. There have been centuries of protecting privilege. I am no expert; I do not have a strong view. No-one wants to see members of Parliament protected from scrutiny and investigation of criminal matters in any way. That is not what the debate is about. The debate will become about freedom of speech and the right of parliamentarians to speak without fear of retribution through the courts. However, that is not the reason that I rose.

During the debate this morning an accusation was made that I had been investigated by the Corruption and Crime Commission. I have been called all sorts of names in this Parliament over 27 years, including by the now Speaker, and I have never objected to that. I just cop it and it is fair game play. However, I take some exception. Even during maiden speeches, some of the new members referred to me as a liar and I did not react to that particularly. But I take some exception if the accusation is made that I have been investigated by the Corruption and Crime Commission. In 27 years I have never, ever misappropriated or taken a dollar of money for my personal benefit—never, ever. Never have I been subject to an investigation. But it is true, and indeed the Attorney General conceded, that people can make accusations, unfounded accusations, any accusation, to the CCC, the police or anyone else. In my career, two accusations against me were made to the Corruption and Crime Commission, both of them by the Labor Party. Neither had any substance.

The first accusation related to a decision by a former Greens member, then Independent, Adele Carles, the member for Fremantle when she left the Greens party and, basically, said that she would support the government of the day on supply issues and the like. The Labor Party referred that to the Corruption and Crime Commission, which immediately said that is not a matter for the Corruption and Crime Commission; that is a political issue and it was not interested.

The second issue was somewhat more bizarre and amusing. Some may know of a heritage-listed property called The Cliffe, which is in my electorate in Peppermint Grove. It is quite a gracious-looking home from the outside; it is well over 100 years old. It was built from timber by a timber merchant to try to change the building regulations in Peppermint Grove that stated that people could not build timber houses. It was a display home and it looks grand from the outside. Having walked through the interior, it was very bland. It was just a display project. However, it was heritage-listed and the owner at the time, a well-known Western Australian mining entrepreneur, wanted to remodel the house. He did not think that he needed fireplaces in every room. I supported that and I went to the Labor minister at the time, who agreed. But a series of articles in the local *Post* newspaper referred to the matter.

Mr J.E. McGRATH: I would like to hear more from the member for Cottesloe.

Mr C.J. BARNETT: I will be very brief. A series of somewhat sensationalist articles in the local *Post* newspaper stated that somehow I was behaving in an illegal or corrupt way to have this property removed from the heritage list. I wanted the property preserved, but it was not going to survive unless it had modifications not to the exterior, but to the interior of the house. The then minister agreed and it was removed from the list. It has been restored on the inside and outside and it survived. An accusation was made that I was somehow corruptly dealing with the owner to achieve this. There is no substance in that accusation at all. The only thing that really offended me was that my son was brought into it, and the accusation was made that he had had dealings with the owner and he was involved. Naturally, I rang my son; he is an honest young man. He said that he had never spoken to the owner;

maybe 10 years earlier when he started out as a junior stockbroker he may have discussed a share listing. With great credit to my electorate officer, they pursued this issue because the accusations were coming from an individual living in New South Wales. We eventually tracked down this individual and I did not know the person; no-one could work out why this person was making all these outrageous accusations about me being corrupt or whatever else. Do members know who the individual was? We found the person. Many members will know the band the Triffids and the McComb family. The Triffids had composed and recorded a lot of their music at this home. The father of the lead singer owned the property way back in the 1980s and the person in New South Wales was a latter-day groupie who was lying and saying everything he could to preserve this monument to the Triffids, and that is what it was all about.

Dr A.D. Buti: Great band.

Mr C.J. BARNETT: They were a good band. Was not *Wide Open Road* their main hit? That is what it was about. It is an example of someone with a bizarre motive to preserve the history of the Triffids saying and doing anything they could to discredit me and my son, who did not even know who the Triffids were because he was a primary school boy at the time. But who made the accusation to the Corruption and Crime Commission? The Labor Party did. It was not me. The Labor Party made an allegation to the CCC that I was somehow corruptly involved in delisting this heritage place. To the credit of the CCC, it dismissed the allegation out of hand as absolute rubbish. The point is that accusations will probably be made against some of the new members of Parliament. But that is a different matter. The point I made yesterday and I make today is that I have never been investigated by the CCC. The Labor Party historically has made two accusations against me, both of which were immediately dismissed by the CCC. It is a different matter, however—I made this point yesterday—if the Corruption and Crime Commission chooses to investigate someone, then I think we can quite correctly say that the person has been investigated by the CCC. For the Labor Party to make an accusation against me as a Liberal member of Parliament and Premier does not amount to investigation by the CCC. I have cleared that. Members opposite can carry on and I will cop the slang, insults and foul language I have over the years. I do not mind that; that is Parliament. It is wrong, but I will cop it. I will not cop an accusation that I have been investigated when it is not true.

Mr J.R. QUIGLEY: I want to address the first part of the member for Cottesloe's remarks that relate to parliamentary privilege. I want to limit myself to that. I will refer to and rely on the Solicitor-General's advice here because I think he puts it succinctly.

Mr P.A. Katsambanis: Are you speaking on clause 1?

Mr J.R. QUIGLEY: The member for Cottesloe stood on clause 1 and I want to respond to one remark on clause 1. We will get to clause 5 in a moment, because clause 5 amends section 3.

The member for Cottesloe said is very important to protect the freedom of speech of members of Parliament—to speak openly in this Parliament and raise issues, in this Parliament, free from sanction outside Parliament—within responsible bounds. That freedom of speech is rooted in article 9 of the Bill of Rights 1689. It provides, I quote —

That the freedom of speech and debates or proceedings in Parliament ought not to be impeached or questioned in any court or place out of Parliament.

In a particular case, it may have an impact on the extent of an investigation by the Corruption and Crime Commission or a prosecution in a court for an offence against the Criminal Code. That means that a member may say something in here that might offer evidence or constitute evidence against him of an offence, but what he or she says in here cannot be used outside in court or by the CCC. The Bill of Rights unequivocally protects freedom of speech within this Parliament. The proposed amendment to section 3 does not have any impact upon that parliamentary privilege. I will say more of that when we get clause 5, which deals with section 3.

Mr C.J. Barnett: I don't disagree with you, but no doubt that will be debated in the upper house and I am trying to take a pragmatic view.

Mr J.R. QUIGLEY: I appreciate that, member for Cottesloe.

Mr P.A. KATSAMBANIS: It is important to properly scrutinise the bill. I think that some of the answers the Attorney General provided in his second reading response covered some of the issues but not all the issues that were raised in the second reading debate. I want to cover those issues. I am sure we will deal with clause 5(3) in a minute but questions were raised, particularly by me, about what sort of relationship the CCC will build with the non-state bodies—the Australian Taxation Office, AUSTRAC, the Australian Criminal Intelligence Commission, and any other bodies—to enable them to undertake the work they have been commissioned to do by this bill. I think that is vitally important.

Mr J.R. QUIGLEY: This will be dealt with in detail in clause 8 of the bill. A number of sections—the member for Cottesloe is shaking his head—in clause 8 will insert proposed amendments to section 21AD, which is to do with the supply of information. The commissioner will also have the ability to issue section 94 and 95 notices for the production of information. These notices, as they operate at the moment, can empower the commissioner to issue notices on banks, accountants, and all manner of people who might be able to provide information on where particular funds, wealth or criminal benefit was derived.

Mr P.A. KATSAMBANIS: I understand that the section 94 and 95 notices can be issued to those groups—banks, accountants, solicitors and others. Can they be issued to commonwealth authorities or can the commission only get information from commonwealth authorities upon some form of memorandum of understanding and cooperation with those commonwealth authorities that keep a lot of this information?

Mr J.R. QUIGLEY: The source of power is to be found in proposed section 21AD(5)(b), which states —
consult, cooperate and exchange information with independent agencies, appropriate authorities and any other relevant persons and bodies.

One would expect cooperation from those other bodies, which might also be the National Crime Commission and other bodies interstate who are making those investigations.

The ACTING SPEAKER (Mr I.C. Blayney): Members, I have given you a fair amount of leeway but I want to bring you back to the fact that we are talking about the short title of the bill.

Mr P.A. KATSAMBANIS: I will deal with this in clause 8 then because I think there are still questions here. I will let you, Mr Acting Speaker, get through clause 1 and we will deal with it when we get to clause 8.

Clause put and passed.

Clauses 2 to 3 put and passed.

Clause 4: Long title amended —

Mr P.A. KATSAMBANIS: This may seem rather pedantic but it might become important in practice. Clause 4 amends the long title of the Corruption, Crime and Misconduct Act 2003. The first dot point of the long title of the bill states that it is an act to —

- provide for the establishment and operation of a Corruption and Crime Commission with functions with respect to serious misconduct by public officers and organised crime; and

There is a semicolon and an “and” followed by the next dot point —

- confer on the Public Sector Commissioner functions with respect to misconduct ...

The long title is being amended by removing the words “organised crime; and” and inserting the new words —

**organised crime and with respect to the confiscation of unexplained wealth and criminal benefits;
and**

I understand what it is trying to do, and I am reading from the blue copy of the act. Would it be better, more preferred, and better grammatically and legally, if the existing word “and” after the words “public officers” was removed and a comma was inserted? Otherwise, it both looks clumsy and could lead to confusion as to conjunctive or subjunctive “and”.

Mr J.R. QUIGLEY: We are satisfied with the title as it is, with the conjunctive “and” —

organised crime and with respect to the confiscation of unexplained wealth and criminal benefits;

We think that is grammatically and descriptively appropriate.

Mr P.A. KATSAMBANIS: I will leave that point there then. If the Attorney General is satisfied, we will let it be and we will see what effect, if any, it has in practice.

Why has the purpose in the long title not also been amended to indicate the changes being made to proposed amended section 3(2)? Was it considered to not be worthwhile to also suggest that this is an act to clarify the relationship between the Corruption and Crime Commission and the Parliament in relation to parliamentary privilege?

Mr J.R. QUIGLEY: Because may I say that “public officers” in the first dot point is of course inclusive of members of Parliament and their conduct. That is what the description was before the excision of the word “exclusively”.

Mr P.A. KATSAMBANIS: All right. I am satisfied with that.

Clause put and passed.

Clause 5: Section 3 amended —

Mr P.A. KATSAMBANIS: I do not have any issue with clause 5(1) or (2); subclause (3) is the issue. The two lines read —

In section 3(2) after “determinable” insert:
exclusively

This is the issue in relation to the impact on parliamentary privilege by the changes previously made and the changes being made today. This issue is quite minor—it is two lines of a lengthy bill inserting one word—but as

all members, including the Attorney General in his second reading summation, have indicated, it has the potential to delay the passage of the whole bill unless we find a mechanism to treat this separately. I will try to explain why. Section 3(2) of the substantive act—the Corruption, Crime and Misconduct Act 2003—reads —

Nothing in this Act affects, or is intended to affect, the operation of the *Parliamentary Privileges Act 1891* or the *Parliamentary Papers Act 1891* and a power, right or function conferred under this Act is not to be exercised if, or to the extent, that the exercise would relate to a matter determinable by a House of Parliament, unless that House so resolves.

The passage of the Corruption and Crime Commission Amendment (Misconduct) Act 2014 removed the words “exclusively” and “unless that House so resolves”. The bill proposed by the government today reinserts the “exclusively”, but not “unless that House so resolves.” So it does not return us to that period of time before the Corruption and Crime Commission Amendment (Misconduct) Act 2014. It creates the third in a series of clauses that purport to define the limitations and delineations between the powers of the Corruption and Crime Commission and Parliament in relation to privilege. There is nothing insurmountable and nothing wrong with that. The debate about what occurred in relation to those powers when the word “exclusively” was removed a few short years ago can seem esoteric. The Attorney General indicated in his summation that until it was brought to his attention and carefully explained to him, he was none the wiser. When it came before Parliament a few years ago he let it slip through to the keeper; so did everyone else who looked at it. I and the Liberal Party have no concern whatsoever about giving the CCC full powers to investigate everyone in Western Australia, including members of Parliament, but this is complex and is making a change to the relationship between an external body and Parliament in relation to parliamentary privilege. As the commissioner himself pointed out —

Mr S.K. L’ESTRANGE: I would like to hear a bit more from the member.

The ACTING SPEAKER (Mr I.C. Blayney): Carry on, member for Hillarys.

Mr P.A. KATSAMBANIS: As the Corruption and Crime Commissioner, the eminent former Justice John McKechnie, QC, pointed out in that speech to the Curtin University Eminent Speaker series on 7 March this year—in America they keep the titles “Justice” and “President” for those sorts of things; they do not seem to here—the essence of parliamentary privilege can be traced all the way back to the Bill of Rights 1688, article 9 of which stipulates —

That the freedom of speech and debates or proceedings in Parliament ought not to be impeached or questioned in any court or place out of Parliament.

Since that ancient time we deduced and then introduced into our legal system and into our Parliament a raft of mainly unwritten privileges that have existed since at least 1688. Conventions were built up around them, they eventually got here, were codified in 1891 and have been altered since then. It happens. No-one should say that these privileges should be set in stone or that they should be immovable, but we then have to focus on what these changes mean to our parliamentary privileges as a Parliament. I have read the dissertation made during the debate on the Corruption and Crime Commission Amendment (Misconduct) Act 2014 by the then Premier in this place—the current member for Cottesloe—and that of the former Attorney General in the other place, and I have read the commissioner’s speech. I have also had the opportunity and privilege to read the advice of the Solicitor General, and I thank him and the Attorney General both for the advice and for making it available to the opposition and to Parliament. I have some sympathy for the view expressed by the Corruption and Crime Commissioner at the outset because when a clause is changed, it must change the relationship. If the commissioner himself is questioning how much power he has or where the limits of his power are, we should clarify that. I agree with that. I do not want to put words in the Attorney General’s mouth—I am paraphrasing; it was clear that in his response to the second reading debate—the Attorney General suggested that the commissioner alluded, obiter if you like, that if the word “exclusively” had not been in the act at the time of the Gallop and Carpenter governments, the commissioner at the time may not have been able to investigate ministers who were investigated by the CCC during that period.

Mr J.R. Quigley: People other than the ministers.

Mr P.A. KATSAMBANIS: Or other people. The fact is the ministers were not investigated in their capacity as members of Parliament but as ministers and public officers. We know that is different. The other people were not members of Parliament at the time, so it would not have applied to them anyway. I am highlighting that to indicate how confusing this whole area is. It is confusing. It begs a number of questions. Firstly, why, in the first place, did we take out “exclusively”. There does not appear to be a lot of clarity around that. Secondly, what constructive change was made when “exclusively” was taken out.

Mr J.E. McGRATH: I would like to hear more from the spokesman on this matter.

The DEPUTY SPEAKER: Certainly, member. If there is a change of guard, we can move back.

Mr P.A. KATSAMBANIS: What did it mean when “exclusively” was removed; what was the substantive difference? What does it mean now that “exclusively” is being returned? Why are we returning only the word “exclusively” but not the other important power —

Mr J.R. Quigley: By resolution of the Parliament.

Mr P.A. KATSAMBANIS: — “unless that House so resolves”.

Mr J.R. Quigley: I’m happy to answer as soon as you’re ready.

Mr P.A. KATSAMBANIS: I may be pre-empting what the Attorney General will say, but in absence of those words in 2003, I would interpret a section like this quite widely in saying the house of Parliament has loads of power, including the power to refer a matter to the CCC, and we do not need to spell out that in legislation—but we did.

Mr J.R. Quigley: We did; we had to.

Mr P.A. KATSAMBANIS: We did. Did we have to for legal or political purposes?

Mr J.R. Quigley: As soon as I get a chance I will tell you. We had to for legal purposes.

Mr P.A. KATSAMBANIS: It was for legal purposes, but we had to. In 2003, there was a question about whether either house had that power so we clarified it in 2003. Our predecessors clarified it—neither I nor most of the members of the opposition were here—with the words “unless that House so resolves”. It gave the houses of Parliament specific power when they had exclusive jurisdiction over a matter to refer it to the CCC and say to the CCC that they wanted its help.

Mr J.R. Quigley: That is correct.

Mr P.A. KATSAMBANIS: I think they had that power anyway, although there may have been some question marks. Houses of Parliament have some extraordinary powers. The CCC may not have accepted that but that might have been the reason. Why are we not giving back to the houses of Parliament the same power that was included in the 2003 legislation and has existed since that time? This is a matter that obviously has some answer. I am sure the Attorney General, the Solicitor-General and everyone else involved in and who advise the CCC considered this. But it is not explained in the second reading speech nor in debate so far, even though I and others raised it during the second reading debate. It is another matter that would exercise the minds of parliamentarians when weighing up parliamentary privilege. This is important.

I will try to wind up in the next few minutes. No-one is saying today that we should not support this clause. We are saying that this is the third change to the relationship between parliamentary privilege and the CCC, historically, in a very short period given the time since the seventeenth century when the Bill of Rights clarified parliamentary privilege and now. Every parliamentarian would have some questions, and the appropriate places to consider changes to parliamentary privilege are the Procedure and Privileges Committees of each house. That takes some time. I agree with what the Attorney General said before about that consideration; namely, it should be narrowed to this clause and nothing more. I agree with that. However, we cannot fetter the discretion of either house to look at this matter, so we have asked the Attorney General in good faith and we expect some form —

Mr J.E. McGRATH: I would like to hear more from the member. I am really interested in what he is saying.

Mr P.A. KATSAMBANIS: We expect some form of answer for why he cannot excise this provision from this Corruption, Crime and Misconduct and Criminal Property Confiscation Amendment Bill and allow the rest of the bill, which deals with a completely separate issue, to give the commissioner power to go after unexplained wealth of nefarious individuals, colourful racing identities or whatever they are called. I think in Sydney they are called frequenters of Kings Cross; in Melbourne colourful racing identities; and in Perth I think they used to be called entrepreneurs, but that is unfair, because it is a term of endearment about people who create real wealth.

The DEPUTY SPEAKER: Member, can I interrupt you to ask you to ask a question?

Mr P.A. KATSAMBANIS: I will. I am trying to do it all in one package so we can get one answer and finish this off. My questions to the Attorney General are; firstly, why can we not excise it from this bill—treat it separately and let it go through its own passage, including a privileges committee inquiry? It should happen in both houses but at the very least in the other place. It should happen by the Attorney General bringing this change to this place and referring it to the privileges committee of this place, and we go from there, and allow the rest of the bill to have its own, hopefully, very speedy passage. Some people are still worrying about the principles around unexplained wealth that I spoke about in my second reading contribution on this bill but I think we overcame them two decades ago. Some people might want to consider that, but that is their issue, not mine.

I am not questioning the return of “exclusively” but I am seeking an explanation for why the other words, “unless that House so resolves”, are not in there—for starters. I am also seeking an explanation for why the Attorney General sees it so difficult to excise this component now rather than, as he indicated in his second reading response, negotiate with the people in the other place and seek their input into excising it. I think that would cause more delay. It would mean the substantive bill will have to come back to this place. That would be silly and a waste of time. If we want the commission to get on with tracking down these nefarious individuals and their unexplained wealth and confiscating it, why do we not get going on that path and let the privileges issue be settled separately. Once all members of Parliament have had the opportunity to properly consider the advice from the Solicitor-General, they will be comforted by that fact.

Mr J.R. QUIGLEY: There were quite a few questions so I hope I can answer each of them from memory. Firstly, why are the words “unless by resolution of the chamber” not included. It was not political. There was a change in the law. Once, on a matter not involving serious misconduct but minor misconduct, the CCC had to refer back to

the Procedure and Privileges Committee to investigate matters of minor misconduct under sections 27A and 27B. This was very circuitous and was driving the Parliament nuts. The commission was investigating something, and in the course of investigating it came across some minor misconduct. It could not report on that minor misconduct; it was not allowed to. With minor misconduct of the parliamentarian, the commission had to write to the Speaker and the privileges committee and report to the privileges committee. Then, because the investigation was being conducted at the CCC, the privileges committee had to inquire into the matter and then report back to this chamber upon its inquiry with a recommendation that the chamber refer this matter of minor misconduct from whence it came—the CCC. It did not have to do this with matters of serious misconduct. I pause for a moment to define “serious misconduct” as something that involved a penalty of possibly two years or more. The CCC might have been investigating serious misconduct by a member, but in the course of investigating that serious misconduct, it also turned up an instance of minor misconduct. It could not deal with minor misconduct unless the Parliament referred the minor misconduct to the commission. The Parliament would not know about this minor misconduct had it not been for the commission investigating it, and that is all in camera. It had to then say, “Look, we are investigating serious misconduct. Whoops, here is a circumstance of minor misconduct. We cannot complete our inquiries yet; we have to write to the Speaker.” The Speaker has to take it to the privileges committee, which has to look into whether there is minor misconduct involved and then it reports to this chamber. This chamber then says, “Yes, we agree it is minor misconduct”, and by resolution of the chamber, we refer the minor misconduct back to the commission. Talk about a circuitous route! Section 27B states —

Dealing with referrals under s. 27A(1)

- (1) The presiding officer, on receipt of a referral made under section 27A(1), must —

That is the CCC saying, “Look we have come across a bit of minor misconduct.”

- (a) where the allegation is made under paragraph (a), require a committee of the House whose functions include considering matters relating to the practice, procedure and privileges of the House (the “**Privileges Committee**”), to inquire into the matter;

...

- (2) If the Privileges Committee resolves to carry out its own inquiry, it must do so by directing the Commission to act on its behalf.

Then it has to have a resolution of this place to get the CCC to do the inquiry for the privileges committee. This might have sounded good at the start.

Mr P.A. KATSAMBANIS: I know that nobody on the minister’s side stood up, but I actually want to hear the end of the minister’s response.

The DEPUTY SPEAKER: Certainly, member.

Mr J.R. QUIGLEY: I know that the member for Hillarys wants the answer.

There was this absolutely cumbersome circuitous route and the privileges committee could not deal with minor misconduct if it had a referral. We have now done away with that requirement. The privileges committee can look at minor misconduct matters now—that was part of an earlier amendment—whilst the CCC looks at matters of major misconduct. It then did not require the words “unless the house so resolves” to be in the act anymore because that whole cumbersome circuitous procedure had been dispensed with and it made it easier for the privileges committee to inquire into minor misconduct and not delegate those matters. Those words “unless the house so resolves” were to facilitate the CCC to do the work of the privileges committee, on resolution of this chamber. That does not happen now. In restoring the status quo, it was not necessary to put those words back in.

I will now deal with the next issue the member raised. The word “exclusively” means that the commission cannot look at and is debarred from looking at any matter that is exclusively a matter of a breach of privilege. A breach of the Criminal Code, the Misuse of Drugs Act 1981 and the Firearms Act 1973—all these acts—are not exclusively matters of privilege. The police can look at them. There is nothing to stop the police inquiring into these matters. When the police inquire into bribery of or by a member of Parliament, they are not breaching privilege. We know that the police can look at that. All we are saying is that if the police can look at it, why can the CCC not look at it as well? That is the simple proposition. Why is the act constructed in such a way—unintentionally, I suggest; the benefit of the doubt—that the police can investigate an act of bribery, but the CCC is not allowed to? We are trying to restore where it was and how it operated for 12 years.

The third question is: why split this? This is not a confusing area. We can make, as my children are sometimes wont to do, the manufacture of a pancake in a skillet a very confusing undertaking. However, in essence, it is not confusing. Flour, water and eggs—bang! We submit that this is not confusing, but the public perceives that we have somehow rigged the system so that parliamentarians—cabinet excluded because they are office holders—are not the subject of investigation of criminal offences by the CCC.

Debate interrupted, pursuant to standing orders.

[Continued on page 3604.]

CAITLIN CRIDLAND*Statement by Member for South Perth*

MR J.E. McGRATH (South Perth) [12.21 pm]: I rise to recognise the achievement of Caitlin Cridland, a resident of Como in my electorate, who is currently studying at Virginia Technical University in the United States of America after attending Winthrop University in South Carolina. In July 2017, the Big South Conference named Caitlin as its Woman of the Year 2016–17. The Big South Conference is a significant sporting league in college athletics in the USA, dedicated to developing student athletes through the pursuit of excellence in the classroom and the community, and on the field of play. The selection of the award recipients was based on four pillars: academics, athletics, service and leadership. Caitlin grew up in South Perth, attending St Columba's Primary School. During her high schooling she went to the State Tennis Centre at Burswood after school, getting home at 8.00 pm for dinner then doing her homework. She never gave up school or study in the midst of her tennis training commitments, and obtained a 94.5 Australian tertiary admission rank. Caitlin then took up a four-year sports scholarship to play division 1 tennis at Winthrop University, and started there in August 2012. She graduated with honours in biochemistry from Winthrop University in May 2017. Caitlin recently started a PhD program in biochemistry at Virginia Technical University, after accepting an academic scholarship. I am pleased and proud to learn that not only was this award presented to someone from outside the US, it was presented to someone from my electorate of South Perth. I wish Caitlin success in her studies and future endeavours.

KALBARRI TENNIS AND NETBALL COURTS*Statement by Member for Moore*

MR R.S. LOVE (Moore) [12.23 pm]: I rise today to highlight the crucial role of royalties for regions funds in building Kalbarri's four new tennis and netball courts, opened on 2 September 2017. The existing courts were unsafe and in a state of disrepair. No change rooms or facilities were attached to the courts and they were located two kilometres from the town's sport and recreation centre. The project had been on the Kalbarri community's wish list for more than 12 years. The Kalbarri Sport and Recreation Association had been fundraising at every opportunity for eight years, but the project was beyond its financial reach. At a total project cost of \$668 000, an injection of \$226 680 royalties for regions funding, together with \$225 000 from the community sport and recreation facilities fund and the strong support of the Shire of Northampton meant the project could proceed. The project also incorporated cricket practice nets and a quarter-size basketball court, which has proved to be particularly popular with Kalbarri youth. Located adjacent to the local skate park in the centre of town, these facilities have become a hub for young people. The skate park project was made possible some years ago with \$456 000 royalties for regions funding. Membership of the Kalbarri Tennis Club has risen dramatically and I understand the courts were used extensively during the last school holidays. It should be noted that although Kalbarri has a population of about 1 500 people, the town's population swells to 6 000 during the peak holiday season. The royalties for regions funds that made this project possible represent an investment in Kalbarri's health and wellbeing and will benefit local residents and visitors alike. I commend Kalbarri's sporting community for persisting with this project for more than a decade and thank the Midwest Development Commission and royalties for regions on behalf of the Kalbarri community.

CAROL STRAUSS*Statement by Member for Girrawheen*

MS M.M. QUIRK (Girrawheen) [12.24 pm]: I acknowledge the retirement of Ashdale Secondary College foundation principal Carol Strauss—her legacy, a thriving school focused on excellence. That commitment was acknowledged with Carol being awarded the 2014 Secondary School Leader of the Year. In 2016 she was a co-nominee with her husband, Phil White, from Melville Senior High School, for principal of the year. Ashdale Secondary College opened in 2009 with an initial intake of 140 year 8 students. Stage 1 of the building program was completed in October 2009, stage 2 in 2011 and stage 3 in 2014. Now the school has over 1 500 students from years 7 to 12. As well as managing this huge building project during those years there was also the heartbreak of two fires, which required supervision of major repairs. All these Ms Strauss handled with characteristic equanimity and poise. Ms Strauss has worked highly collaboratively in partnership with local primary schools to establish the "Ashdale Cluster" with the philosophy of "one school, four sites". Carol's development of staff through mentoring and focus on exemplary practice, innovation and creativity was readily apparent. Carol knows implicitly that a strong emphasis on science, technology, engineering and mathematics, innovation and entrepreneurship not only keeps students engaged but prepares them for twenty-first century careers of the future in information technology, engineering and the sciences. On behalf of the community I thank Carol Strauss for her services to education over many years. Her contribution at Ashdale will be long remembered. I wish Ms Strauss well for new horizons in her retirement.

GREENWOOD COLLEGE YEAR 9 DEBATING TEAM*Statement by Member for Kingsley*

MRS J.M.C. STOJKOVSKI (Kingsley) [12.25 pm]: I rise to acknowledge the awesome Greenwood College year 9 debating team, which consists of Cyrine Almodovar, Jacque Walters, Asmaa Hameed, Ann Cao and Konrad Dumpleton, with year 11 student coach Marcel Salgado and teacher coaches Ms Ela Amor-Robertson and Ms Alison McDonald. The team formed late last year after year 11 student Marcel requested to start a school debating club. A number of the students come from culturally and linguistically diverse backgrounds and attend the Greenwood's intensive English centre. They joined the team to improve their English. The team participated in the novice division of the WA Debating League with 167 other teams. They began learning about debating by reading the league handbook and watching YouTube videos. The team progressed through each round undefeated against prominent Perth schools such as Lake Joondalup Baptist College, Duncraig Senior High School, St Mark's Anglican Community School, St Stephens School, Governor Stirling Senior High School, Shenton College and Presbyterians Ladies' College before facing off against Perth Modern in the grand final held at the State Library of Western Australia on Tuesday, 29 August, where they argued the negative of the topic "we should have a quota for young people in Parliament". The second speaker on the Greenwood team, Asmaa, was awarded the best speaker of the debate. This is a fantastic achievement as Asmaa has been learning English for only three years since her family moved to Perth from Iraq. There was a huge turnout from the Greenwood College community, with standing room only inside the library theatre. The topic was fiercely debated and compelling arguments were presented by both sides, but Greenwood's hours of preparation and ability to adapt their arguments and rebuttals proved the winning combination. I congratulate the debating team on their successful 2017 championship win. Acknowledgment should also be given to principal, Ian Johnston, and the school community for supporting and encouraging the team.

BUDGET PRESENTATION*Statement by Member for Scarborough*

MRS L.M. HARVEY (Scarborough — Deputy Leader of the Opposition) [12.27 pm]: The Treasurer will today bring down his first budget and the Premier has made it clear that every Western Australian will be feeling pain. Households will, businesses will and public servants will. Only one class of Western Australian citizens is being spared pain. That is the double-dipping ministers in the McGowan government—ministers who were receiving the taxpayer-funded motor vehicle allowance while also receiving a taxpayer-funded motor vehicle. The Speaker tabled in Parliament the other day the details of those ministers who double dipped and, as he indicated, have not paid it back. Which ministers are more than \$5 000 better off? The Attorney General is one—the man who stands in here day after day acting as though he is holier than thou. He pocketed five grand that he should not have received. The Minister for Corrective Services is another. So, too, is the Minister for Commerce and Industrial Relations. The Minister for Transport is another. She was not catching public transport; she was using a taxpayer-funded vehicle while getting paid a motor vehicle allowance. The Minister for Health received the bonus, as did the Minister for Housing, the Minister for Child Protection and the Minister for Water. While Western Australians are being told to brace for pain in the budget to come down today, a few members opposite are being shielded from it. They have pocketed money they should not have received and the Premier has not shown the leadership required and told them to pay it back.

CLARKSON COMMUNITY HIGH SCHOOL*Statement by Member for Burns Beach*

MR M.J. FOLKARD (Burns Beach) [12.28 pm]: Madam Deputy Speaker —

Several members interjected.

The DEPUTY SPEAKER: Members!

Mr M.J. FOLKARD: I rise today to acknowledge the excellent work of Mr John Young, principal of Clarkson Community High School, his staff and students. Madam Deputy Speaker, as you and many of those present today may be aware, I completed my secondary education without knowing how to read or write. However, I got from my secondary education an appreciation of how important literacy is, so to hear of the dramatic improvement in the percentage of students meeting literacy and numeracy standards at Clarkson Community High School is something that I believe is worthy of the highest praise. In 2013, 28 per cent of year 9 students at Clarkson Community High School demonstrated the minimum standard during their National Assessment Program — Literacy and Numeracy testing; however, by 2016, that same cohort of year 9 students had increased their academic performance so dramatically that only 6.15 per cent of students did not meet the minimum standards, representing a 65 per cent increase in literacy and numeracy skills.

It would be remiss of me to not specifically acknowledge the work of Mr Young and his staff in achieving this outcome. As has been explained to me, the teaching at Clarkson Community High School emphasises the importance of empowering students to realise their full potential. Mr Young is an innovative educator, and his work has undoubtedly put many Clarkson Community High School graduates on the path of achieving their full potential, irrespective of their background. I take this opportunity to once more acknowledge Mr Young and his staff.

LEGISLATIVE ASSEMBLY CHAMBER — PHOTOGRAPHER ACCESS*Statement by Speaker*

THE SPEAKER (Mr P.B. Watson): I advise members that I have approved the presence in the chamber of television cameras and photographers from 2.00 pm today to enable coverage of the handing down of the state budget.

QUESTIONS WITHOUT NOTICE**WESTERN AUSTRALIAN JOBS BILL 2017****400. Dr M.D. NAHAN to the Minister for State Development, Jobs and Trade:**

Before I ask my question, I would like to knowledge in the public gallery the year 11 students of politics and law from St Mary's Anglican Girls' School in the member for Scarborough's electorate.

Yesterday, in the Premier's second reading speech for the Western Australian Jobs Bill, the Premier claimed that the bill was designed to support local industry and local jobs, implying that "local" means Western Australia. Is it not true that "local industry" as defined in the bill includes all people and firms from all Australian states and territories, as well as New Zealand, and does not give any priority to Western Australian people or firms as the Premier claimed?

Mr M. McGOWAN replied:

I am pleased the opposition leader is doing some research and researching the bill that we brought forward yesterday. The bill's intent is to ensure that local businesses will receive preference. People opposite might know that there are companies established in Western Australia that are arms, if you like, of multinational businesses. But the aim is to ensure that those —

Dr M.D. Nahan interjected.

Mr M. McGOWAN: The Leader of the Opposition did not know that? He is shaking his head. He did not know that.

Dr M.D. Nahan interjected.

Mr M. McGOWAN: The Leader of the Opposition did not know that there are multinational businesses in Western Australia. It is a mystery to the opposition that there are businesses established in Western Australia that might be headquartered elsewhere. Perhaps I can inform the Leader of the Opposition of that.

Several members interjected.

The SPEAKER: Members! We have only half an hour today. Let us get on with it.

Mr M. McGOWAN: The intention is to ensure that those businesses that employ Western Australians receive enhanced opportunities to ensure that Western Australians are employed. This was one of the initiatives we took to the state election —

Several members interjected.

The SPEAKER: Members, please! I can sit here and call you to order all day. I want question time to get on. I am sure members want to ask some questions. So just sit there and listen to the answer.

Mr M. McGOWAN: This was one of the initiatives we took to the election to ensure that more Western Australians receive employment out of contracts issued by the state of Western Australia, and we intend to deliver on it. My question to the opposition is: are you going to vote for it?

Several members interjected.

The SPEAKER: Members, it is just a wall of noise. I cannot hear what the Premier is saying.

Mr M. McGOWAN: During the course of this week, we have introduced two significant pieces of legislation—dangerous sex offender laws, and the Western Australian Jobs Bill. We hear nothing from the opposition about whether they are going to vote for those bills. Indeed, the history of the Liberal Party in this state has been that in the lower house, they might vote one way, but the Leader of the Opposition has absolutely no control over what happens in the other house of Western Australia.

WESTERN AUSTRALIAN JOBS BILL 2017**401. Dr M.D. NAHAN to the Minister for State Development, Jobs and Trade:**

I ask a supplementary question. Can the Premier explain exactly how this bill prioritises jobs for Western Australians over jobs in New Zealand, given the free trade agreement precludes that, and given that the Australia and New Zealand Government Procurement Agreement that was signed by the Labor government of Carmen Lawrence prevents that? Also, "local industry" is defined in the Premier's bill as suppliers of goods produced, or services provided, in Western Australia, another state, a territory or New Zealand.

Several members interjected.

The SPEAKER: Leader of the Opposition, can we just have what the supplementary question is and not a speech, please. Thank you.

Dr M.D. NAHAN: Can the Premier explain exactly how this bill prioritises jobs in Western Australia, given that his definition in the bill of “local industry” means suppliers of goods and services in Western Australia, and other states and territories, and New Zealand?

The SPEAKER: That is not a supplementary question.

Dr M.D. Nahan interjected.

The SPEAKER: I beg your pardon, Leader of the Opposition. What was your comment?

Dr M.D. Nahan: Mr Speaker, you overruled a question. The Premier refused to answer the question. I asked a supplementary question, and you refused it.

LOCAL PROJECTS, LOCAL JOBS FUNDING PROGRAM

402. Ms A. SANDERSON to the Minister for Local Government:

I refer to my and this government’s commitment to improve the vibrancy and liveability of Nollamara, a suburb that residents regularly tell me was neglected by the previous Liberal government.

- (1) In terms of the Nollamara Shopping Centre, what is this government doing to ensure it becomes a safe and welcoming community hub?
- (2) How is this government helping councils deliver other valuable projects that benefit the community?

Mr D.A. TEMPLEMAN replied:

(1)–(2) I thank the member for Morley for her question. It is an important question. I am very pleased to highlight that the local projects, local jobs initiative will inject more than \$38 million into the Western Australian economy. It will be devolved, and has been devolved, to myriad projects, small and large, in communities across Western Australia, both in regional Western Australia and, of course, in the metropolitan area. The one that the member particularly mentioned is Nollamara Shopping Centre, which I have not been to. This project, of which \$2.5 million is going to local governments in the metropolitan area, will deliver to Nollamara Shopping Centre important CCTV coverage to make it a safe place for the communities that use that neighbourhood centre. The funds will go also to assisting in the revitalising of that neighbourhood. That is very important.

But there is more, because we have a number of other projects. I want to go through very briefly, because of the time, a couple of others. Member for Burns Beach, the City of Joondalup in his electorate will receive over \$110 000 to redesign and renew retaining walls and bench seating at the Thornton Park play centre, which I understand is a great centre with a lot of opportunity. That will now be enhanced by that funding.

The SPEAKER: Minister, through the Chair.

Mr D.A. TEMPLEMAN: The minister for numerous things, the member for Cannington, his council will get \$250 000 to upgrade five local parks. They include Russel Park in East Cannington, Appledore Street Reserve in Beckenham, Fleetwood Park in Lynwood, Adina Road Park in Riverton and Hossack Park in Parkwood, to activate places and spaces. This money is going directly towards that. The member for Maylands is getting a very important project, too.

Several members interjected.

Mr D.A. TEMPLEMAN: We are delivering on our election commitments.

The SPEAKER: Minister!

Mr D.A. TEMPLEMAN: That is what we are doing.

The SPEAKER: Minister! You will get to the point, and you will talk through the Chair, and wind it up if you want your other ministers to have a question.

Mr D.A. TEMPLEMAN: We are delivering on our election commitments. That is what we are doing. That is our priority—delivering on our election commitments.

The SPEAKER: Do not make me sit you down, minister.

Mr D.A. TEMPLEMAN: The member for Bayswater will get \$140 000 for her local council for Maylands train station and for very important community facilities around there, including CCTV surveillance—very, very important—and improved lighting. Finally, member for Wanneroo. These are just a few. The City of Wanneroo is getting over \$200 000 towards Banksia Grove park, which is very important as well, because that will allow the people who use that park to have more effective and safer use of that park.

All of these grants, of course, will include delivery to local suppliers, so using local suppliers, local businesses —
Several members interjected.

The SPEAKER: Members! Minister, you will bring this to a close.

Mr D.A. TEMPLEMAN: I am, Mr Speaker; I am just about to finish.

The SPEAKER: Do not make me sit you down.

Mr D.A. TEMPLEMAN: It will enhance local employment. That is the key thing. That is the important thing.
So congratulations to those members who advocated for these important projects.

MINISTERS OF THE CROWN — MOTOR VEHICLE ALLOWANCE

403. **Mr D.C. NALDER to the Premier:**

I refer to the Premier's comment that there needs to be pain across the community. Can the Premier explain to the house why it is fair that everyone pays higher household fees and charges while he has allowed his ministers to double dip on their motor vehicle allowance?

Mr M. McGOWAN replied:

That is a pathetic and misleading question.

Several members interjected.

The SPEAKER: Members, give the Premier a chance to answer it.

Mr M. McGOWAN: If the member for Bateman really was concerned about people misusing their allowances, he would follow the lead of the member for Warren–Blackwood and ask a question of his leader about him using public money to go on holidays.

MINISTERS OF THE CROWN — MOTOR VEHICLE ALLOWANCE

404. **Mr D.C. NALDER to the Premier:**

I have a supplementary question. Despite not answering the question, I would say that that was a fair bit of waffle. How does the Premier expect the people of Western Australia to trust him given that his ministers have engaged in greedy double dipping?

Mr M. McGOWAN replied:

It is a sign of a decrepit and useless opposition that the member for Bateman would demean himself —

Several members interjected.

The SPEAKER: Members! I want to hear the answer.

Mr M. McGOWAN: He demeans himself to come in here and ask such ridiculous and hopeless questions. He sits there with that goofy grin on his face.

Several members interjected.

The SPEAKER: Members, we have only a short time. Let us listen.

Mr M. McGOWAN: After the member for Bateman finishes asking the Leader of the Opposition about using public money for holidays, he can answer a few questions about his personal shareholdings.

CHILDCARE CENTRES

405. **Mr S.A. MILLMAN to the Minister for Community Services:**

I refer to the community-based childcare centres in my electorate such as the Meela Child Care Centre and the Marjorie Mann Lawley Day Care Centre, which for years have been crying out for support. How are childcare centres such as these being supported by this government?

Ms S.F. McGURK replied:

I particularly acknowledge the member for Mount Lawley's advocacy and involvement in the early learning centres in his electorate. Through the local projects, local jobs initiative, WA Labor is proud to say that we are committing funds to the Meela Child Care Centre, the Mount Lawley Child Care Centre, the Mount Lawley Toy Library and the Marjorie Mann Lawley Day Care Centre, all of which will receive money under that grants project for toys, play equipment and the like. One of the centres will get a computer upgrade, which it urgently needs. This government is committed to providing the best services for children's early years; in fact, over \$40 million is spent by the Department of Communities to regulate and support the early education and care sector. I take this opportunity to acknowledge the work of early years educators who need to be acknowledged as professionals doing important work with some of our most precious resources—our young children.

REGULATED AIR SERVICES — GASCOYNE AND MIDWEST

406. Mr V.A. CATANIA to the Minister for Transport:

I refer to the tender DOT 403417—a request for a proposal for flights to operate regulated regular public transport air services in the Gascoyne and midwest. Given that the regional air services inquiry will set a direction for the state's aviation policy into the future, why has the government pre-empted the outcome and gone to tender for air services in the midwest and Gascoyne?

Ms R. SAFFIOTI replied:

I thank the member for North West Central for that question relating to that specific issue. My explanation is that we do not want this service not to be in the air and so we do not want any delays. Of course, we are watching very closely what is happening with this parliamentary inquiry. It is great to see that the WA Labor government is taking this issue seriously. We have already seen the outcome through Qantas' response with regional Western Australians getting a discount on a number of services each year. My department has already given evidence to that committee. We want to see a fair outcome. My understanding is that we do not want to unnecessarily delay or inconvenience people in the meantime. Of course, we are very keen to work with the committee's recommendations, but there has been eight and a half years of no action from the other side. In six months we have an inquiry underway and everyone in regional WA is talking about it and taking it seriously. I know the amount of —

Mr V.A. Catania interjected.

The SPEAKER: Member for North West Central, you have asked a question. You have a chance for a supplementary question. Just wait.

Ms R. SAFFIOTI: We take it seriously. We will see in today's budget even more money for these services throughout regional WA. The member for North West Central was part of a government for eight and a half years that did nothing on this issue.

Mr V.A. Catania: You have gone out to tender while you have an inquiry. Answer the question.

The SPEAKER: I will answer your question. You are called to order for the first time, member for North West Central. Any more behaviour like that, and you will go home early.

REGULATED AIR SERVICES — GASCOYNE AND MIDWEST

407. Mr V.A. CATANIA to the Minister for Transport:

I have a supplementary question. Will the minister change the request for the proposal, wasting the time and effort of business, while there is an inquiry and while the government has gone out to tender before the inquiry has finished?

Ms R. SAFFIOTI replied:

Does the member for North West Central not want us to provide air services in regional WA? That is a stupid supplementary question.

Several members interjected.

The SPEAKER: Members, I am on my feet.

DARLINGTON PAVILION — SPORT AND RECREATION INITIATIVES

408. Mr M. HUGHES to the Minister for Sport and Recreation:

Mr Speaker —

Mr Z.R.F. Kirkup interjected.

The SPEAKER: Member for Dawesville, I know you like to be in the limelight, but you are looking silly doing something like that, so I call you to order for the first time.

Mr M. HUGHES: I refer to the Darlington Pavilion, which my community has waited a long time to see upgraded. What has this government done to ensure that this much needed and widely supported community facility is delivered for the people of the electorate of Kalamunda, and what other sport and recreation initiatives and projects is this government supporting across the state?

Mr M.P. MURRAY replied:

Before I answer that question, on behalf of the member for Kimberley, I welcome the teachers and students from La Salle College. The kids are from Balgo, Bidyadanga and Fitzroy. It is very good to see the boys and girls in the public gallery.

I thank the member for Kalamunda for the very good question. Certainly I hear that his name in that area now is the “Giant Killer”! He cut the head off a minister and popped up and got on with the work. He has not stopped. He has moved on. It is with great pleasure that we have announced this week that we will provide a \$100 000 grant to the Darlington Sports & Recreation Association (WA) Inc for the development of that new pavilion. I acknowledge the hard work that the member put in behind the scenes. It is a long-awaited project, as the member mentioned, and something that never happened over the eight and a half years of the other side of the house. Even though it had a minister in the electorate, the former government was not capable of delivering as the member for Kalamunda has done; very well done.

Kalamunda is an out-of-growth area with a rapidly increasing population. I have visited and seen those subdivisions out there, which is great. We are looking at encouraging people in the sporting area —

Several members interjected.

The SPEAKER: Members, I can hear the wall of noise again.

Mr W.R. Marmion interjected.

The SPEAKER: If you were funny, it would be okay as an interjection.

Mr M.P. MURRAY: The member for Nedlands set the world on fire in his time in this Parliament. My God! The member should be embarrassed to even interject because he did nothing previously. We are making sure that this government does not forget the outer areas and regions of Perth, along with country areas. I have been criticised during the week for working very hard to get facilities into my area. Community sport is a very vital part of our society.

If we do not put the facilities out there, we will fail to attract people to those facilities and fail to keep them out of trouble at the same time. Let us keep these kids busy. Let us have them out there recreating in places such as Kalamunda. It is with pride that we do that. There have been 172 local projects from local job grants across the metropolitan area. As much as the member for Vasse has 52 kilometres of beach in her area, she was grizzling about someone getting a swimming pool!

Several members interjected.

Mr M.P. MURRAY: Really! We cannot put up with that. At the moment, we are going forward with these 172 local projects.

Several members interjected.

Mr M.P. MURRAY: I will finish off very quickly. I will repeat again that there are 172 projects across the metropolitan area. That was unheard of under the previous government. It went out and wasted money; it threw it away. We will look at some of the areas that are not being used anymore, including some of the places that cannot afford to run the facilities put up by the former government—the Taj Mahals for those towns. Again, I will say that there are 172 more sporting teams and clubs that will have infrastructure to encourage kids in our communities to be part of them, to recreate and be healthy.

SCHOOLS — LEAD CONTAMINATION

409. **Mr W.R. MARMION to the Minister for Health:**

I note concerns raised by experts from both the Perth Children’s Hospital task force and the ChemCentre regarding the risk of lead in schools and the government’s refusal, to date, to conduct thorough testing to understand the public health risk.

Will the government immediately begin the testing of drinking water in schools?

Mr R.H. COOK replied:

I thank the member for the question. Obviously, given some of the commentary yesterday, I can understand the reason it is a point of some interest. I would point out to the member that it is not actually the Chief Health Officer’s role to undertake the testing. That testing would be undertaken by the appropriate agency or department—in this case, the Department of Education. My understanding is that the Minister for Education and Training is right on top of the issue and having direct discussions with both the chief executive officer of ChemCentre and the acting Chief Health Officer.

It invites the question that the opposition should somehow all of a sudden become concerned with the issue of water quality in schools when it had been in control of these schools for the last eight and a half years.

Several members interjected.

The SPEAKER: Members!

Mr R.H. COOK: Apart from the fact that that question should be directed to the minister —

Mrs L.M. Harvey: It is the Chief Health Officer’s job.

Mr R.H. COOK: No, it is not; that is what the opposition does not understand. It is not the Chief Health Officer's job.

Dr M.D. Nahan: He's responsible for the quality of water!

Mr R.H. COOK: No, he is not. That is what the opposition does not understand. Apart from the fact that the question should be directed to the Minister for Education and Training, I suspect that the member for Nedlands should otherwise be directing the question to the former Minister for Education.

SCHOOLS — LEAD CONTAMINATION

410. Mr W.R. MARMION to the Minister for Health:

I have a supplementary question. Given that this is a new issue and was brought to the attention of the public of Western Australia just yesterday, if the government is unwilling to test the water in the schools, how can the people of Western Australia be assured that where there are brass fittings, the water in our schools is of a suitable standard?

The SPEAKER: I do not think that is a supplementary question, but have a go.

Mr R.H. COOK replied:

Mr Speaker, I answered that in my previous answer. It is the responsibility of the Minister for Education and Training. If the Minister for Education and Training seeks the advice or the assistance of the Chief Health Officer, the Chief Health Officer will become involved.

ONE STEP CLOSER PROGRAM

411. Dr A.D. BUTI to the Minister for Youth:

I refer to the One Step Closer program that plays such an important role in supporting at-risk youth in Armadale.

- (1) What has this government done to ensure that this program continues to support young people in my community?
- (2) Further to that, what other programs and initiatives is this government funding to ensure the entire community is supported?

Mr P.C. TINLEY replied:

- (1)–(2) I thank the member for Armadale for the question. No member in this chamber who has been here for any time would need convincing about the advocacy of the member for Armadale in his electorate. Even the most cursory glance of his Facebook feed shows him as the everywhere man. I thank him for his advocacy. I, too —

Mr W.R. Marmion: He should be a minister!

Mr P.C. TINLEY: When we have so much quality—when we are overflowing with quality —

Several members interjected.

Mr P.C. TINLEY: There is a great sense of future on this side of the house; do not worry about that, members. Unlike the minibus over there, we have a depth that we can rely on. We bat much further than 11!

The SPEAKER: Yes, minister.

Mr P.C. TINLEY: It is no surprise that the member for Armadale has been a strong advocate for programs such as Save the Children and One Step Closer, which he has been working with. Of course, his advocacy has been very strong in the area. The McGowan government's local projects, local jobs program is the latest tranche of funding for youth. It has allocated \$365 000 for 12 projects aimed at helping young Western Australians to develop life skills and improve their employment prospects. Among the recipients —

Mr S.K. L'Estrange: That is slack!

Mr P.C. TINLEY: What?

Mr S.K. L'Estrange: You're reading! It's a dorothy dixer and you're reading!

Mr P.C. TINLEY: Looking after youth, are you saying, is—what—a waste of time?

Several members interjected.

The SPEAKER: Members, it is not a chat room. Minister, talk through the Chair and make it quick. Then we can get one more question in.

Mr P.C. TINLEY: I will refer to my notes one more time, just for the purpose of detail. If members opposite want me to table them, I will; that is no problem.

The One Step Closer program is among the recipients receiving funding —

Several members interjected.

The SPEAKER: Members! I am trying to get you an extra question. If you keep interjecting, you will not get it.

Mr P.C. TINLEY: No, no, keep going; I love the interjections! Bring on the interjections!

One of the programs in the member for Armadale's electorate—the One Step Closer program—will receive \$220 000, which will provide the pathway opportunities that young people in the south east corridor deserve, and have long deserved. It is overdue. In eight and half years, they never got it from members opposite. More than 50 Aboriginal children alone attend the program. They would never have got the sort of attention that they deserve under the previous government. It is just a disgrace!

ALBANY ENTERTAINMENT CENTRE

412. Mr D.T. REDMAN to the Minister for Local Government; Culture and the Arts:

I refer to the Premier's comments on regional projects in Saturday's *The Weekend West*, and I quote —

“The ongoing operational cost for some of those projects is a local responsibility, ...

- (1) Will the minister be pressing for the Albany Entertainment Centre to be handed over to the City of Albany, as was originally planned by the Carpenter government?
- (2) If yes, will the minister confirm that the state will not support the operational costs of this facility?
- (3) If no, will the minister ask the City of Albany to pay the nearly \$1 million annual operational costs that are needed to run the facility?

The SPEAKER: Yes, good question, member!

Mr D.A. TEMPLEMAN replied:

It is a pity that you cannot ask these questions now, Mr Speaker.

- (1)–(3) First of all, the Albany Entertainment Centre is a very important cultural icon for Albany and the great southern. It is a very important regional centre that provides outstanding cultural activities for the population. It delivers many national, international and state programs. We continue to support the Albany Entertainment Centre —

A government member interjected.

Mr D.A. TEMPLEMAN: As was done by the last government—that is very true. It is a facility that we believe needs to continue to develop and deliver for the local community. I, of course, as Minister for Culture and the Arts, am impressed by what is delivered through that centre. As Minister for Culture and the Arts, I will continue to advocate for its operation. I will continue to talk to the local government about the ongoing role that it can play in supporting what is delivered through that centre. There are many good examples of local governments doing tremendous things to support culture and the arts through centres such as the Albany Entertainment Centre, including, of course, my very good friend the member for Kalgoorlie, who has been undermined by the hyenas of the National Party. He has advocated very, very strongly, but he has been undermined —

Mr S.K. L'Estrange: He won the seat.

Mr D.A. TEMPLEMAN: I know he won the seat. He won the seat despite the undermining by the hyenas known as the National Party because we know what they were going around saying.

Mr S.K. L'Estrange: They did hold the seat, so he took it off them.

Mr D.A. TEMPLEMAN: I know, and what a magnificent achievement that was! He is one of the most affable members I have seen in the time I have been in this Parliament.

The SPEAKER: Minister, look at the time; it is cutting into your lunch hour.

Mr D.A. TEMPLEMAN: Yes. I am just supporting the member for Kalgoorlie. I will continue to work with the local government there. The member for Warren–Blackwood needs to understand that there is already an allocation to ensure that that centre continues to deliver the quality cultural product that it deserves to deliver to the people of the great southern region of Western Australia. They are a wonderful community.

ALBANY ENTERTAINMENT CENTRE

413. Mr D.T. REDMAN to the Minister for Local Government; Culture and the Arts:

I have a supplementary question. Does the minister agree that the Goldfields Arts Centre is also a cultural icon, and will he lend it the same support that he is prepared to offer to the City of Albany?

Mr D.A. TEMPLEMAN replied:

I have said in this place before and I will say in this place again that I will be an advocate for community centres and regional centres.

Several members interjected.

Mr D.A. TEMPLEMAN: I will work with the legitimate member, who is the member for Kalgoorlie. I will not be swayed or distracted by the hyenas of the National Party, who hunt around all the bins looking for things like hyenas do. I will work with you, member for Kalgoorlie, because you are a strong advocate for your centre, unlike those over there!

The SPEAKER: Members, that is the end of question time. I hope you will work with the member for Albany, too!

Sitting suspended from 1.01 to 2.00 pm

APPROPRIATION (RECURRENT 2017–18) BILL 2017

Introduction and First Reading

Bill introduced, on motion by **Mr B.S. Wyatt (Treasurer)**, and read a first time.

Explanatory memorandum presented by the Treasurer.

Second Reading

MR B.S. WYATT (Victoria Park — Treasurer) [2.01 pm]: I move —

That the bill be now read a second time.

[The Treasurer read the following speech.]

INTRODUCTION

This is the first Labor Budget in just over nine years. It is a Budget that addresses the fiscal legacy that we have inherited.

Labor sees the annual State Budget as the pivotal Government lever that supports our society to function well, to thrive and prosper and help those in need.

This Budget strikes the balance of delivering on our election commitments, of creating jobs and getting the State's finances back on track.

I am pleased to announce that this Budget will put us on the road to deliver a forecast surplus by 2020–21.

Mr Speaker, the path to surplus is not an easy one.

Tough decisions have been made and not all will be popular. But we have worked overtime to ensure that the burden of fiscal repair is shared as fairly as possible across the community.

It is a Budget for Western Australians to be owned by Western Australians.

There is not a single solution to the structural imbalance in the State's finances. There is not a quick solution.

The only sustainable and sure solution is returning the finances to a surplus position and staying there.

This Budget lays the foundation for returning our State to a position of strength.

Mr Speaker, the 2007–08 Annual Report on State Finances outlined a general government operating surplus of \$2.6 billion and total public sector net debt of just \$3.6 billion. The net debt to revenue ratio for the total non-financial public sector was 19 percent.

Fast forward nine years and the estimated financial results for 2016–17 show a general government operating deficit of \$3 billion and total public sector net debt standing at \$32.5 billion. The net debt to revenue ratio is now a staggering 83 percent.

They are extraordinary numbers, but we need to understand what they mean so we can all understand the necessity of addressing them. Mr Speaker, at the end of 2007–08, we would have had to pay 19 cents of every dollar the State received in taxes, royalties, GST, utility and other charges to repay all of our net debt that year. Fast forward to today and that figure is now a whopping 83 cents of every dollar the State collects—a 437 percent increase.

To put it another way, there was \$1,673 in total public sector net debt for every person in the State at 30 June 2008. At 30 June 2017, that had grown to \$12,592 per person.

Whilst this Budget is about the future direction of the McGowan Labor Government, it is of course bound and influenced by the period of the former Government. The fiscal circumstances we have inherited will be, unfortunately, a not insignificant part of the narrative of many future Budgets.

This Budget, Mr Speaker, seeks to ensure that future Western Australian Governments are better able to respond to the economic circumstances that they find. This is an important responsibility of Governments, to govern for the present but with an eye firmly fixed on the future.

Mr Speaker, in 2017–18, the McGowan Government's first full year in office, we will see underlying expense growth of just 2.4 percent.

To put that number in context, the first full year of the former Government saw expense growth of 10.9 percent.

Since Labor was last in office, the Western Australian economy has experienced strong growth, expanding by an average of 4.7 percent per annum or a total of around 45 percent.

This rapid growth was driven by an unprecedented expansion in business investment to a record peak of \$78.6 billion in 2012–13. To put this in context, Mr Speaker, investment in our State at this time was greater than the combined level of investment in Victoria, South Australia, Tasmania, the Australian Capital Territory and the Northern Territory.

The expansion in iron ore and LNG projects that underpinned this growth also created significant demand for labour, which saw employment and wages grow at near record rates. There was also a large increase in our population, with an average of around 1,080 people migrating to the State each week in 2012–13.

Tight labour and housing market conditions flowed through to strong growth in taxation revenue, in particular payroll tax, while solid growth in commodity prices saw royalty revenues expand.

Unfortunately, Mr Speaker, during this time of extraordinary revenue growth, the former Government set the State's finances up like a house of cards, vulnerable to economic or fiscal shocks. Expense growth of 33.2 percent over that first term of the former Government created the structural imbalance we are now forced to address.

I accept that since 2014 the former Government did it tough, and faced changes to the State's revenue that, whilst predictable, the extent and speed were not.

Mr Speaker, the large projects that drove the boom eventually passed peak construction and so the investment dollars being injected into the State's economy started to fall. As the demand for labour fell, so did employment, wages and population growth. This coincided with dramatic falls in iron ore prices in 2014.

This meant that while Government expenditure continued to grow, revenue growth fell away rapidly. On top of this, the lagged nature of the GST distribution process meant that our GST grants were falling at the same time as tax and royalty collections declined.

Over the period of strong revenue growth, in particular during the first term of the former Government, there was a distinct lack of discipline or foresight that would have allowed the Government of the time, or future Governments, to maintain a strong and sustainable financial position to react to the inevitable changes in economic circumstances.

The previous Government should have planned for the fall in GST revenue, which they knew was coming and which was predicted in their own Budgets.

One of the great flaws of the GST system is that it is slow to respond and in the first term of Government the former Liberal–National Government chose to spend every dollar of booming State revenues and every dollar of GST grants, and incredibly increase net debt by 500 percent.

Their failure to manage spending led Western Australia to have a credit rating at the bottom end for Australian jurisdictions, being the equal lowest for Moody's and the second lowest for Standard & Poor's.

GST Distribution

It is fair to say the financial mismanagement of our predecessors, which lies at the heart of this State's Budget difficulties, has been compounded by an idiosyncratic and unfair distribution of GST. We lose an incredible 88 percent of our iron ore royalties to other States.

The bottom line with the GST is that it does not, and has not for a long time, adequately recognised Western Australia's spending requirements, and it has unfairly discriminated against our royalty revenues.

The State spent around \$8 billion in developing the North West Shelf project. Yet these costs have never been recognised in the calculation of GST grants despite most of the associated revenue from this project being effectively redistributed to the other States.

Tasmania's remote areas are assumed to be as costly to service as the remote areas of Western Australia. This is a most ridiculous and offensive assumption.

The GST is distributed between the States and Territories based on data that is up to four years out of date, which compounds our already high revenue volatility. It also means that the GST grant we currently receive is based on data that suggests we have a higher capacity to raise revenue than is actually the case.

Our 2017–18 GST grant still partly reflects peak iron ore royalties in 2013–14. Western Australia is in its fifth year of domestic recession and yet our GST grant is still at a near record low, at just 34.4 percent of our population share. This represents an effective loss of \$4.4 billion in GST revenue to other States and Territories in 2017–18 alone.

On top of this, the recent revision to Western Australia's estimated population by the Australian Bureau of Statistics following the 2016 Census has resulted in a further reduction to our GST grants totalling \$2 billion over the forward estimates period, or \$1.4 billion relative to the Pre-election Financial Projections Statement (or PFPS). Unfortunately, our representations to the ABS and the Commonwealth Government have been fruitless to this point.

Mr Speaker, I welcome the Commonwealth's 'top-up' assistance of \$226 million earlier this year, but it is ad-hoc and frankly a drop in the ocean. I also welcome the Commonwealth's initiative to commission a Productivity Commission Inquiry into the GST distribution system. But this does not represent a firm Commonwealth commitment to reform, nor address the immediate need for action.

While it is disappointing and bewildering that the Commonwealth is so reluctant to take responsibility for fixing the mess that it is responsible for, the issue will not go away. There are limits to what we can do to compensate for our manifestly inadequate GST share, and without GST reform we will ultimately need to seriously consider other revenue options.

However, we will continue our dialogue with the Commonwealth. We are also fully engaged with the Productivity Commission Inquiry and the Commonwealth Grants Commission's review of its methods. Believe me, Mr Speaker, we are using every available forum to press our case for reform. We will not rest.

Economic Outlook

Meanwhile, after the protracted slowdown in economic growth over the past five years, it brings me enormous pleasure to say that the Western Australian economy is now beginning to show signs of recovery.

The State's economy, as measured by Gross State Product, is forecast to grow by 3 percent in 2017–18, following estimated growth of just 0.25 percent last financial year. Finally, after five straight years of negative growth, 2018–19 marks a growing domestic economy.

The rebound in economic growth reflects continued strong growth in net exports, and a reduced drag from business investment. We anticipate that over 90 percent of the total forecast fall in investment from its 2012–13 peak will be over by the end of 2017–18.

Recent signs of recovery in the labour market, including a rise in full-time employment and advertised job vacancies, are very encouraging. Employment is forecast to grow by 1.5 percent or around 20,000 people in 2017–18, which will be supported by growth across a range of service-related industries, including tourism, as well as agriculture and the gold and lithium industries.

The State's emerging lithium industry is being driven by very robust growth in demand for rechargeable batteries for electric cars and renewables. Over the next two years, lithium mining production is expected to double and manufacturing of lithium chemicals is expected to commence. Western Australia is well placed to respond to increased demand in key markets such as China.

The Western Australian economy is forecast to continue growing at around 3 percent per annum over the remainder of the forward estimates period, with an expected return to growth in business investment from 2019–20 underpinning a recovery in employment, population and wages growth to more normal rates.

Fiscal Outlook

Sadly, these positive signs do not immediately impact on State revenue. Indeed, Mr Speaker, since the PFPS, the general government revenue estimates have been revised down by a massive \$5 billion over the period 2016–17 to 2019–20. The revenue revisions are across-the-board and reflect:

- downward revisions to royalty income (down \$1.8 billion), due to lower iron ore prices and a higher \$US/\$A exchange rate;
- lower GST grants (down \$1.7 billion), due to the impact of the 2016 Census on the State's population and a lower than forecast GST relativity for 2017–18;
- weaker taxation revenue (down \$777 million), due to lower collections of land tax, payroll tax and insurance duty; and
- lower tied grants from the Commonwealth (down \$572 million), due to changes in funding arrangements in the Commonwealth's 2017–18 Budget for schools, hospitals and other service delivery areas.

The Government has worked hard to mitigate these impacts through a \$3.5 billion package of Budget repair measures, which I will outline shortly. We have also worked hard to ensure that the majority of election commitments included in this Budget are funded through offsetting savings and reprioritisation of existing funding. As a result, we have limited the net debt impact of our election commitments to \$603 million over the next four years.

Nevertheless, the size of the revenue revisions means the forecast general government operating deficit in 2017–18 is \$2.3 billion. In addition, total public sector net debt is now expected to reach \$43.8 billion by 30 June 2020 and then begin reducing to \$43.6 billion by the end of the forward estimates period.

While this is a \$2.5 billion increase in the level of net debt relative to the PFPS projections, this Budget has not only accommodated \$5 billion in revenue write-downs since the PFPS as well as the Government's election commitments, but also a range of unfunded cost pressures left to us by the previous Government across a broad range of areas of public policy.

The impact of the ABS's revised population estimates on our GST grants alone represents \$2 billion or 80 percent of the forecast increase in net debt relative to the PFPS.

The 2017–18 Budget includes an estimated general government operating deficit of \$3 billion for the 2016–17 financial year, consistent with the PFPS estimate. It is important to note, however, that this remains an estimate, with the final audited results for 2016–17 to be released later this month in the Annual Report on State Finances. Data processed by the Department of Treasury after the 7 August cut-off date for this Budget indicate that the general government operating deficit for 2016–17 will likely be in the order of \$2.5 billion—although, as indicated, final audited results will not be available until later this month.

THE PATH BACK TO SURPLUS

Mr Speaker, as promised at the election, the McGowan Labor Government is committed to repairing the unprecedented damage done to the State's finances by the previous Government.

A key first step was to put in place a range of effective financial targets to guide the Government's decision-making and to monitor progress in addressing this significant challenge. Our new targets include a focus on reducing the general government operating deficit each year, and I am pleased to announce that we expect to meet this target each and every year of the forward estimates. As a result, the forward estimates indicate a return to a surplus of \$1.3 billion in 2020–21.

We are also focusing on reducing the proportion of total public sector net debt held by the non-income producing general government sector. This has been a challenging target with the revenue write-downs since the PFPS, but I am pleased to say that we also expect to meet this target by the end of the forward estimates period.

Constrained Expense Growth

I made the point earlier about the former Government's inability to restrain expense growth. The McGowan Labor Government knows the only credible way back to surplus, to start to reduce net debt, is to control expenditure growth.

I am proud to stand here today and hand down an inaugural Budget with an expected average annual expense growth of just 1.9 percent. Obviously, the challenge will be in the delivery.

The McGowan Labor Government has delivered \$3.7 billion of election commitments, at a cost to net debt of just \$603 million.

Debt Repayment Account

Another key part of our financial management plan is the establishment of a Debt Repayment Account.

If the Government receives any unanticipated or windfall revenue it will be placed into this Account to ensure the money is used for the repayment of outstanding Consolidated Account borrowings. Already, as part of this Budget, \$169 million from a large one-off stamp duty assessment and a further \$169 million in surplus RiskCover funds will be appropriated to this Account for the repayment of debt.

Budget Repair

Mr Speaker, as noted earlier, this Budget includes a \$3.5 billion package of Budget repair measures. These measures respond to the revenue challenges I have outlined and commence the task of returning the State's finances to a sustainable footing. Importantly, we have designed our Budget repair package to be as fair as possible, and to reflect the need for the whole community to contribute to this important task.

Importantly, this Government has limited the impact of the Budget repair measures on ordinary Western Australians, with households being asked to contribute less than 9 percent of the total Budget

repair measures. We have, as a Government, controlled what we can control, namely, expense growth. As a result, the public sector has borne \$2.2 billion of the savings, around 63 percent, and the corporate sector will be asked to contribute \$922 million, or around 26 percent of the Budget repair measures. Some key elements of our Budget repair package have already been announced and implemented, including:

- the changes to household tariffs, fees and charges that took effect from 1 July 2017;
- our revised public sector wages policy and associated freeze on remuneration determined by the Salaries and Allowances Tribunal; and
- our Machinery of Government changes which took effect from 1 July 2017 and reduced the number of Departments of State from 41 to 25.

New Budget repair measures announced in this Budget include:

- a Voluntary Targeted Separation Scheme for 3,000 full-time equivalent public sector employees, with priority given to agencies subject to the recent Machinery of Government changes. Importantly, 20 percent of the savings from this scheme will be retained by participating agencies to invest in workforce renewal, with a focus on digital transformation, frontline services, and the recruitment of entry-level employees;
- more efficient utilisation and leasing arrangements for Government office accommodation and changes to State Fleet policy and procurement settings are anticipated to deliver net debt savings of \$127 million over the forward estimates period;
- a range of efficiency measures for Government Trading Enterprises will reduce net debt by \$473 million over the next four years;
- a temporary Budget repair levy will be placed on major corporates through a new, progressive payroll tax scale to be implemented from 1 July 2018. This levy will be in place for a finite period of five years, under which employers with Australia-wide payrolls between \$100 million and \$1.5 billion will be taxed at a marginal rate of 6 percent, while those with a payroll exceeding \$1.5 billion will be taxed at a marginal rate of 6.5 percent. This Budget repair levy is estimated to raise \$435 million over the forward estimates period, and will only affect the largest 8 percent of all employers liable for payroll tax in the State. Mr Speaker, I note that it is estimated that the largest iron ore miners will make the largest contribution—almost one fifth of the total additional revenue generated. We will limit its application to five years so that future Governments do not rely on this revenue source permanently;
- a tiered royalty rate for gold will be introduced from 1 January 2018, whereby the current 2.5 percent rate will apply when the gold price is \$A1,200 per ounce or less, and an increased rate of 3.75 percent will apply (on the full royalty value) when the price is above \$A1,200 per ounce. Based on the current gold price this equates to around an additional \$20 in royalty per ounce. From 1 July 2018, we will also remove the current exemption for the first 2,500 ounces of gold metal production for miners that produce more than 2,500 ounces of gold metal in a financial year. These changes, which are broadly consistent with the previous Government's Mineral Royalty Rate Analysis, will increase royalty revenue to the State by around \$392 million across the forward estimates period;
- from 1 January 2019, we will introduce a new 4 percent foreign owner duty surcharge on purchases of residential property by foreign individuals and entities, which is expected to raise \$49 million over the forward estimates. The Government did not consider other increases to property tax as part of its Budget repair measures, recognising the impact of the three consecutive land tax increases in the 2013–14, 2014–15 and 2015–16 Budgets under the previous Government; and
- we will also be reforming wagering taxes from a target date of 1 January 2019. Traditionally, wagering products have been taxed in the jurisdiction from where they are supplied, but with the increasing availability of online and mobile wagering, this has led to online bookmakers and betting exchanges locating themselves in lower taxing jurisdictions such as the Northern Territory. Following agreement by Treasurers at the March Council on Federal Financial Relations meeting to consider a common national approach, the Department of Treasury will begin consultation with the industry on implementing a point of consumption tax. This measure is expected to raise a net \$52 million over the forward estimates period.

I have also made a number of public comments that I was monitoring the South Australian Government's decision to introduce a State-based major bank levy. The Western Australian Government gave up State-based bank taxes in return for the introduction of the GST in 2000. Had these now abolished taxes still been in existence they would have raised the State Government around \$300 million in 2017–18. A bank levy, similar to that announced by South Australia would, if implemented in Western Australia,

improve our net operating balance by around \$250 million in 2017–18. The failure of the GST to provide the expected returns to Western Australian taxpayers means this Government must continue to consider alternative revenue measures to make up for this GST shortfall. We will continue consideration of a State-based major bank levy in the absence of genuine GST reform or our Parliament not passing other revenue measures.

As I mentioned earlier Mr Speaker, our full package of Budget repair measures delivers net debt savings totalling \$3.5 billion over the next four years, and has been designed to ensure that the whole community contributes as fairly and evenly as possible to the critical task of repairing the State's finances.

BETTER SERVICE DELIVERY

Mr Speaker, it is also our goal to improve service delivery. Upon coming to office, we immediately recognised the need for reform of the public sector. Reform in the way services are delivered. Reform as to how spending decisions are made.

While our Service Priority Review is a prime component of this reform, we have other reform processes in place. These include:

- the Commission of Inquiry into Government Programs and Projects, designed to identify lessons learned and develop measures to ensure greater rigour and transparency around future procurement processes;
- the Sustainable Health Review, to look at ways to deliver a patient-first, innovative and sustainable health system for all Western Australians; and
- development of a Justice Pipeline Model to improve integrated decision-making by simulating and forecasting activity across the entire justice system, from Western Australia Police to the Office of the Director of Public Prosecutions and the Legal Aid Commission to the Department of Justice—a great example of the innovative and collaborative approach to service delivery by the McGowan Labor Government.

ROYALTIES FOR REGIONS

I would now like to spend some time on the Royalties for Regions program, as it has been the subject of much pre-Budget commentary.

WA Labor has always been committed to Royalties for Regions and the McGowan Labor Government will not amend the Royalties for Regions legislation. Each year 25 percent of the State's royalties will be paid into the Royalties for Regions Fund, subject to the \$1 billion ceiling not being exceeded, and each year the McGowan Labor Government will fund regional projects from the Royalties for Regions Fund.

Accordingly, this Budget includes \$4 billion of projects and programs funded by Royalties for Regions across the forward estimates period.

Importantly, this Budget also does not shy away from putting the Royalties for Regions program, and the State, on a sustainable financial footing.

As all in this place should now know, Western Australia loses the majority of its royalty revenue to other States through a reduction in its GST grants. In fact, the loss can exceed 100 percent in individual years due to the time lags in the GST distribution process, which means the Government has to borrow to fund the Royalties for Regions program.

The Government has undertaken a comprehensive review of all Royalties for Regions initiatives, prioritising delivery of job-generating regional election commitments and the delivery of community infrastructure and services throughout regional WA. This review has resulted in \$861 million of regional programs, which were previously centrally funded, now being supported through Royalties for Regions.

Programs including the Patient Assisted Travel Scheme to support patients who need to travel for treatment, and funding to subsidise the higher costs of delivering water, drainage and sewerage services to people in regional Western Australia so they pay the same price as people living in metropolitan areas. Royalties for Regions funding will also be provided to support essential services to remote communities following the withdrawal of Commonwealth Government funding.

More than \$1 billion will be invested in new projects in regional WA targeting job creation, regional health, mental health, education, roads, tourism and economic development. This has been balanced against the need to retain critical existing regional projects.

Investment in tourism, including destination marketing and events, will help to grow the number of people visiting regional WA from interstate and overseas. New and upgraded road, rail and port infrastructure will be built. This will help drive the economy and make travelling on country roads safer.

Included in our initiatives is:

- \$50 million to seal the next stage of the Karratha to Tom Price Road, which will encourage more visitors to the area and create more local jobs for the future; and
- \$30 million to upgrade the South Coast Highway between Albany and Jerramungup.

Extra support will be provided in classrooms across the State. Education Assistants and Aboriginal and Islander Education Officers will be employed throughout our regional schools. Additional dedicated teachers will be employed in regional schools to support more students to complete years 11 and 12 in major regional centres.

As previously stated, the total Royalties for Regions investment of more than \$4 billion in this Budget is focused on ensuring Royalties for Regions is spent responsibly and sustainably to maximise the benefits for regional WA and to drive economic growth across our State.

DELIVERING OUR ELECTION COMMITMENTS

Now, Mr Speaker, while we have commenced these significant reforms and developed our Budget repair strategy, the Government has also begun implementing its election commitments.

Reprioritisation of expenditure has meant that the Government's election commitments, despite costing \$3.7 billion, will actually only increase net debt by \$603 million. As we have previously announced, the Government is reallocating over \$1.2 billion of Commonwealth and State funding from the former Perth Freight Link project to fund a range of METRONET commitments. We are investing \$674 million of Royalties for Regions funding in delivering on our election commitments to regional WA.

These are the first steps in the delivery of the McGowan Labor Government's election commitments.

Future Jobs and Skills: Grow and diversify the economy, create jobs and support skills development

Mr Speaker, the McGowan Labor Government has been elected to create jobs and diversify our economy. Our plans are vast and bold, with an eye firmly fixed on the future.

To boost local jobs we are spending \$39 million on the Local Projects Local Jobs grants program, which includes \$10 million in regional areas. We will also enact legislation to promote increased local jobs and local business participation in government procurement activities and major resource projects.

To develop economic opportunities and create new jobs in Collie, we have created a \$20 million Collie Futures Fund. This investment is a sign of our commitment to build a sustainable future for a town that has been a major contributor to our State's economy as it undergoes a period of significant transition.

In Albany, the Government will invest \$19.5 million to establish a Wave Energy Research Centre.

Mr Speaker, this Budget will deliver around 30 new jobs for Aboriginal people in regional Western Australia. This will occur through the Aboriginal Ranger Program. This is part of a five-year \$20 million investment that will employ Aboriginal people through direct employment and fee for service contracts, carrying out such work as biodiversity monitoring and research, management of tourism and cultural sites, weeds and feral animals, prescribed burning, bushfire suppression, and construction of recreational facilities. I am particularly proud to be able to fund this commitment.

Improving diversification of the State's economy is also high on our agenda.

Tourism is a key economic driver in Western Australia and plays a vital role in creating local jobs. We are investing a total of \$425 million over five years towards Destination Marketing and Event Tourism to focus on bringing more visitors to the State.

To support new and emerging businesses in the high tech sector we have allocated \$16.7 million to establish a New Industries Fund, including \$4.5 million to drive innovation in the regions.

In line with our election commitment, we have established Defence West as a specialised unit in Government and have appointed a WA Defence Advocate to help actively campaign for a greater share of Australia's defence contracts, thereby creating more jobs for Western Australians.

I am pleased to highlight that we are following through on our election commitment to introduce and support science programs and coding in primary schools to help prepare our kids for the jobs of the future. We will invest \$17 million to convert targeted primary school classrooms into science labs and \$2 million to upskill teachers so they can integrate coding into their teaching.

This Government also intends to give students more certainty and encouragement to undertake training. This is why we are implementing a freeze on Vocational Education and Training fees, commencing in 2018. This decision will allow more Western Australians to get the skills they need to get a job and help grow our State's economy.

Strong Communities: Safer communities and support for families

Mr Speaker, the Government is working hard to enhance community safety, tackle the meth scourge and protect the vulnerable.

We are investing a further \$48.2 million to implement a State wide, coordinated and targeted Methamphetamine Action Plan. This includes additional funding for methamphetamine treatment facilities, and the establishment of a new residential alcohol and drug treatment service in the South West.

We are also providing \$83.5 million to WA Police to recruit 100 police officers and 20 specialist staff to establish a Meth Border Force. If we can disrupt the supply, then hopefully we can reduce the devastating impacts of methamphetamine in our community.

Mr Speaker, the Government is also providing \$6.8 million over four years for staffing and building improvements necessary to provide 24/7 operations at Armadale, Ellenbrook and Cockburn police stations, as well as extending opening hours at Forrestfield, Belmont and Canning Vale police stations. A new police station will also be built in Capel.

As part of our Stopping Family and Domestic Violence package, the Government has allocated \$12.4 million over four years to hold violent perpetrators accountable, keep victims safe, and prevent violence against women and children.

This Budget also includes a range of election commitments to deliver a sustainable health system that puts patients first.

The establishment of Urgent Care clinics will be supported through a community awareness campaign. This will allow patients who have non-life-threatening illnesses or injuries to receive appropriate treatment without the need to present to an emergency department.

We will deliver the *Let's Prevent Program*—a pilot initiative to educate and encourage participants to make the necessary changes to avoid chronic conditions.

We are committed to putting patients first by being accountable through feedback and ongoing conversations to ensure patients have a say in the way we care for them.

The Government has also committed to a 10-bed community mental health step up/step down service in Kalgoorlie, which is expected to open in late 2020 and will help support people in their community by providing care close to home.

Mr Speaker, our significant investment over the next four years in educating our children includes:

- \$58.9 million to put an additional 300 education assistants and 50 Aboriginal and Islander Education Officers back into public school classrooms;
- \$31.7 million for an additional 72 full time equivalent teachers to mentor, teach and share their knowledge in order to improve teacher quality; and
- \$13.2 million to appoint an additional 30 full time equivalent teachers who will be trained to lead the delivery of mental health programs in schools.

We are also making a significant investment in school infrastructure, totalling \$1.4 billion across the forward estimates. This includes \$67.8 million for Stage 1 of the new Inner City College on Kitchener Park in Subiaco, which is scheduled to open in 2020.

Better Places: A quality environment with liveable and affordable communities

Mr Speaker, in shaping this Budget, one of our primary goals has been to ensure Western Australia has liveable and affordable communities, strong and vibrant regions, and exciting cultural and sporting events. We are also committed to protecting and enhancing our environment.

As part of our decision to cancel the flawed Perth Freight Link project, the sensitive Beeliar wetlands and valued bushland in the Roe 8 corridor are being rehabilitated, with support from the local community.

The community also wants reduced traffic congestion and accessible and quality public transport. On 7 May 2017, we announced jointly with the Commonwealth a substantial \$2.3 billion road and rail infrastructure package for the State.

The 'Boosting Jobs, Busting Congestion' package will help ease congestion, improve road safety and improve general connectivity across Perth and Western Australia. The significant agreement will provide a major boost to our economy, with 6,000 jobs expected to be created as a result of the 17 new projects, not including METRONET.

Our flagship METRONET vision will transform Perth's public transport network. We will spend \$1.3 billion over the period 2017–18 to 2020–21 for METRONET Stage 1 projects. This includes \$1.2 billion reallocated from the cancelled Perth Freight Link project and \$104.8 million from value capture and land sales.

We have allocated funding in this Budget for the construction of the Thornlie Cockburn Link and the Yanchep Rail Extension, the removal of the Denny Avenue level crossing and the procurement of an additional 102 railcars. This Budget also provides planning funding for rail lines to Ellenbrook and Byford, new and existing station upgrades, improved signalling and further level crossing removals.

The \$2.3 billion package also includes significant new road projects, which will not only help reduce congestion but will also stimulate local jobs. This Budget also includes a number of significant road projects in regional WA, some of which were highlighted earlier.

To enhance cultural and sporting activities across the State, I am pleased to announce that construction of Perth Stadium, which had a peak workforce of over 1,300, is on schedule. And the Swan River Pedestrian Bridge, which is now being manufactured locally, is on track to open in early 2018.

CONCLUSION

In conclusion, Mr Speaker, the 2017–18 Budget:

- focuses on getting Western Australia back on track by boosting local jobs and delivering our election commitments;
- outlines our Budget repair plan to return the general government sector to surplus within the forward estimates and limit growth in net debt; and
- starts the process of reforming the public sector and the delivery of services to the community.

Mr Speaker, there has been significant commentary over recent years about the state of Western Australia's finances and the reasons we find ourselves in such a poor position relative to just eight years ago. I accept that constrained revenue growth and low GST grants over the second term of the former Government played their part—but that is not the whole explanation, not even close. Those sitting opposite need to take responsibility for the state of the finances and help us respond to the structural imbalance they created during their first term in office.

The remedies needed to restore the State's balance sheet to health will require a concerted effort by the entire community, including this Parliament, to ensure we do not pass our current financial burden on to future generations of Western Australians. In that context, I appeal to members on the other side to support the effort to fix our books. I urge members of the Opposition and the crossbench not to be Budget wreckers, but acknowledge the impact of their time in Government and assume a shared responsibility in resolving the challenges which confront us.

This is a Budget that will help Western Australia return to a path of sustainable finances and a growing economy.

It is a Budget that puts us on the road to recovery.

Mr Speaker, I commend this Budget to the House.

[Applause.]

Mr B.S. WYATT: Mr Speaker —

I would now like to proceed with the formal purposes of the two Appropriation Bills, which seek the sums required for services in the coming financial year.

Appropriation (Recurrent 2017–18) Bill 2017 is for recurrent services, which comprise the delivery of services and administered grants, subsidies and other transfer payments.

Appropriation (Capital 2017–18) Bill 2017 is for capital purposes, providing for asset purchases and payment of liabilities of agencies.

The SPEAKER: You have to table the bills.

Mr B.S. WYATT: I continue —

Mr Speaker, I commend the Bills to the House and I now table:

- Budget Speech—Budget Paper Number 1;
- Budget Statements—Budget Paper Number 2; and
- Economic and Fiscal Outlook—Budget Paper Number 3.

[See papers 582 to 585.]

The SPEAKER: We need someone to adjourn the debate on the bill.

Debate adjourned, on motion by **Ms L. Mettam**.

APPROPRIATION (CAPITAL 2017–18) BILL 2017*Introduction and First Reading*

Bill introduced, on motion by **Mr B.S. Wyatt (Treasurer)**, and read a first time.

Explanatory memorandum presented by the Treasurer.

Second Reading

MR B.S. WYATT (Victoria Park — Treasurer) [2.43 pm]: I move —

That the bill be now read a second time.

The bill seeks supply and appropriation from the consolidated account for capital purposes during the 2017–18 financial year as expressed in the schedule to the bill and as detailed in the agency information in support of the estimates in the 2017–18 *Budget Statements*.

Included in the capital expenditure and financing transactions estimates of \$2 447 779,000 is an amount of \$546 025 000 authorised by other statutes, leaving an amount of \$1 901 754,000, which is to be appropriated in the manner shown in the schedule to Appropriation (Capital 2017–18) Bill 2017.

I commend the bill to the house.

Debate adjourned, on motion by **Ms L. Mettam**.

**CORRUPTION, CRIME AND MISCONDUCT AND
CRIMINAL PROPERTY CONFISCATION AMENDMENT BILL 2017**

Consideration in Detail

Resumed from an earlier stage of the sitting.

Clause 5: Section 3 amended —

Debate was interrupted after the clause had been partly considered.

Mr P.A. KATSAMBANIS: When we concluded, the Attorney General was on his feet. His time had expired but he was halfway through an explanation that I would be very keen to hear the end of.

Mr J.R. QUIGLEY: During the debate on clause 1—I am not going backwards; I am just repeating part of what was said by the member for Cottesloe—the member for Cottesloe expressed concern that if not constitutional arrangements at least privilege arrangements would be altered by this bill. He forecast that this would result in this bill being sent to a committee for investigation of that matter. During debate on clause 5, just before lunch, the member for Hillarys expressed the same concerns. In response, I sought to point out that the reinsertion of the word “exclusively” will simply empower the Corruption and Crime Commission to look at matters that involve criminality and that are not exclusively matters of privilege. However, I gathered from the responses in the toing and froing that the members for Cottesloe and Hillarys were less than persuaded by the clarity of my argument and the propositions contained therein. Over the luncheon adjournment, I took the opportunity to discuss this with Hon John McKechnie, QC, the Corruption and Crime Commissioner, and discussed the alternatives. It would indeed be a sad thing if the substantive parts of the bill—that is, all the bill other than clause 5(3)—were held up. I have been informed by the commissioner—this relates to the interplay between the commission and other agencies, especially Western Australia Police, and we have discussed this before—that in anticipation of the early delivery or passage of this bill through this Parliament, people within the organised crime squad have already been scoping targets for the CCC, which was hoping to close in on those targets as soon as possible and get them into the hearing room. The opposition speakers, despite whatever other criticisms they might have had of the bill or me personally, unanimously expressed the opinion that this bill should be supported and that those with unexplained wealth should be pursued. I sought advice from and discussed the options with Commissioner McKechnie and at the conclusion of those consultations I have concluded that if this would guarantee the swift passage of the Corruption, Crime and Misconduct and Criminal Property Confiscation Amendment Bill 2017 without it being bogged down interminably in committees, as I understand it would be—I would like to hear a response—I would be prepared to move an amendment to split the bill and take out all the words in lines 1 to 3 of page 4 of the bill. I will resume my seat and prepare a quick amendment in that regard, but before moving that motion I look to the opposition for an indication that this will, indeed, expedite the passage of this bill through this Parliament.

Mr P.A. KATSAMBANIS: I thank the Attorney General for his comments. Clearly, the position he has put just now is in line with what I and the rest of the opposition speakers have been putting since this bill came into this place. I put on record my thanks to the Corruption and Crime Commissioner, Hon John McKechnie, QC, for his understanding, as communicated by the Attorney General to this house. As I said earlier, I have significant sympathy for the views expressed by the Solicitor-General about the amendment to clause 5(3). It is just a matter of the processes of the houses of Parliament that issues of privilege are looked at by committees that tend to slow things down. The Attorney General has now accepted that and we welcome him excising this subclause. We would

also welcome an indication of whether he intends to split the bill in two and proceed with two bills now, or to bring the subclause that is proposed to be excised back as a separate bill or as part of some other bill; and, if so, an indication of the time frame because, again, we do not want to unduly hamper the Corruption and Crime Commission or the commissioner from their job. They have expressed concerns about wanting this subclause back in. We have nothing to hide as a Parliament or as parliamentarians, so it would be good to bring it back in due course so that it can be examined through the process by which matters of privilege are traditionally examined in this Parliament.

With regard to the rest of the bill—although we have some questions around not so much the inherent internal operations of the clauses but what is going to happen once this bill is passed, and we want to ventilate those today; it will not take too long, I do not believe—we do not have any objections to the bill. In fact, we support the bill. Our biggest concern is to ensure that the commissioner has all the resources available to him and his office that he needs to go after these people who apparently are being scoped right now. That has been our biggest concern all along. The Attorney General indicated in his reply to the second reading debate that the commissioner thinks he has all the resources he needs, and we will monitor that in due course. Attorney General, I hope that is satisfactory. We would like some sort of indication of what the Attorney General intends to do with the subclause that is being excised, just for completeness and for the record, and to give the commissioner some comfort that at some point he will get these changes he has been asking for.

Mr J.R. QUIGLEY: I can answer those questions. Firstly, I had a brief discussion with Ms Lee Harvey from the Parliamentary Counsel's Office over the luncheon break and she suggested a separate, one-clause bill would be the most expeditious way of doing it, but the Labor government and I, as Attorney General on behalf of the Labor government, undertake to present such a bill as soon as is reasonably possible. I have said that to the commissioner himself. There has been a little difficulty—a little overload, shall I say—at the Parliamentary Counsel's Office in drafting bills, but we think that with the assistance of my learned friend the Solicitor-General, to my right, such a small bill could be prepared for the next session. I undertake to produce such a bill in this Parliament.

Mr C.J. Barnett: He should be able to manage one line!

Mr J.R. QUIGLEY: I am sure the Solicitor-General and I could struggle with one line! I have some sympathy for him because he is part of a senior executive service whose wages were frozen and he does not get paid as a barrister by the line anymore, but notwithstanding that, he is going to help me do it for the public good! We will put this before the Parliament this year, hopefully in the next session. Therefore, I have an amendment that I have signed and would like to move. I move —

Page 4, lines 1 to 3 — To delete the lines.

Mr P.A. KATSAMBANIS: The opposition supports that amendment, and thanks the Attorney General.

Amendment put and passed.

Clause, as amended, put and passed.

Clauses 6 and 7 put and passed.

Clause 8: Section 21AD inserted —

Mr P.A. KATSAMBANIS: The Attorney General indicated that he had an amendment; which clause was that?

Mr J.R. Quigley: Clause 37.

Mr P.A. KATSAMBANIS: Okay; we have plenty of time for that.

As I said, we do not want to take up too much of the time of the house; we have ventilated most of the issues. There is the issue of cooperation with other authorities. The Attorney General helpfully indicated at clause 1 that it is dealt with under clause 8 with proposed new section 21AD of the Corruption, Crime and Misconduct Act 2003. There are two primary acts being amended here. The Attorney General clearly indicated that this clause gives power to the commission to enter into agreements of cooperation with other bodies. We do not doubt that; we have read that and we understand that, but we are really seeking an update on what advance there has been in entering into these sorts of agreements with some of the commonwealth bodies that would hold significant information that the CCC would need to go after the people we are going after. I ask that in the knowledge and understanding that some of these commonwealth bodies often guard this information jealously and are loath to share it with anyone, particularly state bodies, albeit state crime-fighting bodies.

Mr J.R. QUIGLEY: As the member for Hillarys is aware, for at least these past six years and beyond there has been little activity in this area. I think he noted that there had been only one application since 2011, so there has not been a lot of activity in developing these memoranda of understanding, and certainly not by the CCC, because the CCC has not had the power for unexplained wealth. The wide terms of proposed section 21AD will enable the Corruption and Crime Commission to seek support and assistance from, or consult or exchange information with,

any relevant body. The CCC will determine the relevance by reference to the nature of the investigation and the functions of that other body. That empowers the CCC to not only receive information, but also transmit information that the act would otherwise require it to hold unto itself, because obviously it cannot get information or entice another body to give it information unless it tells that other body what it is about.

The CCC is not restricted in whom it may ask for information; however, it recognises that statutory bodies and law enforcement authorities may have limitations on the information that can be disclosed under their respective statutory schemes. The CCC will consult and exchange information with, or receive information from, commonwealth, state or interstate law enforcement bodies and other entities such as the Australian Transaction Reports and Analysis Centre and the Australian Taxation Office. Arrangements for information sharing will be made via modification of existing arrangements and memoranda of understanding to ensure that the CCC can effectively investigate unexplained wealth. The CCC may also investigate cooperatively with other relevant bodies. It is the CCC's intention to negotiate these memoranda of understanding. Obviously, agencies like the Australian Taxation Office will be central to that. The experience in other jurisdictions in the past has been—we have seen evidence of this quite recently in the massive fraud of hundreds of millions of dollars that was disclosed in the Australian Taxation Office—that the Australian Taxation Office also has been well disposed to cooperating with law enforcement officers in the pursuit of crime.

Mr P.A. KATSAMBANIS: I have no doubt that the Western Australian commission will endeavour to put those arrangements in place. Unfortunately, we are left to the will, be it good or otherwise, of all these other bodies to cooperate. The Attorney General's answer guided me to my next line of questioning in this area, because this is about the functions of the commission and how it will go after unexplained wealth. It is really all about how it will function. The Attorney General indicated that there is scope at least—we will see how much desire there is in practice—for some form of joint operations, be they formal or informal joint operations. Who would ultimately determine the flow of the proceeds of any funds from such joint operations?

Mr J.R. QUIGLEY: I do not know whether the member has been speaking to Mr Michael Keenan, but at the moment the commonwealth is trying to enter into a federal scheme whereby we share confiscation proceeds. However, Western Australia has been a particularly successful jurisdiction and since the institution of the legislation for asset seizure, from memory, approximately \$112 million has been collected. It averages out at about \$9 million a year.

Mr P.A. Katsambanis: That is on the conviction basis, just to clarify?

Mr J.R. QUIGLEY: That is on the conviction basis. The moneys will go into the confiscation account. I have made it clear to Mr Keenan that at this stage we are not keen to enter a national scheme whereby we send money to Canberra, because our experience so far is that we get precious little back. Our confiscation account is doing quite well. At last count, I think it stands in credit of about \$11 million or \$11.9 million, and I stand to be corrected on that, but we will get it through the estimates hearing. Section 131 of the legislation states —

- (2) Money may be paid out of the Confiscation Proceeds Account at the direction of the Attorney General, as reimbursement or otherwise —
- (a) for a purpose associated with the administration of this Act; and
 - (b) for the development and administration of programmes or activities designed to prevent or reduce drug-related criminal activity and the abuse of prohibited drugs; and
 - (c) to provide support services and other assistance to victims of crime; and
 - (d) to carry out operations authorised by the Commissioner of Police for the purpose of identifying or locating persons involved in the commission of a confiscation offence; and
 - (e) to carry out operations authorised by the Commissioner of Police for the purpose of identifying or locating confiscable property; and
 - (f) to cover any costs of storing, seizing or managing frozen or confiscated property that are incurred by the Police Force, ... or a person appointed under this Act ... and
 - (g) for any other purposes in aid of law enforcement.

At the moment, a large sum from the account, which I have to sign off on but only on the recommendation of Treasury, goes to the police for the pursuit of organised crime and confiscated assets. We also have a memorandum of understanding with the Office of the Director of Public Prosecutions under which that office gets a bonus on the funds that it receives. We also disburse funds for other purposes according to law. That has included in recent times, at my discretion but only on the advice of Treasury, an allocation of, I think, \$1.2 million to prop up community legal centres, which are also involved in the administration of law. That was after there had been some savage federal cuts to those centres. I was advised that I could dip into that account and do some disbursements. In answer to a question on notice from the shadow Attorney General in the Council, I have detailed the disbursements that were made from the fund. We anticipate that that confiscation account will grow and it may be

necessary after the first three years—bearing in mind that the commissioner has said that the CCC has sufficient resources to fund this for the first three years—for some funds to go back to help fund further confiscation proceedings.

Mr P.A. KATSAMBANIS: The Attorney General has given us some interesting and valuable information, but he has not answered the question that I asked, and he may not be able to answer it in the absence of a national agreement. If cooperative arrangements are struck with commonwealth or other agencies, who will determine the percentage of proceeds that will be recovered? Some of the path that the Attorney General went down in his answer has raised some other questions that I will ask, but perhaps he could just focus on that question. It may well be that he does not know and the answer may well be that it will be determined in each individual circumstance, but I just want that on the record.

Mr J.R. QUIGLEY: It would be determined in the memorandum of understanding on a joint operation, because the operation would be run under our local legislation. If it were a target from interstate and we pulled them in, there would be a memorandum of understanding on the split of those proceeds.

Mr P.A. KATSAMBANIS: In relation to the flagged idea of a national agreement in this area, does the Attorney General think that the discussions or negotiations will lead to an agreement in the foreseeable future or will we be interminably stuck on the distribution of funds issue or any other issue?

Mr J.R. QUIGLEY: At the last conference of state and territory Attorneys General, there was certainly not unanimity by the Attorneys General around the table, so I think we are some distance from a national scheme. As I said, unless it can be demonstrated that a dividend is coming to Western Australia—it is not as though we are stuck with this—we do not want to send any money east of the border unnecessarily. We want to try to keep it all here. We have just heard the budget speech.

Mr P.A. KATSAMBANIS: Yes, I understand that part of it. I have spruiked that issue for a long time too—I think we all have in this place—but, at the same time, if we can have more effective operations that lead to a bigger pool, we can all share in those benefits and, most importantly, deprive people from benefiting from their ill-gotten gains. We will see how that works in practice.

I will move on to the distribution of proceeds that the Attorney General indicated, quite rightly, is done under a legislative scheme within the principal act. The Attorney General mentioned the “bonus”—I assume he had the word in inverted commas—available to the Office of the Director of Public Prosecutions in these circumstances to help it with its work in obtaining conviction-based criminal confiscation proceeds. The Attorney General indicated that in the future, after three years, there might be a possibility that the Corruption and Crime Commission will also benefit in that regard. In this three-year period when the commissioner has indicated that he can undertake this work without calling on further resources for his office, is it clearly the intention that no extra or bonus funds would be made available to the CCC from the confiscation fund or would it still have the opportunity to apply for it in the three-year period?

Mr J.R. QUIGLEY: It could apply but it is not foreseen that any distribution will be made at this stage. When I talked about the bonus for the DPP, I was not using a colloquial term; it is in fact described in the agreement as a bonus. If the office of the DPP recovers funds above a certain level, it will get a bonus of about \$1 million. It is not anticipated, because no-one knows. This matter was raised by the Leader of the Opposition and the member for Scarborough who wanted to know what it is expected to get. I cannot, as the Attorney General, tell members what is expected because the commissioner is not confiding in me who the targets are or what their source of wealth might be. I trust in the commission; it will do its best. That is why the commission said, “Let’s look at it for three years” and it will fund it. Then we will all have a good idea what funds should flow back to the commission by way of a bonus or ancillary funding.

Mr P.A. KATSAMBANIS: I recognise that starting off in this area by asking what the anticipated returns are is like asking: how long is a piece of string? However, the Attorney General, in bringing this legislation to this place, is telling us that the commission will be able to go after these bad guys, grab their property, and take away their ill-gotten gains. That is what this is all about. We are going to empower the commission to identify people who have ill-gotten gains—unexplained wealth; they will be unable to explain it. Those proceeds will flow through into the coffers of the state.

Mr J.R. Quigley: Into the confiscation account.

Mr P.A. KATSAMBANIS: It is into the confiscation account or into the coffers of the state—the confiscation account is part of the consolidated fund.

Mr J.R. Quigley: I say lightheartedly that the confiscation account is the Attorney General’s account!

Mr P.A. KATSAMBANIS: As the Attorney General indicated earlier, quite rightly, he might consider it his account but nothing happens without the imprimatur of Treasury. The Attorney General has already, in other discussions in this place, indicated how he has come back battered and bruised from Treasury!

I guess I am probably doing the job of Treasury here because it will be keen to know the answer to this question. I understand that it is a little like trying to gaze into a crystal ball but the Attorney General must have some sort of indication of what he would think success would be in this regime over a three-year period. What would the Attorney General consider to be an appropriate amount to flow into the coffers, taking into account that ill-gotten gains cost Australia \$36 billion a year? I think the Attorney General or another member even gave a percentage of gross domestic product; it was quite a high percentage of GDP. We are told that lots and lots of money out there is ill-gotten gains or unexplained wealth. Over that three-year period, what monetary amount would the Attorney General consider to be a success? Would it be the number of successful actions or does he have some other formula to measure that success?

Mr J.R. QUIGLEY: To be candid, I do not know and I am not going to hazard a guess. We will just have to see. I really do not know the answer to that question and I do not know that anyone knew the answer when the confiscation accounts kicked off. However, here this morning, I tabled the memorandum of advice from the commissioner himself. He asked for these powers; he sought the government's support for these powers; and he said he could do it out of his current resources. The commissioner has told me that in other states, often during an inquiry into a big business person on an unexplained wealth application, the target is invited to surrender and an agreement is entered into of how much to surrender. Not all inquiries involve expensive litigation but in some cases, we know what happens—I am not suggesting that the Bell Group case was criminal, but we have seen it in big litigation—money gets burnt on lawyers. When the crime commissions in the eastern states believe they have a case on the balance of probability, they put a proposition to the person to surrender. Often, to avoid adverse publicity, the person surrenders. For the litigation itself, it is not anticipated that the commission will appear in court and conduct the litigation—sorry, it is. I am now thinking about confiscation. The commission will do that through its own legal department. I have another arrangement going with another agency in which it will be taken over by the State Solicitor's Office, but not from the commission.

I will be frank with Parliament; I do not know. The speech that I prepared and read as the second reading speech was prepared in consultation with the Corruption and Crime Commission, obviously. The figures given as total amounts and percentages of the GDP came from the CCC's own intelligence and its national bodies. Of course, in the confiscation account at the moment, Treasury allows for an average of \$9 million a year. We think that this will considerably boost that account. I am sorry; I cannot give the member a measure against which success will be measured.

Mr P.A. KATSAMBANIS: Obviously, we will monitor it. Part of the reason for my question is not that I think three years is too long to wait, but, as I said in my contribution to the second reading debate and as other members of this chamber have indicated, the people we are talking about as potential targets are not holders of all this unexplained wealth because they have been silly or a bit lax in how they organise their affairs; it is quite the converse—they have managed to organise their affairs in a way that they have been able to hide their income-generation capacity and criminality from authorities. Although some of them may be motivated to roll over and have their tummies tickled upon presentation of a brief of evidence against them—I understand that is a component of it—many of them, particularly those with immense wealth, may well be motivated to drag it out forever and a day.

If we want an example of, again, not criminal conduct but litigation with parties that have a lot of money at stake, then the Bell example, which the Attorney General used, is the classic one in this state. It has dragged on and on. It will probably still be going after the Attorney General and I leave this place, given the rate it is going at the moment. I hope it is not.

Mr J.R. Quigley: It will.

Mr P.A. KATSAMBANIS: The Attorney General says that it will. When I am feeling less optimistic than I usually am, I have that same view. I am an optimistic person by nature and do not usually have that view, but on occasion I, too, come to that view. There is absolutely no doubt that for many of these targets, particularly the really big fish—the ones with extraordinarily deep pockets and an extraordinary need to preserve their entire enterprise or edifice from collapsing, and perhaps some who may well have diversified—it is the origins of their business empire that is really in question, rather than today's income-generation capacity. Be that as it may, there will be a big incentive for those people to continue to litigate for as long as is humanly possible—to litigate every step of the procedures, drag them out and not even get to the stage at which this might appear as an application for orders in a court. Is three years really the right time frame or should we be looking at a slightly longer time frame initially for the CCC to start generating funds out of this procedure? Is it likely that in the interim three-year period the anticipated legal costs may start mounting and we may need to consider the resourcing available to the CCC to do this quite onerous and difficult task?

Mr J.R. QUIGLEY: No-one can say never, but let me say this: there is a real incentive for people to surrender. These people are not convicted. Once litigation starts in the Supreme Court, it will be in open court, and all their family business—the whole lot—will be litigated in an open courtroom and not in the closed hearing room of the

CCC. That has to be weighed in the balance too. People who have wealth might want to litigate to protect that wealth but, on the other hand, they will not want the exposure that that litigation is going to bring. As to the time of three years, it does not matter what this Parliament sets as a review period; this is a period that the commissioner is setting himself internally. He said, “I will let you know in three years, Attorney, where we are up to.” I am not putting the pressure on him. He has come to the government and asked for these powers. He said that he is going to review where he is up to in three years and he will tell us how it is going. I trust him unequivocally. I will say this about the man—he is probably watching: I practised law in this town for 30-odd years and I would say that we have been, at times, robust opponents. He was the Director of Public Prosecutions and I was a defence counsel, so I know well his forensic abilities, his intellect and his determination. I have every faith that no matter how hard they try to fight it, they will not want to try to hide it from Hon John McKechnie, QC. I know that from experience—not an experience of him trying to find me! I did contemplate whether I would ever be on the end of one of these applications, but it would be for unexplained poverty of how come I have worked for so long and ended up with so little!

Mr P.A. KATSAMBANIS: I, too, must say that I think Western Australia is blessed to have someone of the calibre of Hon John McKechnie, QC, who has accepted this role as Corruption and Crime Commissioner after what was an interesting and sometimes difficult time for the commission prior to him accepting the role. I have every faith and confidence in his ability to execute all his tasks, including the task that he is gaining through this legislation that is passing through here. I hope he has some better things to do than listen to us chattering in here today, but I dare say that he is probably watching.

The only other issue I wanted to clarify in this clause relates to the cooperation that will be absolutely necessary and that the Attorney General alluded to when he said that people are waiting for this legislation to come into force—that is, the necessary cooperation between the police and the CCC in identifying and pursuing these targets. How is the balance going to be struck in any situation in which a conflict or an apparent conflict may arise, be it in an investigation or simply in the timing of an investigation and the pursuit of various actions that may be open to each of the authorities? A balance has to be struck between obtaining unexplained wealth in a non-conviction-based regime and pursuing what may well be fruitful and ultimately successful criminal prosecution for people who have been avoiding criminal prosecution for a long time.

Mr J.R. QUIGLEY: It goes back to what the member said about confidence and trust. It will go back to the cooperative arrangements between the commission itself and law enforcement officers. If we take out unexplained wealth and just do it as an investigation, of course the commission would report to the DPP any crime that it came across in the course of an investigation and would leave it to the DPP to prosecute that, because it cannot initiate a prosecution itself. Once again, with all these matters, it gets down to a question of balance and trust in the people who exercise the power. Under the act already, the CCC has the ability to work cooperatively with WA Police and to conduct joint operations regarding serious misconduct. That works well. There is no reason to suspect that once this legislation is passed and it gets its new power that it will not continue in that vein. As the member has already recognised, under the stewardship of the current commissioner there has been a real shift in both its operations and its reputation, which has climbed immeasurably in this community.

Mr P.A. KATSAMBANIS: My only other area of investigation—I think it fits in well here because we are talking about the functions of the commission—is in relation to consultation with the Parliamentary Inspector of the Corruption and Crime Commission. Was there any consultation on the drafting of this bill or on proceeding down the path of this bill with the parliamentary inspector; and, if there was not, why not?

Mr J.R. QUIGLEY: There was not, because the parliamentary inspector has a different function. That function was hammered out in a series of hearings before the joint standing committee when Mr Len Roberts-Smith, QC, was the commissioner and Mr McCusker, QC, was the parliamentary inspector. It was agreed that the parliamentary inspector would not operate as a court of appeal in the functions of a particular operational matter. Neither the parliamentary inspector nor the joint standing committee were consulted about the terms of this bill because it was designed to pick up the powers that already exist in the Criminal Property Confiscation Act—there are powers of unexplained wealth—and enliven them within the Corruption and Crime Commission. There was no consultation with the parliamentary inspector; doubtless, in due course, people will go knocking on his door. But his duty is separate; his duty is to look at the act and the functions of the commission and see whether they are done lawfully.

Mr P.A. KATSAMBANIS: Can the Attorney General confirm that the parliamentary inspector will still have the same oversight of this area of the CCC’s powers as he currently has in all other operations of the CCC?

Mr J.R. QUIGLEY: Most assuredly.

Clause put and passed.

Clauses 9 to 36 put and passed.

Clause 37: Section 43 amended —**Mr J.R. QUIGLEY:** I move —

Page 18, line 7 — To delete “and (5)(a)”

This was a little oversight in the drafting of the bill, which was picked up by an eagle-eyed officer; actually, it was picked up by the Director of Public Prosecutions during consultation. This amendment to delete “and (5)(a)” will ensure that there is no confusion about which agency may seek a freezing order in drug trafficker matters. To be declared a drug trafficker, a person must be in possession of drugs over the prescribed amount. From memory, it is over 28 grams for amphetamines, for example. A person convicted of or found in possession of over 28 grams of amphetamines would be a declared drug trafficker and only the DPP can seek the freezing order. The position of the CCC in consultation was that perhaps the amendment is not really necessary because when we look at the act overall, it was never the intention of Parliament that the CCC would be moving on drug traffickers but would be moving on people with unexplained wealth. The DPP was concerned, however, that if the CCC made a move against a drug trafficker without consulting the DPP, suddenly the DPP would be responsible for the management of the whole show—that is, the assets seized, the freezing order, the whole lot. Within the last two weeks, a meeting was held between the commissioner of the CCC, the DPP and Parliamentary Counsel’s Office. Those three got together and said that it was never the intention that the CCC would move against declared drug traffickers; that would remain the sole province of the DPP, while the CCC would look at unconvicted people who could not explain their wealth.

Mr P.A. KATSAMBANIS: Just to clarify, we are looking to amend section 43 of the Criminal Property Confiscation Act 2000. As originally drafted, the bill will allow either the DPP or the CCC to make an application for a freezing order under section 43(3) or section 43(5). But from what the Attorney General has told us today, it was not the intention that the CCC would have the power to bring such a freezing order under section 43(5) because that relates to orders that only the DPP can effectively make. I am comfortable with that. I have read through the provision and I think that makes sense.

Mr J.R. Quigley: If I can just interpolate there for a moment, section 43(5)(a) relates to a person who has been charged with an offence.

Mr P.A. KATSAMBANIS: Correct. Only the DPP can bring those sorts of orders. That clarifies that. In practice, the DPP would be the only applicant, but I understand that it is better this way. We saw what happened the other day in one of those statutes (minor amendment) bills when words were unintentionally taken out of two sections relating to family provisions when they should have been taken out of only one. In this case, some overeager person went through the act and decided to replace “DPP” with the words “applicant for a freezing order” right throughout. Quite clearly, this indicates that there is one limb that is effectively civil, for want of a better term. The applicant for a freezing order will be the CCC, but we are still preserving the DPP’s powers, as we have already discussed.

Mr J.R. Quigley: My advisers concur with you.

Mr P.A. KATSAMBANIS: I am trying to get it clear for me and the public.

In the case of section 43(5), only the DPP will bring an order, so let us just keep it the DPP and keep it narrow. I am happy with that. On that basis, we can pass the amendment and pass the clause.

Amendment put and passed.

Clause, as amended, put and passed.

Clauses 38 to 77 put and passed.

Title put and passed.

PETROLEUM LEGISLATION AMENDMENT BILL 2017

Second Reading

Resumed from 17 August.

MR S.K. L’ESTRANGE (Churchlands) [3.40 pm]: I stand to speak on behalf of the opposition in support of this bill, and advise that I am the lead speaker. I am a bit perplexed that there is no front bench of ministers present for this significantly important Petroleum Legislation Amendment Bill 2017, but I note that the Attorney General, who has just concluded the consideration in detail on his very important bill, was about to walk out, and I thank him for choosing to stay behind to represent his government on this very important petroleum bill. I want to make some brief comments to the house on the significance of the petroleum sector in Western Australia and the absolute importance of ongoing state government support to the sector, and then touch on what this bill specifically aims to achieve in the interests of Western Australia and Australia in petroleum investment projects in Western Australia, particularly in the Browse Basin.

I will firstly give an overview of the petroleum sector in Western Australia. It has been doing it tough and is going through its third consecutive year of lower oil prices. The 2014 cycle is now the longest cycle of depressed oil prices since the March 1986 cycle. It is worth referring to some notes I have drawn from the Western Australian digest of petroleum exploration, development and production, called *Petroleum in Western Australia*. In the May 2017 edition, the executive director of the petroleum division of the then Department of Mines and Petroleum, Jeff Haworth, writes —

As we enter the third consecutive year of lower oil prices, the 2014 cycle is now the longest cycle of depressed oil prices since the March 1986 cycle ...

Statistics show that recovery in exploration activity is usually 18 months after the recovery in oil prices. By this measure, even if the oil price were to recover in the short term, the low level of exploration activity we saw in Western Australia during 2016 will likely continue through 2017.

It is an area in need of some support from commodity markets around the world. Any slump in the price of oil has a consequential effect on exploration funding. Statistics show us that the recovery in exploration activity, as I said, is usually 18 months, and despite the sustained downturn in international oil and gas prices, petroleum activity in Western Australia in particular has continued to make some headway. It is interesting that, while the global market is doing it pretty tough, we still have some major projects, as we know, off the north west of Western Australia.

I will highlight a couple of points from a Department of Mines and Petroleum fact sheet that are of significance today. The petroleum sector is valued at about \$17.1 billion. That compares with the iron ore sector at the moment which, as the minister will no doubt be aware, is valued at around \$53.9 billion. Significant investment is going on in the iron ore sector, which is much more valuable than oil and gas because of the situation with oil and gas prices. In fact, Western Australia's share of the national crude oil and condensate market is 72 per cent. We have the lion's share there, and our share of natural gas production is 52 per cent. They are just a couple of statistics to give some context to what we are dealing with here. Western Australia also has 71 per cent of all exploration expenditure on petroleum, and 63 per cent of the national share of mining investment. We continue to be significantly important in the west.

The Department of Mines and Petroleum "Statistics Digest 2015–16" also outlines some key aspects of this sector, and I will draw the attention of the chamber to them. It states —

The value of Western Australia's petroleum sector, comprising crude oil, condensate, LNG, natural gas and LPG (butane and propane), was again affected by declining crude oil prices, which averaged US\$45.05 per barrel, down from US\$76.70 in 2014–15. As a result, the value of the petroleum sector decreased almost 24 per cent to \$18.4 billion in 2015–16.

LNG remained the State's most valuable petroleum product with output increasing marginally to a record 20.9 million tonnes. The low price affected the overall sales value of LNG, which decreased 22 per cent from the previous financial year to \$10.8 billion.

Production of crude oil, the second most valuable petroleum product in 2015–16, fell 3 per cent to 48 million barrels, but sales value tumbled 33 per cent to \$3 billion.

That provides some insight, as we can see. It continues —

Similarly, the sales value for condensate decreased 32 per cent to \$2.4 billion, despite output of more than 42 million barrels for the financial year.

In 2015–16, domestic natural gas was the only petroleum sector to experience a rise in sales value. Production increased marginally, by 3.5 per cent to 10.2 billion cubic metres, and the value of sales rose almost 5 per cent to \$1.9 billion.

It is a very significant sector. Obviously, we like to see green shoots on the horizon, but the situation with the prices being experienced in that sector means that investment is very difficult. It is very difficult to get new projects off the ground, particularly when these projects are worth tens of billions of dollars to these big oil and gas companies. To invest in that sector, they really have to demonstrate to their shareholders that they will make a return early on in the project's life, because these are long-term projects. If we think about them now, a year 3 child walking down a footpath today will be pushing their grandchildren in prams when some of these projects are peaking down the track. That gives context to the type of investment decisions we are talking about.

Employment is a key aspect of this sector, and it is very important to the people of Western Australia that employment continues to be supported by the sector, and that we as a Parliament, an opposition and a government do everything we can to support these companies to get their projects off the ground, because that equates to new jobs. The number of people directly employed in the mining sector in WA in 2016 was 104 803. That is a downward trend since the peak of 111 293 in 2013. Direct employment still remains high relative to 10 years ago, when the average number of people employed was 59 125, so there has been an increase of more than 77 per cent, but as members will note, there has been a decline since 2013. The number of people employed in the

petroleum sector was down 36 per cent to 1 103 in 2016 from 1 704 in 2015. That is a 36 per cent drop in the number of people employed in that sector. Those figures relate to onshore facilities and pipelines under the Petroleum Pipelines Act and the Petroleum (Submerged Lands) Act. The Petroleum Geothermal Energy Resources Act covers the others. Petroleum employment statistics are complicated by the split in responsibilities between state and federal governments depending on whether the project is onshore or offshore. In the notes that I will share with members today, they will see that this bill is about that sharing arrangement between the commonwealth and state.

What is the investment activity in the petroleum sector? On the 2016 statistics, as at March 2017 WA had an estimated \$101 billion worth of resource projects under construction or in the committed stage of development. Since September 2016, new petroleum sector projects are things like Woodside's Persephone-1 gas project, which is valued at \$1.2 billion. That project was discovered in 2006, approved in 2014 and is moving towards production in 2017 and is tied to the North Rankin complex. Work to grow these jobs and keep investment moving is still being done out there.

The national petroleum exploration expenditure is incredibly important to grow future jobs in the sector; that declined by around 70 per cent since its peak of \$4.7 billion in 2014 to \$1.4 billion in 2016. Over that same period, petroleum exploration spending in WA declined by about 63 per cent from \$2.8 billion to \$996 million. That highlights that we must do everything we can to support mines and petroleum investment, exploration and jobs. The Australian Bureau of Statistics looks at mineral and petroleum exploration in Australia. It identified that the trend estimate for total petroleum exploration expenditure has risen by 2.2 per cent in the March quarter of 2017; there are some green shoots there, which are good to see. Exploration expenditure on production leases, however, fell 4.1 per cent. Exploration expenditure on other areas rose by 2.3 per cent. The trend estimate for offshore petroleum exploration expenditure fell 5.5 per cent to \$221.8 million in the March quarter of 2017. Expenditure on drilling fell 4.7 per cent and other offshore petroleum exploration expenditure fell 6.5 per cent.

We need to look at investment in the petroleum sector, not only the commodity price itself, and we also need to make sure the conditions that give us a comparative advantage relative to other investment destinations are sound so we can try to get big companies with big investors committed to investing off the coast of Western Australia. Once they are committed, it is harder for them to back away. Once they commit themselves and start investing those dollars, they want to get a return. For them to pull out is a big decision, but we need to get the hook in and get them encouraged to invest here first. This is all well and good for people who are employed in the sector and get direct benefits from the petroleum sector through their wages and salaries. What is in it for the people of Western Australia? They own the resources that exist in our territorial waters and onshore and get a return on the minerals that belong to all Western Australians through the royalties system. In 2016 petroleum receipts fell almost 62 per cent from just under \$9 million in 2015 to \$5.5 million in 2016. I have also been told that the North West Shelf grants were down almost 24 per cent, which equates to about \$176 million. There is some indication that the royalties streams are dropping because the amount being extracted as a result of the downturn is having an effect. On the whole, the value of the sector in 2016 was \$17.1 billion; it is a large investment sector. But that represents a decrease of 14 per cent on 2015. LNG remained Western Australia's most valuable petroleum product in 2016. It accounted for 62 per cent of the value of the petroleum sector. There was a 17 per cent increase in the volume of LNG sold in 2016 but that was not enough to compensate for falling prices, which resulted in a decrease in sales to around \$10.6 billion in 2016. The value of crude oil sales also fell 45 per cent and global oil prices remained depressed, averaging 14.7 per cent lower in US dollar terms in 2016 than in the previous year. Condensate prices decreased broadly in line with oil prices but there was also a smaller decrease in sales volume.

Domestic national gas sales are the green light; sales increased to 10.1 billion cubic metres. The value of sales rose less than three per cent to reach \$1.9 billion. Domestic natural gas is very important for the people of Western Australia. No doubt all members are watching very closely what is going on with energy costs on the east coast of Australia at the moment. Our domestic gas has gone some way to ensure that we can keep energy prices relatively low.

Globally, most of the net growth in LNG exports came from Australia, which represented 19 billion cubic metres out of 21 billion cubic metres. That is significant growth and most of that is from us here in the west. It equates to an increase in production of 25.2 per cent and is the result of several new LNG facilities coming onstream. No doubt, many members of this place have visited those projects to see how they are progressing. My recent visit to the Gorgon project was amazing; I think it is the most technologically advanced plant I have ever seen. It is going some way towards making some efforts with its shareholders and the royalties are flowing to us.

Applicable taxes are linked to royalties. The Department of Mines, Industry Regulation and Safety collects royalties for all minerals and petroleum produced on state land and in state waters, which is important to understand for this bill. The royalties received are paid into the state's consolidated revenue fund. Additionally, WA receives a share of the royalty payments made to the commonwealth government for projects located in the North West Shelf. That share is in the form of a grant and is identified separately from a royalty receipt. The jurisdictional responsibility for offshore minerals was agreed by the Australian government and the states and territories in the 1979 Offshore

Constitutional Settlement, which stipulates that the Australian government is responsible for developments in all areas seaward of three nautical miles from the territorial sea baseline, which is known as commonwealth waters. The state and territory governments are responsible for developments between the commonwealth waters and the territorial sea baseline or coastal waters and on land. Members might expect that the revenue streams that come from some of these projects, which are significantly further out to sea than three nautical miles, would go to the commonwealth. As I will get into in a moment, this bill is interesting in that it relates to the Scott Reef and the two rocks—the golden rocks, I think they were nicknamed—that suddenly popped up in the Torosa gas field, representing a part of Western Australia. Three nautical miles had to be mapped around those tiny little rocks poking out of the sea, so the poor old commonwealth suddenly had to share some of the revenue streams of that part of the Torosa gas field with Western Australia. It is very important that we have a sound understanding of how royalty revenue streams flow and how we agreed to make them flow to Western Australia and the commonwealth so that everything is understood and Western Australians get their fair share.

Australia's petroleum taxation arrangements are aimed at encouraging production from our oil and gas reserves, while providing an adequate return to the Australian community on the exploitation of its resources. We must always remember that these resources belong to the people and not to the companies, and that is why we must make sure that some of the benefits of the extraction of these resources go to the people of Western Australia.

I am told that our petroleum taxation arrangements are among the more competitive petroleum taxation regimes in the world, which is probably why we have these huge projects off our coastline. That is important and we want to make sure that that continues.

I will not go into too much detail on the types of tax applied. The petroleum resource rent tax applied from 1 July 2012. This is a profit-based tax levied at 40 per cent of net revenue. The offshore petroleum royalty is applied to the North West Shelf production area and to state and territory waters. That does not overlap with the resource rent royalty regime; there are differences there. There is also the crude oil excise and the production sharing contracts. For example, petroleum produced within the joint venture development area is subject to fiscal terms outlined in the production sharing contract. PSCs are agreements between the parties to petroleum extraction facilities and Australian and East Timorese governments regarding the percentage of production each party receives after participating parties have recovered a specified amount of costs and expenses. There is also the resource rent royalty. The Australian government excise is waived when a state introduces a resource rent royalty on petroleum development within its jurisdiction and when a revenue sharing agreement is negotiated with the Australian government. This bill goes some way to supporting those negotiations. The profit-based resource rent royalty regime is similar to the PRRT.

I will now move on to the Browse area itself, which is what this bill is particularly interested in. Woodside has been a key operator in the Browse LNG project. This dates back some considerable time to 1967—50 years ago. When I spoke earlier about that little girl or boy walking down the path, add 50 years and they are almost near grandma and grandpa age. If they were seven or eight years old in 1967, they would be 57 or 58 years old today, and here we are talking about these projects. In 1967, exploration commenced in the Browse Basin. For those who do not know, the Browse Basin is about 425 kilometres north-north-west of Broome, out in the ocean. In 1971, the Brecknock, Calliance and Torosa gas fields were discovered. They were significant discoveries, as we know. Fast-forward to 2008, and the WA and Australian governments signed a strategic assessment agreement to assess the location for an LNG processing facility for the Browse Basin reserves. I will not go into the details of the dramas around that because both sides of the chamber understand it was an incredibly difficult negotiation process. But briefly, on 15 April 2009, the traditional owners in the Kimberley agreed to allow the construction of a gas processing hub at James Price Point, north of Broome. In December 2009, the WA and federal governments renewed the Browse Basin leases for Woodside and joint venture partners. However, on 22 December 2009, the traditional owners threatened legal action to stop the development of the gas hub, which from memory had to do with a disagreement between the Kimberley Land Council and other traditional owners about who could negotiate. That slowed things down. On 11 December 2010, a multimillion-dollar assessment of the gas hub recommended that the project go ahead despite some environmental risks. Then significant protester clashes occurred on the dirt track with contractors.

[Quorum formed.]

Mr S.K. L'ESTRANGE: On 15 February 2011, the Federal Court of Australia handed down a ruling clearing the way for traditional owners to sign a deal permitting the gas hub to be built. On 8 March 2011, the public consultation period for the strategic assessment report ended, but it was extended on 28 March. Nearly 11 000 public submissions were received, almost all of which opposed the hub. Members might recall what I said earlier about trying to support this sector to create these projects and to get jobs off the ground. These are the types of difficulties governments face when they are supporting industry to get things to progress. Royalties do not get to flow if projects do not happen. On 7 June 2011, protesters blockaded the dirt road into the James Price Point site.

On 3 August, the then federal Minister for Sustainability, Environment, Water and Population, Tony Burke, made his first visit to the site. Even the Feds started getting concerned and turning up, even though they were on the

wrong side of the fence. On 31 August 2011, the federal government listed more than 19 million hectares of the Kimberley region to be heritage listed. The former state government was very interested in creating that wonderful national park in the Kimberley region. The proposed gas hub was not included in that area; however, the dinosaur footprints that were discovered were to be looked after and not touched. That was a good thing for those dinosaur footprints.

On 6 December 2011, the WA Supreme Court ruled that the state government's move to compulsorily acquire land for the gas hub was invalid. That was a huge hiccup in the progress of this onshore gas hub and placed the gas project in doubt.

Moving forward to May 2012, Woodside accepted an offer by Japan Australia LNG for a 14.7 per cent stake in the Browse development. Then in June 2012, the proposed gas hub land was facing a legal challenge over native title claims—again, more hurdles to be overcome. In June 2012, the EPA approved the \$30 billion LNG project subject to 29 conditions. Since 1967, we had been slowly getting there.

In November 2012, the WA government granted final state environmental approval to the project; the hub still required environmental and heritage approval from the federal government, plus a final investment decision. This is where it slowed right up. In December 2012, BHP announced it was pulling out of the project after reaching agreement to sell a stake to PetroChina, and that followed Chevron's sale of a stake to Shell in August 2012. On 12 April 2013, Woodside abandoned the Browse LNG project.

I will read a little bit about that because it is important to share it with the house. In the *Oil and Gas Journal* dated 24 March 2016, an article by Rick Wilkinson titled "Woodside-led Venture postpones Browse LNG project" states —

... Woodside Chief Executive Officer Peter Coleman said the company remains committed to "the earliest commercial development of the Browse resources and to floating LNG as the preferred development concept." He also did not discount the possibility of a completely different development option, such as piping gas to the Burrup Peninsula facilities currently serving the North West Shelf fields. Coleman added that the economic environment is not supportive of a major LNG investment at the moment.

That was back in March 2016, and my research to date has not indicated that that situation has changed. Nevertheless, it is important that we make sure that the Petroleum Legislation Amendment Bill 2017 supports the income streams to Western Australia and, more broadly, to the commonwealth, if and when that particular project gets back up.

That is the situation of the oil and gas sector at the moment. I will now move to the significance of ongoing state government support to the petroleum sector. I do not aim to be controversial today; I just want to remind members of the duty of government in supporting the petroleum sector. I would like to first of all take us back to a bit of recent history when the Labor Party was last in power, or just as it was handing the baton over to the Liberal-National government; we are going back to 2008. We need to understand the situation that existed at that point in time to give some context to where we are today.

I will read from an article that appeared in *The West Australian* of 6 October 2008 titled "WA takes dubious title of riskiest State", written by Kate Emery. I will just read the first couple of paragraphs —

It's official, if incredible. And for many mining companies operating in WA it may not come as a surprise. WA, the country's supposed resources powerhouse, is now considered the most risky State for resource development in the country, according to a survey of 3000 senior mining and oil and gas industry executives worldwide.

Concerns about red tape, green tape, land access and infrastructure have delivered a knock to the State's reputation as the country's mining capital, according to ResourceStocks' 2008 World Risk Survey.

That was the situation as at October 2008. Linked to that assessment was a significant petroleum project, the \$24 billion Inpex project. I want to highlight to the house that at the time, we, as a nation, as part of the western world, were going through the global financial crisis. Jobs growth in industries was incredibly important at the time. I will now read from the *Business News* of Thursday, 2 October 2008. It is an editorial by Mark Beyer titled "What the Inpex decision means". For those who do not know, at the time, the Inpex project was moved away from Western Australia and went to Darwin. The article states —

There was something almost surreal about events last Friday when Western Australia lost the country's single largest resources project as the rest of the world trembled over the fallout from the global financial crisis.

It goes on to say —

Most places around the world would have pulled out all stops to secure a project that involves capital spending of \$US20 billion (\$A24 billion) and will employ up to 2,000 workers at the peak of its four-year construction phase.

That no doubt was of significant concern, certainly for the oil and gas sector, and a significant concern for the development of mining and petroleum projects in Western Australia to have such a significant \$24 billion project moved away from Western Australia. The fact that Western Australia was rated last, as I said earlier, was of real concern.

There was some further commentary about how the decisions and functions of government in the mining and petroleum sector are so critical to ensuring that investment continues to progress. I will share with members some other commentary from *The Australian Financial Review* dated Monday, 6 October 2008 by Julie-anne Sprague titled “WA minister ‘disgusted’ by risk ranking”. The WA minister referred to was Norman Moore and at the time, as I said, we were globally rated very poorly, and he was very, very concerned. In this article, the chief executive officer of the Association of Mining and Exploration Companies, Dr Justin Walawski, said —

... the average time for explorers seeking application to undertake works in WA was between 12 months and 18 months, and that there was a backlog of some 13,000 mining and exploration licences awaiting approval.

“That is a nonsense for WA,” he said. “And in the past decade there has been a 22 per cent decline in the level of mineral exploration.”

Certainly, the conditions for mining and petroleum success at the point of handover from the last Labor government to the new Barnett Liberal–National government in 2008 were very low. One would hope that a fair bit has been achieved since that time to get this sector back in the black, so to speak.

If we fast-forward from 2008 to September 2017, what is the context in which the mining and petroleum sector has been handed to the new McGowan Labor government? We know that just last year Western Australia was ranked number one in the world as a mining investment destination by the highly respected and regarded Fraser Institute.

Mr W.J. Johnston: No, third.

Mr S.K. L’ESTRANGE: No, last year I said. The Minister for Mines and Petroleum is correct: it is currently ranked third.

Mr W.J. Johnston: No, you misunderstand the Fraser Institute. It’s a backward-looking report so the rating that we currently have is for the previous year. Last year we were rated third. We were rated first two years ago, and then you were made the minister and we went to third!

Mr S.K. L’ESTRANGE: Anyway, I will accept that interjection as a point of clarification, but the point has been made that during the Liberal–National government’s tenure, the Fraser Institute rated Western Australia the number one destination in the world. As the minister correctly pointed out, we then dropped to third during 2016, moving into 2017, and that is the baton handover point. I hope that the minister will pull out all stops to promote the mining and petroleum sector in the cabinet of Western Australia to ensure that we get back that first-placed ranking as a global mining investment destination, because having that ranking means that investors around the world can feel secure that investing in Western Australia does not carry any sovereign risk. They can feel secure that they will get a return on their investment. Growing those big projects will mean jobs for people in Western Australia; they can apply to work on those projects we have heard from. We have heard from the McGowan government today that it has a strong focus on local content, so we would hope that that would also flow into these projects and grow even more jobs for the people of Western Australia. It is a pretty important sector. It is currently ranked third and I look forward to seeing the Minister for Mines and Petroleum do everything he can to get that ranking back from third to first.

I am concerned at the early indications. We are six months in since the McGowan Labor government was elected and we are starting to see some significant decisions that I fear will impact on the mining and petroleum sector and possibly make worse the Fraser Institute ranking of third and drop it even further. We should be aiming to push it back up to first, but I worry about the decisions being made in the mining sector, such as the decision about how the government is communicating with the mining industry, particularly uranium mining, when the Labor Party said that there would be no mining exploration or investment for future projects. We know the Labor Party said that. Even with regard to the four current uranium mines that are moving through the process to get themselves shovel-ready for production when the commodity prices turn in our favour, the minister actually said that they must substantially commence within five years of approvals, notice having been issued, which also sent some doubt to that sector as to whether the current McGowan Labor government would hold true to those four projects. Would that mean that those projects would have to go back to square one, and where would the government of today be with regard to letting them continue to try to get shovel-ready? We do not know the answer to that because it has not happened yet. The fact is that investors make decisions based on what they think might happen. It takes a fair bit of analysis and research, but what they are really trying to do is get a feel for the risk in investing in something when the government is communicating that it is not behind their particular sector. The

uranium sector is just one sector. We saw an article in *The West Australian* of 18 April 2017 headed “Unions rap minister on uranium”. There were a couple of pieces in that article, one of which states —

AMWU State secretary Steve McCartney was quick to say the Minister had been misquoted and “there is no way in the world” projects would be able to go ahead.

Further in the article, it states —

Conservation Council of WA spokeswoman Mia Pepper was adamant none of the projects had met the definition of final approvals ...

Those two very strong groups have been putting enormous pressure on the McGowan Labor government and I think the result is that we will not see much growth at all.

Mr W.R. Marmion: Will that be to move the goalposts?

Mr S.K. L'ESTRANGE: I do not think we will see much movement at all in the uranium mining space.

The other area of significance is hydraulic fracture stimulation. Hydraulic fracture stimulation is one of the methods by which we can extract gas from onshore shale reserves that are, I think, 4 000 to 5 000 metres underground and bypassing any significant water resources. In fact, even if water resources were to be risked, there is no way that a government of any persuasion would approve it if it would put at risk water reserves. Notwithstanding that, there was a media release dated 5 September 2017 titled “McGowan Government implements fracking commitment”. The first bullet point in the media release states —

Hydraulic fracture stimulation ... for onshore gas activity halted in WA

That is the headline. What does “halted” mean? I can tell members what it means.

Mr B. Urban: Stopped?

Mr S.K. L'ESTRANGE: Yes, absolutely it means stopped. What are the second and third-order consequences of this? We know, because we were in government, that stringent multiagency approval processes are in place involving the Department of Water and Environmental Regulation, the Department of Health, the Department of Mines, Industry Regulation and Safety, and the Environmental Protection Authority. We also know that the responsible development of onshore gas projects can provide significant benefits. We know that only two years ago the Western Australian Parliament's Standing Committee on Environment and Public Affairs conducted a thorough inquiry. On the surface, it looks as though this is more about appeasing these heavy pressure groups that are pressuring the government than it is about trying to support the petroleum sector to succeed.

Today we heard the Treasurer's budget speech. We heard that the gold royalty regime will be changed. That is a significant decision by the McGowan Labor government to increase the tax on gold production. That, too, sends a message to not only the gold sector, but also the mines and petroleum sector, that this government is interested in harvesting those sectors for more revenue. This is at a time when Western Australia needs jobs growth in the mines sector. We also heard today—this will require some analysis—that a new stealth mining tax is being introduced in the guise of a payroll tax. This is interesting, because a payroll tax that will hit the big mining and petroleum companies is akin to trying to kill off jobs, and I will tell members why. Payroll tax is about the wages paid to the workers whom it will be calculated on. If this does not speed up the research and development by these big companies to invest in automation to reduce their payroll, I do not know what will. I fear that the government is not only whacking these companies that are supporting jobs for Western Australia, but also speeding up the process by which they will not need to employ more Western Australians. I think that is short-sighted, but no doubt the government will already be thinking ahead to create some sort of automation tax to try to counter the downfall in payroll tax down the track. Although the Labor backbench laughs, it will have serious second and third-order consequences for the sector. When the government makes it difficult for the sector to look for success in Western Australia, it will start making investment decisions that impact on jobs in Western Australia. Actions speak louder than words, but those words sometimes set the conditions for investment decisions. It impacts on jobs and motivation, particularly if we think about hydraulic fracture stimulation, with ongoing research and development investment into even safer ways of extracting a gas resource more cheaply and more efficiently and then preserving a secure energy resource for the people of Western Australia. We need look only at what is going on now in the south east of Australia with energy prices, because those states are not securing their energy resources properly. They are kowtowing or acquiescing to political expediency by pressure groups and union groups and are not focusing on the long-term energy needs of people. We have huge reserves of onshore gas in the Canning Basin.

Mr W.R. Marmion: And we get the royalties from the onshore ones.

Mr S.K. L'ESTRANGE: We get the royalties from the onshore ones, and we also get to secure a safer, cleaner energy source for the people of Western Australia. I fear that investment in that area will drop significantly as a result of the decisions being made by the McGowan Labor government.

We want to encourage investment in exploration, science and innovation, and the capacity to grow our exports and jobs and, as the member for Nedlands pointed out, to grow the wealth for all Australians and Western Australians through the strong royalty streams that flow from these particular projects.

I will now move to a brief assessment of what we are trying to achieve with the Petroleum Legislation Amendment Bill. It is worth giving the house an update on it, because it is an important thing that we are doing. It is important to understand why we are making the changes to cater for what is going on in the Torosa gas field. In May 2014, the “golden rocks” of the north Scott Reef area were identified, which required the WA maritime boundary to be redrawn. The north Scott Reef area has the Torosa gas field and the Browse Basin with the Woodside joint venture. Therefore, as a result of the discovery of these rocks, the Torosa gas field is over state and commonwealth waters. The golden rocks boundary changes meant that WA went from having 10 per cent to having 65 per cent of the royalty flow from that particular petroleum resource. At 2016–17 values, royalty revenue in the vicinity of \$1.3 billion could flow from that project if it gets started, so it is important to get this done.

To deal with the changes brought about by the discovery of the golden rocks, the previous government enacted the Petroleum Titles (Browse Basin) Act 2014. That act dealt specifically with the Torosa field, but we also needed to make generic amendments to the petroleum legislation to allow for any future changes to maritime boundaries so that future beneficial changes to state waters could be dealt with very easily through the legislation. That is what we are trying to achieve with this bill. Members may recall that it became significant at the three-nautical-mile limit, which I talked about earlier. We need to match the commonwealth’s efforts to make these generic amendments and we need the amendments to cover the issue of an initial single petroleum pool becoming multiple pools. Some people might think there is just one reserve; it is a bit like when we look at farmland. If someone is using an acre of farmland, it is just that acre. However, it is a bit different with petroleum. We have to think of it almost as three-dimensional. One pool might come in at one depth with another one below it, which comes in from somewhere else at an angle from another depth, and that might originate from somewhere else. It is not easy trying to apportion how these pools are measured and the royalty revenues from the distributor to those pools that sit within the three nautical mile limit around the golden rocks and those that do not. It involves a fair bit of geological understanding. We need to make our legislation robust enough to deal with that and that is what this legislation is trying to do.

We need to remove reference in the WA Petroleum (Submerged Lands) Act to the term “designated authority” because it became redundant, I think since January 2012, when the commonwealth government introduced the National Offshore Petroleum Titles Administrator. It will ensure that the petroleum titleholder has continuity of tender in the event of a boundary change between the state and the commonwealth governments. Currently, there is a regulatory gap whereby affected petroleum blocks would become vacant acreage. That will obviously be a huge risk to people who have staked out these areas and done a fair bit of exploration and research. If they become vacant acreage, somebody could jump in over the top, which would create sovereign risk.

Mr W.R. Marmion: And hundreds of millions of dollars lost.

Mr S.K. L’ESTRANGE: Correct; as the member for Nedlands said, hundreds of millions of already committed dollars would be lost from the investment. It is very important that we do not create situations of sovereign risk. That is why we need to make these changes, but it is not only that. We also made a commitment to change this legislation during the Torosa apportionment agreement, so I think it is very good that the McGowan Labor government is bringing this on its first year. The changes are important to stay true to making sure that we make the changes we said we would make.

What are the risks of not changing it? There would be no security of tenure for investors and titleholders. In the future, sovereign risk, as I said, could arise from a potential loss of invested tenure. The current geological knowledge of the entire Torosa petroleum field is viewed as being a single pool at the moment, but once production starts, we may discover two or multiple pools and therefore the Torosa agreement would fail. That would risk billions of dollars in royalties to Western Australia. This amendment alleviates the problems if the single pool becomes two or more pools and, of course, we gave the commitment we gave. The benefits to Western Australians exist in making sure that we have the security of the Torosa gas field so that royalty streams from Browse can come into Western Australia. They can under the current Torosa agreement, but it will ensure they can flow into Western Australia with any future changes. This bill will take care of that situation.

In conclusion, we need to understand that the Petroleum Legislation Amendment Bill 2017 is important. The opposition supports the bill and its smooth passage. I have discussed with the Minister for Mines and Petroleum that we will not hold it up in consideration in detail; we will let it go straight through to the third reading. We are doing that because we understand the significance and importance of the petroleum sector to not only the nation but, more specifically, Western Australia, particularly regarding royalty streams and, of course, jobs. I made a point during my brief comments today that the context in which we operate our mines and petroleum sector is incredibly important, and it is fragile. It is fragile because other the countries around the world are competing to get their projects off the ground and to make sure that the big global oil and gas companies set up their projects in their nations so their citizens get jobs and get the benefits of economic growth off the back of these projects. It is absolutely critically important that the McGowan Labor government looks back to the time when Labor was last in government and takes on board the fact that in 2008, as I said, Western Australia was ranked last in the world as an investment destination for mining and petroleum. We lost the \$24 billion Inpex project as the owners decided

that if they could not deal with the Western Australian government, they would build a 900-kilometre pipeline. The pipeline extended around the Kimberley and up into Darwin. That is what they did to keep their project moving ahead. I would hate to see an example of that occur again, particularly at a time when investment was strong. Right now, investment is difficult because commodity prices are down, as I outlined. However, we need to do everything we can to support the mines and petroleum sector to make sure it can get its projects off the ground.

Some people might argue that the mining community might be able to pay more of its fair share but, first and foremost, we have to have a sector. If there is no sector, it does not matter what we try to tax—if it ain't there, we are not going to get much. We have to look for that balance. Investment decisions are going to be made in the mines and petroleum sector based on the rhetoric and policies that come from the government of the day. Investors will hedge bets, look at things and say, "Righto; we know we have three and a half more years of a state Labor government with the prospect of that being extended for another four years." They will not care whether we like it or whether we are going to lose our seats. They will purely look at the three-and-a-half year to seven-and-a-half year plans. They will ask: "What are the odds of Labor being in beyond 2021 and do we make an investment decision in the north west of Western Australia for oil and gas projects or onshore mining projects?" They will not make those decisions based on whether Sean L'Estrange is the member for Churchlands or Bill Marmion is the member for Nedlands; they will base them on what they think is in the best interests of their shareholders. The government has to say, "Okay; we know that mining companies will do things that are in the best interests of their shareholders and we also respect and acknowledge that they commit to ensuring they maintain their social licence to operate." Mining companies commit a lot of resources, time and effort to supporting local communities and to giving back to the people of Western Australia. We know that. We see that with the agreements and the arrangements they try to set up. If they do not, the people of Western Australia, particularly in the communities that surround them, will let them know—they will certainly let the government of the day know—that these companies are not playing fair. Most of the time, they will come to the table and negotiate to try to put some more effort into supporting local communities. All of that could become a moot point; we could basically turn the entire resource sector of Western Australia into the equivalent of an unused lot with no jobs, no royalty streams—nothing—if we wanted to. We must remember that Western Australia has always predominantly been an export-driven state. Two of the most significant and important exports we have are minerals and petroleum. As I said today, in just six months, we have already seen impacts on the uranium sector and a significant impact on the hydraulic fracture stimulation sector. Just today, we heard of a major impact on the gold sector with royalty changes and of a new stealth mining tax, called a payroll tax, which will only encourage the speeding up of automation and less payroll.

Looking for quick fixes can do enormous damage. It is particularly important that we make sure the government does not acquiesce to powerful unions and boisterous, unrestrained protestations from anti-development micro-groups in the community. It is really important for the government to look at the needs of Western Australia more broadly and understand that the main game is about increasing, not decreasing, investment. It is about making sure that we reduce red tape. Certainly, when I was minister for mines, one of the biggest complaints I got was about the stop-the-clock aspect of approvals processes. Had I had longer in the chair, that is certainly an area I would have drilled into. No doubt the current mines minister is thinking of doing the same thing. Sometimes stopping the clock works for companies that voluntarily ask the department to stop the clock on their application process because they want to go away and do a bit more research—it works for them—but there are other times when companies are good to go but the department might stop the clock. When the statistics are released at the end of the year, the department will say, "Oh, we're very good; we had 98 per cent achieved on time." Yes, but the department was stopping the clock. Was that motivated by industry or was it motivated by the department? That is an area that needs to be looked at. Every effort to reduce red tape is incredibly important. Green tape is another one. We are seeing that now with the inquiry into hydraulic fracture stimulation and the moratorium that has been created. That is just a massive piece of green tape.

Mr W.R. Marmion: I am just wondering whether the Torosa field is onshore or offshore.

Mr S.K. L'ESTRANGE: Offshore.

Mr W.R. Marmion: Even though it is on land.

Mr S.K. L'ESTRANGE: It is way over.

Mr W.R. Marmion: I mean under the definition of the moratorium.

Mr S.K. L'ESTRANGE: That is a good point. I am pretty confident it will be undersea.

Mr W.R. Marmion: They might have to drill through the land to get there.

Mr S.K. L'ESTRANGE: I thank the member for Nedlands.

It is incredibly important that we keep the pressure on red-tape reduction. It is just as important for green-tape reduction. Otherwise, jobs will fall and confidence in the economy of Western Australia will fall, which will impact on consumption spending in metropolitan Perth, which will then flow on to local small businesses and medium enterprises in the Perth metropolitan area and regional centres. They are all impacted. It is incredibly

important that we set the conditions for success and that we do our best to not inhibit exploration and the progress of investment projects in Western Australia, particularly in the petroleum sector.

In conclusion, the opposition supports the progress of this bill through the Parliament. As a former mines and petroleum minister, I would love to see this bill get through so that we can get the Torosa gas field ready for operation.

MR W.J. JOHNSTON (Cannington — Minister for Mines and Petroleum) [4.41 pm] — in reply: I am pleased to summarise the debate on the Petroleum Legislation Amendment Bill 2017, given that, as I understand it, nobody from the National Party will be speaking on the bill.

A government member: They have gone missing.

Mr W.J. JOHNSTON: I am sure they are engaged in important parliamentary duties elsewhere in the precinct.

I note that the shadow minister did not actually refer to any elements of the bill, but I just want to make a couple of comments about some of the issues he raised. The first is that he repeated the fiction that somehow the Inpex Corporation project was lost from Western Australia to Darwin. I want to make a couple of things clear. In December 2011, the Browse partners—that is, the Woodside-led Browse partners that we are dealing with in this legislation—announced that they would not be making a final investment decision on the Browse project and the James Price Point precinct. The Premier of Western Australia at the time, the member for Cottesloe, came out and said that this was a really good decision because it would allow him to negotiate with Inpex to get it to go to the James Price Point precinct. Inpex made its decision in January 2012—go and google this; it is available on the Inpex company website—and put out a media release announcing its decision to go to Darwin. That was just over five and a half weeks after the then Premier, the member for Cottesloe, said that he was going to be negotiating with Inpex to go to James Price Point. I never understand why the Liberal Party has continued to promote this fiction, which has no reality at all.

Members might also like to look at the transcript of evidence of the Economics and Industry Standing Committee inquiry into domestic gas prices. I was very proudly the deputy chair of that committee and the now Leader of the Opposition was the chair of that inquiry. Inpex gave evidence to that inquiry—again, it is publicly available; go to the Parliament House website and check it out. In its evidence, Inpex made it clear that at no time did it ever consider any opportunity to have its project onshore in the Kimberley—not once. That was never its plan. In fact, members can read in the transcript of evidence that Inpex chose to not be part of the task force set up by the former Labor government to develop a single site in the Kimberley for the gas processing hub. Inpex said that it had made submissions to that task force but had chosen not to be a part of it, because it did not consider that there was anywhere on the Kimberley coast that could be made available in accordance with its investment horizon. I never understand this fiction that is promoted by so many people in the Liberal Party about Inpex somehow or other having been lost by the former Labor government. I will make two points to make it clear. Inpex said in 2009 or 2010—whenever it was—that it had at no time considered any location on the Kimberley coast as being suitable for its investment decision. That is the first point. The second point is that the then Premier of the state, the member for Cottesloe, said at a press conference in December 2011 that the decision by Woodside to delay the final investment decision for James Price Point was a good decision because it would allow him to negotiate with Inpex to go to James Price Point. It was in January 2012—go and look at the Inpex website—that Inpex made the announcement that it was going to Darwin. Guess what, members? The Labor Party was not in government in January 2012. We were not in government at the time that Inpex made the decision to build its facility in Darwin. The Liberal Party was in government. I get so angry every time I hear this fiction being said by people on the other side of the chamber. It is not true. It was never true. It is not true, no matter how many times it is said.

The next point I want to make is about the success of the Labor Party in promoting investment. When I was state secretary of the Labor Party, businesspeople used to say to me all the time that it was easier to get major projects done with a Labor government than with a Liberal government. The world's largest single industrial development is the Gorgon project, which was agreed by the Labor government with Chevron—not the Darwin LNG project, as the member for Churchlands said a number of times during his speech. The single largest project in the history of the world, literally—this is not one of those Colin Barnett biggest-in-history projects; this is actually the biggest single industrial development ever—was made with the Labor government. That is what happened. Unfortunately, the Liberal Party cannot cope with this. Members can go through the history of mining and oil and gas development in this state. The Labor Party has been with every successful development. We are not the party of Kingstream. We are not the party of Italian steelworks in Karratha. None of those projects were ever talked about by the Labor Party. That was the Liberal Party, which constantly comes into this chamber in government and promotes projects that do not exist, just like James Price Point.

I will also remind the chamber of why James Price Point was selected. As I said, the former Labor government had a process, in cooperation with the Indigenous people of the Kimberley, to choose a location for the site. The incoming Liberal government cancelled that project process and simply chose James Price Point. No wonder it ended up in conflict with the Indigenous people of the Kimberley. Do members know what the then Premier, the member for Cottesloe, used to say? He said it was outrageous that the former Labor government was giving the Indigenous people a veto. What a disgrace! Farmers in this state have a veto over mining projects on their land, so

why is it that Aboriginal people cannot be given a veto for development on their land? What the Liberal Party did in government was an outrage. That is just another example.

This fiction that the member for Churchlands gets involved with is just an absolute disgrace. That does not end the disgrace. I urge members to read the upper house report into this bill. The member for Churchlands pointed out that he was the minister who introduced this legislation. Do members know what? He and his government entered into an agreement with the commonwealth for the legislation to be effective from 1 July 2017. I point out that the commonwealth government introduced its legislation on 15 December 2016. It passed both houses on 8 February 2017 and was assented to on 22 February 2017. There has to be complementary commonwealth law to make this bill effective. I met Senator Matt Canavan, the former federal Minister for Resources and Northern Australia, when he visited Perth a little while ago just after I became a minister. We discussed the Petroleum Legislation Amendment Bill 2017. I told Senator Canavan that because of the actions of the former Liberal government, which never brought this legislation on for debate, we would not be able to achieve it by 1 July 2017. The commonwealth could achieve it, but we could not. As the member for Churchlands pointed out, complementary legislation on the Browse Basin project got through, but the former government never came back to deal with this bill. It introduced the bill into Parliament but it sat on the notice paper and was never debated. The member should be embarrassed. I have not even gone into all the things that were left on the desk when I became minister, including four Warden's Court decisions. In one of them, the then Department of Mines and Petroleum on September 2016 wrote to the parties involved in the dispute and said that the minister would make a decision within three weeks. I had to make a decision in April this year!

Mr B. Urban: That is three weeks?

Mr W.J. JOHNSTON: That is more than three weeks; the member is quite right. I will not be lectured to by a Liberal Party that has failed this state again and again.

I have a final point about this before I go on to make a couple of other remarks. If the former Premier, the member for Cottesloe, had not intervened in the Browse Basin project, there would already be a pipeline to the North West Shelf. The gas would already be available for use in the North West Shelf. I became a shadow minister in 2012. At the time there were five partners in that project. Three of them came to see me and the current Premier when he was the Leader of the Opposition. All three said that they thought piping the gas to the North West Shelf was the right decision. The former Premier used to say that that would delay the project by 10 years. No, it would not have delayed it. It takes so long to get to a final investment decision that we were better off making the gas available to backfill the North West Shelf. That is the best way to handle that gas. Guess what, Madam Acting Speaker: the way the federal petroleum resource rent tax works means more tax revenue will be available for the commonwealth to share around Australia. The capital value of existing infrastructure has already been written down, so it allows a higher tax take if that petroleum product is processed through the North West Shelf. It will also guarantee that domestic gas is available out of those two domestic trains, which are so critical to the future of this state.

I cannot believe that the member for Churchlands, who held the job that I now so proudly hold, comes in here and tries to lecture us when the former government delayed this project by a decade. The former government could not even get this bill through the chamber. It could not even ask the chamber to consider it—that is how important it thought this bill was! The former government could not be bothered to do some work and get the Parliament to consider this bill.

I will finish off. I want to thank the agency for working so diligently on this project. I also want to thank the Leader of the House who was able to read my second reading speech when this bill was received in this house. I was very sick that day. I spent the morning asleep on the couch in my office because I was ill. I stayed for question time but I left afterwards. Fortunately, I got the first question in question time, so it was lucky I hung around. I thank the member for Mandurah, the Leader of the House, who I am sure understood in detail every single word that he read out in the second reading speech!

Mr P.C. Tinley: He took interjections and everything.

Mr W.J. JOHNSTON: He did, indeed. I thank the Leader of the House very much for doing that for me. I am not often sick but I was quite ill that day. I commend the bill and I thank the staff in the Department of Mines, Industry Regulation and Safety for the hard work that they always do on this stuff. I look forward to the Torosa project coming to fruition and to the continued success that every Labor government has on these major projects.

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 **Mr W.J. Johnston (Minister for Mines and Petroleum)**, and passed.

House adjourned at 4.55 pm

