



Parliamentary Debates

(HANSARD)

FORTIETH PARLIAMENT
FIRST SESSION
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LEGISLATIVE COUNCIL

Thursday, 10 May 2018

Legislative Council

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THE PRESIDENT (Hon Kate Doust) took the chair at 10.00 am, read prayers and acknowledged country.

BUDGET SPEECH

Statement by President

THE PRESIDENT (Hon Kate Doust): Members, you will be aware that the budget will be delivered today and I remind you that at 2.00 pm the budget speech will be read into this chamber by the Minister for Environment in his representative capacity.

STANDING COMMITTEE ON PROCEDURE AND PRIVILEGES

Forty-eighth Report — “Corruption, Crime and Misconduct Amendment Bill 2017” — Tabling

THE PRESIDENT (Hon Kate Doust): I am directed to present the forty-eighth report of the Standing Committee on Procedure and Privileges entitled “Corruption, Crime and Misconduct Amendment Bill 2017”.

[See paper 1343.]

The PRESIDENT: The report I have just tabled relates to the Standing Committee on Procedure and Privileges’ inquiry into the proposed amendment contained in the Corruption, Crime and Misconduct Amendment Bill 2017, and the possible effect of the amendment on parliamentary privilege and any future Corruption and Crime Commission investigations that may involve proceedings in Parliament. The procedure and privileges committee is satisfied that the proposed insertion of the word “exclusively”, if passed, would not result in a diminution in the scope or operation of parliamentary privilege. The committee’s view is supported by independent legal advice, which is attached as an appendix to the report.

The committee noted that the referral debate on the bill canvassed a range of issues regarding parliamentary privilege and the history of the Western Australian Parliament’s interaction with the Corruption and Crime Commission. Although some of these matters fell outside the scope of this inquiry, the committee nevertheless took this opportunity to provide additional information outlining the origins and sources of parliamentary privilege in Western Australia in the expectation that this report will become a future resource for members.

I thank members of the committee and its staff for providing this valuable resource.

*Forty-ninth Report — “Treaty Function:
Standing Committee on Uniform Legislation and Statutes Review” — Tabling*

THE PRESIDENT (Hon Kate Doust): I am directed to present the forty-ninth report of the Standing Committee on Procedure and Privileges entitled “Treaty Function: Standing Committee on Uniform Legislation and Statutes Review”.

[See paper 1344.]

Made Order of the Day — Motion

On motion without notice by **Hon Rick Mazza**, resolved —

That consideration of recommendation 1, contained in the forty-ninth report of the Standing Committee on Procedure and Privileges, “Treaty Function: Standing Committee on Uniform Legislation and Statutes Review” be made an order of the day for consideration in the Committee of the Whole House.

PAPER TABLED

A paper was tabled and ordered to lie upon the table of the house.

STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

Seventy-fourth Report — “2016–17 Annual Report Hearings” — Tabling

HON ALANNA CLOHESY (East Metropolitan — Parliamentary Secretary) [10.05 am]: I am directed to present the seventy-fourth report of the Standing Committee on Estimates and Financial Operations entitled “2016–17 Annual Report Hearings”.

[See paper 1345.]

Hon ALANNA CLOHESY: The report I have just tabled advises the house that the Standing Committee on Estimates and Financial Operations conducted hearings with 14 agencies regarding their 2016–17 annual reports in February 2018. Annual reports are essentially statements to Parliament of the manner in which agencies use resources made available to them. They disclose the financial positions of government agencies and their activities as well as complement the work of budget estimates. The committee was satisfied with the conduct of its hearings,

the level of attendance and member participation. No formal inquiries resulted from the process. Both government and non-government members asked a wide variety of questions and a significant number of subject matters were canvassed in the course of the proceedings. Overall, 373 questions were asked of 49 agencies. The Auditor General gave the 14 agencies that presented at the hearings clear audit opinions on their financial statements, key performance indicators and the controls exercised by them.

The committee extends its appreciation to all those who participated in the hearings and the assistance given by ministers and their agencies. I commend the report to the house.

DISALLOWANCE MOTIONS

Notice of Motion

1. Shire of Northam Cemeteries Amendment Local Law 2017 — Disallowance.
2. Shire of Toodyay Health Local Law 2017 — Disallowance.
3. Police (Fees and Charges) Regulations 2018 — Disallowance.
4. Prohibition on Fishing (Eighty Mile Beach Marine Park) Order 2018 — Disallowance.
5. Shire of Koorda Standing Orders Local Law 2017 — Disallowance.

Notices of motion given by **Hon Martin Pritchard**.

POPULATION GROWTH

Motion

HON COLIN TINCKNELL (South West) [10.10 am] — without notice: I move —

That this house recognise the threat of rapid population growth in the state and the costs to be borne by incumbent residents.

Population growth is a big subject, and that is the reason I have moved this motion today in non-government business. Since 1798, scholars around the world have been warning us about the dangers of unsustainable population growth. It is not about humanitarianism or refugees; it is about sustainable planning for the future and how we are going to pay for that. Population growth is not a simple issue. We do not believe that this issue is being handled appropriately and adequately at the moment. Growth in our cities is not simply an issue of housing and jobs. It touches every part of our society and of people's lives—society is people. One of the reasons we have moved this motion is that we want this chamber to debate this issue and hear the solutions. This is an incredibly important issue for the state of Western Australia. Although population growth in this state has slowed, there is no doubt that population growth will continue in the future. A lot of people think that our population growth is going backwards, but it is not. In 2012, when more than 73 000 people came to this state, the population peaked. As recently as last year, 21 000 people came to this state. That includes immigrants, refugees, movement from the eastern states, births and deaths—the whole lot.

Hon Colin Holt: Is that net movement?

Hon COLIN TINCKNELL: That is gross movement. That figure of 21 000 includes everyone who came to this state and left this state, births and deaths, refugees, and immigrants. The perception has been that this state's population has been reducing in size. That is not the case. The population growth in this state, in round figures, was 73 000 in 2012; 66 000 in 2013; 30 000 in 2014; 21 000 in 2015; 14 000 in 2016; and 21 000 in 2017.

We believe this state will again experience rapid population growth. There is no doubt that there are some green shoots in the economy. That is particularly the case in the mining sector. We have read about that. That will change in the coming years. I want to make people aware of where we were a few years ago. In 2012, at the peak of the mining boom, 120 000 Western Australians were employed in the mining sector. That number is nowhere near as high today. However, we can expect that employment growth again, and the families and everything else that will come with that employment growth. This state is in no position to finance the infrastructure and resources to cater for population growth. All sorts of figures and dates have been quoted about how up to five million people will come to this state in the next 20 to 30 years. That is a fairly scary proposition. Government departments may have plans for the future. However, they have not planned for how we will pay for that population growth. That is what this debate is all about. How can we pay for this growth in population and for the water, hospitals and doctors and nurses, schools and teachers, police, and housing that will be required, and make sure that is done in a cohesive way?

I will start with water. This state has basically been relying on desalination. Desalination has worked. There was a big hue and cry when desalination was first touted, but the fact is that it has worked. The amount of rainfall in this state has been declining over the years. Will we rely just on desalination or will we plan for the future? Will we look at building new dams in specific areas of this state? Will we look at a long-term feasibility study for a fresh water pipeline, as Mr Barnett called for years ago? We need to put all the options on the table and they need to be debated and discussed. There are options apart from desalination. We need to work out the long-term

best options for the state. There are salinity issues in farming communities. Will we look at increasing the number of water sources to cater for our future food needs as our population grows or will we rely just on importing all our food because we have not planned and we are not capable of feeding our own population? We need to implement long-term plans to handle the salinity issues that are affecting the productiveness of our farmland. A soil commission is currently looking at the problem of salinity. That is a good start.

However, the problem that remains is how we will pay for the projected population growth in this state. Where will the money come from? A lot of people have good ideas about what we need, but how will we pay for it? We believe that Western Australia should set up an infrastructure finance corporation. This state needs to be able to raise funds at a low interest rate to enable long-term investment in infrastructure. Royalties for regions is a very good program. It has been with us for eight or nine years. Although at times the management of that program has been questionable, the fact is that most sides of politics in both this house and the other place believe that royalties for regions should continue. The question is whether we should use those funds to provide vital infrastructure in regional areas or continue to use those funds as they have been used in the past. We need to provide infrastructure and create a good community environment in our secondary cities, such as Bunbury, to enable them to be viable options for people to live in. If we do not provide the infrastructure and resources, people will not want to live in those second cities but will come to the city to live. People want the infrastructure and the resources that are available in the city. They will want the hospitals, protection from police officers, good schools and good teachers, and as the population gets older, they will need the great health care available in the city. Decentralisation has been talked about a lot, but now the new wave of decentralisation is targeting certain areas where we need to put in proper infrastructure. We need to make sure that there are regional cities other than Perth that people have aspirations to move to. I believe water is going to be one of the main things. We are looking for private investors for a WA infrastructure finance corporation. We could make concessional loans become available, which would be for only infrastructure projects. That would help build an economic future for us.

I want to touch on security briefly. The Perth we lived in yesterday, the Perth that the honourable member for the northern suburbs, Hon Peter Collier, and me, who are of similar ages, were brought up in has changed. People like Hon Aaron Stonehouse will be living in a community of Perth well into the future, and where there were once 300 000, 400 000 or 500 000 people in the city, we are now talking about there being four million or five million people by the time Hon Aaron Stonehouse approaches my age or gets even more senior than that. That means that Perth will not be the same city it is today. We have escaped most of the bad parts of threats from radicals around the world, and because we have an incredibly great security system in Australia, even Melbourne and Sydney, to a degree, have been able to escape most of those incidents. Is that going to be the case in the future? We have heard calls from the media for sirens and all that sort of stuff. Will we need that in the future? Will we need bollards on every corner? Will we need to consider those? How are we going to pay all these extra costs for what will be needed because we are living in a city of three million, four million or five million people? That is consideration we need to look at. Later in this debate, Hon Charles Smith will discuss issues of housing and easing the squeeze, and I will leave that for when he speaks later on today.

I would like to move on to the next area, which is waste management. We heard just recently about issues with waste management. We have a population that is only one-quarter or one-half of what has been touted in the next few years. How are we going to deal with those issues? Our recycling program is obviously not the best in the world. Are we going to work out a program? Are we going to find answers to those issues? There is not enough landfill area available. As the population grows, it is going to be another major problem. If we keep ignoring the fact that Perth is growing rapidly and will grow rapidly in the future, and we think that the population has slowed now, that we are okay and we are past that, the minute the economy improves, we will be having those congested roads that we had four or five years ago and all the other issues that come with rapid population growth. We in One Nation are for population growth, we are for immigration; we just want better controls and we want to know how we are going to pay for it and whether we have the plans in place, at both the federal and state levels, to handle those issues as they come. There is no doubt that the need for schools, hospitals, police, fire stations, water, gas, electricity, telephone infrastructure and internet access are going to increase. We will need teachers, doctors, nurses, paramedics, firemen, policemen and many other people to support this rapid growth as we go into the future.

I turn to jobs. Do we have the jobs to accommodate these numbers? We have mining, but what else? We have agriculture. We know that tourism employs more people than any other sector in Western Australia. That is not travelling too well at the moment, and I am sure that the Minister for Tourism is working hard to turn that around. We have to look at all these issues.

We have seen some spending on projects that are nice to have and we are looking at this government—we cannot do much about the past government—to prioritise its spending and really look at infrastructure. I have looked at Metronet. I think in general terms the Labor Party has believed in Metronet for a long time and now it is in government, it will make that happen, but do we do it all at once or do we do it gradually? When we extend Metronet to other areas, do we do that as the needs arise? Will we need to change and alter it depending on growth and how it pans out? It is very hard to predict the future.

As I mentioned before, I will not touch on housing at this stage. I will leave that for another member.

We embrace change. We have mentioned that. We do embrace change; change is a part of every day and we need to be aware that change is going to come. I ask the members of this house to look at all the issues and to debate some of the answers and solutions. As I mentioned yesterday, yes, we come into this house and we debate issues, but are we prepared to find solutions? It really does not matter if we debate something and then in the end we do not find a solution. We really need to find solutions. That is what the public expects of us—to work together as much as possible in a united fashion to try to find solutions to some of these issues.

I would like to touch on a few other things. When One Nation was running in the state election, we talked about many of these things. We talked about an independent body to evaluate and prioritise major infrastructure projects; that was part of our policy as we ran in that election. We talked about a Western Australian infrastructure finance corporation. We talked about reducing the pressure on metropolitan infrastructure and encouraging the population to decentralise to places like Bunbury, but it cannot be just decentralisation; it has to be well planned and it has to be to areas that provide the same infrastructure as a metropolitan city. We also talked about relocating certain departments to help those things happen. It is a matter of private industry and government working together in these areas. One of our policies was a water and food program, which was a priority to receive more than \$100 million for development. How can we feed these people in the future? I am also happy and proud—I am not too scared—to mention a subject that has probably been taboo since Mr Barnett mentioned it. We need to see whether a feasibility study should be done for a new freshwater pipeline from somewhere. We can let the experts decide where that could and may happen, but let us not be too afraid to debate these issues. Let us be open and honest and put everything on the table. We also talked about \$50 million to provide long-term solutions for salinity issues and innovative new technologies. We discussed those things prior to the election. This is not new for us; this is one of our core platform policies. We want money to be made available for major infrastructure. I would like the house to join in that debate and discuss those issues to try to find solutions. Western Australia is an amazing state. Those of us who sit in this Parliament, including my three colleagues, are all very proud of the party, the state and the areas that we represent. I have got to know my crossbench members. I know that they are very proud of the areas that they look after and the people they represent. Let us make those decisions, let us find those answers and let us debate them openly.

HON RICK MAZZA (Agricultural) [10.30 am]: I would like to thank Hon Colin Tincknell for bringing this motion to the house. Population growth and sustainability have received a lot of commentary in recent times. There are issues for and against that, of course. We still have a relatively small population Australia-wide and in Western Australia. We will continue to see population growth. Unless we cut migration and have mandatory vasectomies, the population will continue to grow. A lot of that is driven by employment. During the mining boom, the Australian Bureau of Statistics reported that 2.45 million people were living in Western Australia in September 2012. In more recent times, in 2017, that figure had dropped to 2.1 million people. We have seen a decline in the state's population. During the mining boom, we were discussing issues in this house such as the stress on resources and essential services—police and hospitals—as up to 2 000 people a week were pouring into Western Australia to service the mining boom. A lot of people have now left. As the work has dried up, people have gone back interstate or overseas. That demonstrated that when population growth is fairly rapid, it puts a lot of pressure on resources and essential services. Water is a very important factor in Western Australia. We have a massive land mass—Western Australia is four times the size of Texas—yet only limited areas have an adequate water supply. We have a desalination plant at Myalup. There is talk of another desalination plant being built to try to meet our water needs. We have recently learnt that the hydraulic wastewater treatment system in the northern suburbs will be upgraded to try to produce more water for the state. As our population begins to grow, we will have to look at more technology to meet those needs.

It is estimated that by 2027, we will have 2.53 million people in Western Australia and by 2037, we will have 2.96 million people. That is still a fairly low population compared with, say, New South Wales or Victoria, which already have around eight million people in their states. We need some population growth. It is a matter of managing that growth and governments being aware of it. As I said, there has been quite a bit of commentary in recent times. Dick Smith has been quite vocal about population growth in Western Australia. He made some fairly good points in some commentary in *The Sydney Morning Herald* back in December 2015. He said —

In the 2016 election year we will hear a lot more about one of Australia's hitherto practically unsung federal–state imbalances.

The much sung one, of course, is the fact that the Federal Government raises the bulk of the taxes, but the states are the ones with the responsibility for spending them—schools, hospitals, police, most roads and so on. It goes by the rather ugly name of vertical fiscal imbalance.

The unsung one is that the Federal Government is responsible for Australia's high immigration rate but it is the poor states that have to provide the services and infrastructure for the extra people. It could be called vertical population policy imbalance. But it might be easier just to call it dumb policy.

Australians seem to have some idea about vertical fiscal imbalance because the Premiers and Chief Ministers are forever whingeing about being starved of funds by the Feds. It is a convenient excuse for long hospital waiting lists and the like.

So it goes on. Population growth is certainly something that Australia will continue to experience. It is about governments being able to manage and forecast the requirements for that extra population. I agree with Dick Smith that if the federal government is going to be in charge of the money and immigration, it needs to have some consideration for the states and their requirements.

I understand where Hon Colin Tincknell and One Nation are coming from on this issue. The reality, however, is that the population will continue to grow in Australia and Western Australia. Most of that growth in this state will be in metropolitan Perth. About two million people live in Perth metro and only about 400 000 or 500 000 people live in the rest of the state. A lot of planning will be required in Perth to ensure that we are able to service those people and provide essential things such as water. Obviously, genetically modified food, which we discussed yesterday, is one of those factors that helps produce food and income for the state. Improved agricultural technologies will assist and provide food for people, something that we have to focus on in this state.

HON CHARLES SMITH (East Metropolitan) [10.35 am]: I would like to touch on housing and the environment for a few brief moments. All Western Australians deserve access to safe, secure and affordable housing and to live in cohesive communities. Sadly, too many Western Australians, particularly younger Western Australians, find it difficult to put a roof over their head. Home ownership was the Australian dream but over recent years it has become the Australian nightmare. It is projected that another 800 000 new homes will be needed in Perth and Peel to accommodate big Australia and Third World population growth, engineered by the major parties.

Governments of both persuasions have also failed to crack down on illegal foreign purchases of existing homes and the flow of dirty foreign funds into Australian property for laundering processes. It is well documented that Australia has the weakest money laundering laws in the First World. Lots of dirty money flows into Australia, buying up residential property. One Nation supports a new foreign buyer tax. I am glad to see that WA Labor has stolen this policy. I understand that the foreign buyer tax will be increased to seven per cent in this year's budget. We would support a higher foreign buyer tax. In addition to curbing demand and reducing competition for housing, this tax will generate revenue to be spent on public services and infrastructure and used to expand social housing or even go back into Keystart schemes.

What else can we do about housing? We can reduce stamp duty costs for seniors who need to downsize and we can examine how Keystart shared ownership schemes can be improved and expanded. If our policymakers really want to fix the housing market, they should tackle the following demand and supply side distortions. We need to work with federal governments to normalise Western Australia's immigration program by returning the permanent intake back to the level it was before John Howard ramped it up in the early 2000s. That means permanent immigration below the 100 000 mark from where it currently is at 200 000-plus new people every three years or so. Perhaps we should look at undertaking tax reforms, unwinding negative gearing and the GST discount. We should also look statewide at extending anti-money laundering rules to the real estate gatekeepers.

I want to touch on the environment because it is not often debated how rapid immigration affects the environment. It is important to know that One Nation members are environmentalists. We put the "conserve" into conservatism.

Hon Alannah MacTiernan: That's nice to know.

Hon CHARLES SMITH: I knew the minister would like that. The latest federal government's "Australia State of the Environment 2016" report released last year explicitly noted that Australia's natural environment is being placed under acute strain from rapid population growth and economic development. It noted that these are the main drivers of environmental problems such as land use change, habitat destruction, invasive species and climate change.

In the scientific journal *Nature Ecology & Evolution*, a team of scientists published a paper with their recommendations for slowing current rates of biodiversity loss that included limiting human population growth. I will summarise a few points from that report. Although key threats to biodiversity include habitat clearing for cattle, mining and urban sprawl, according to Deakin University researcher Euan Ritchie, these are all consequences of population pressure and high rates of resource consumption. I will quote a few of his key phrases from that report —

It's often a taboo topic to talk about human population size and family planning and how much we consume as individuals ...

But if we don't address these issues in the context of biodiversity conservation and sustainability then we're largely kidding ourselves ...

These are not the first environmental studies to draw a direct link between population growth and environmental degradation. In 2010, Flinders University released a report for the then Department of Immigration and Citizenship, which examined and was titled, "Long-term physical implications of net overseas migration:

Australia in 2050". The report concluded that high levels of net overseas migration imposed greater adverse impacts on the quality of our natural and built environments and that the geographical concentration in Sydney, Melbourne and Perth substantially increased environmental impacts. The report also found that decreased urban water supply is a significant environmental constraint that is exacerbated by high levels of net overseas migration.

In 1994, when Australia's population was just under 18 million, the Australian Academy of Science convened a symposium on the future population of Australia. Its analysis extended to Australia's resources of water, minerals and arable land and the interactions between present lifestyle and environmental damage and between future expectations and the costs of an increasing population. The AAS cautioned —

If our population reaches the high end of the feasible range (37 million), the quality of life of all Australians will be lowered by the degradation of water, soil, energy and biological resources.

It concluded that the quality of all aspects of our children's lives would be maximised if the population of Australia by the mid-twenty-first century was kept to the low and stable end of the achievable range of approximately 23 million. Just 24 years later, Australia's population stands at around 25 million and thus already exceeds what the AAS recommended as our maximum population.

I will refer to a quote from Sir Peter Scott, the founder of the World Wildlife Fund. The WWF nominated human population as the key risk factor for endangered species, noting that the current rate of extinction is 100 times what is considered normal without the impact of human activity—more of us means more of that. Sir Peter Scott said —

When we first set up the WWF, our objective to was to save endangered species from extinction. But we have failed completely ...

If only we had put all that money into condoms, we might have done some good.

HON ALANNAH MacTIERNAN (North Metropolitan — Minister for Regional Development) [10.43 am]:

I thank Hon Colin Tincknell for bringing forward this very important debate. There has been a lack of preparedness at all levels of government to talk about population growth. We might come to different conclusions. I think it has been very wrong to always conflate the issues of population with some sort of notion of racism. Certainly, we heard nothing in the debate today that supports that conflation.

I want to comment first up on the position of Hon Charles Smith. Regardless of the position within Australia, we have to look at the risk that the accelerating world population is having on the sustainability of human civilisations on this planet. The planet will survive, but whether we will survive as a civilisation with climate change and the destruction of biodiversity is another question. Frankly, I would prefer that we put our efforts into dealing with that problem. The member raised very importantly the question of birth control, which has become a seemingly unfashionable issue over the last decade, but I think that is an important process.

I am glad to see that those members who seem to be on the conservative side of politics obviously will not be joining the likes of Cory Bernardi and some others who do not want Australia to fund as part of its foreign aid package—I think Mr Trump is of the same view—women's health care and family planning options. That is extremely short-sighted. I want to frame it in that way. I think it is an important debate. We have to talk about the size of population that is optimum and what we on this dry continent can do to try manage it while at the same time recognising that much of our energy and dynamism comes from immigration. Those parts of Australia that have not had the benefit of migration tend to lack the creativity and energy that drives our economy forward. The wide range of people from different cultures who come to Australia with different ways of seeing the world and who bring different connections and different skills create the dynamism that drives our economy.

Obviously, it would be chaotic if we went from three million people to five million overnight, but, generally speaking, we have gone through continuous growth in Australia. Our cities have become bigger and we have invested more to deal that growth. I do not think that we should be too alarmist in our concerns about how we are going to do this, particularly if we have good structures in place. The member mentioned Metronet. It is a very critical point that one of the problems under the last government was that it fundamentally walked away from expanding the rail network, which was an absolutely critical part of the work done by Labor in the 1980s and early 1990s to electrify the system, expand, reinstate the Fremantle line and build the northern suburbs line and the work we did in the early 2000s to expand the northern suburbs line again, develop at Thornlie and do the Mandurah rail line, all of which was really necessary for us to keep up with growth. We then had a period under the Liberal government, which did not really like rail, when nothing happened and, at the same time, we had a massive growth in population. We simply have not been investing sensibly. I am glad that under Minister Saffioti we are back on track with a forward-looking plan for the next eight years that will deal with that. I think we have the apparatus in government, as long as we are not driven by an ideological obsession against one form of public transport, or, indeed, against the whole notion of public transport, which is what Tony Abbott has. He single-handedly took the cause back some years with his views and his refusal to fund urban rail. I am very pleased that if nothing else has been achieved by Mr Turnbull, he is overcoming that absurd ideological position and allowing the federal government to invest in urban rail projects.

I come now to the question of desalination. There is no doubt that in the southern half of the state our climate is drying rapidly, so the difficulty comes as our population grows. What do we need to do to deal with this? I urge members please not to waste more time on this idea of a pipeline from the north. When we were last in government, we rigorously assessed this concept. We put in an independent, expert team and we gave it a broad charter to tell us what would work: “Will this work? What are the capabilities? What is the cost of delivering water from the Kimberley down to the southern half of the state?”

Hon Robin Scott: May I ask when was this requested?

Hon ALANNAH MacTIERNAN: This was done around 2003–04.

Hon Robin Scott: So it happened 15 years ago?

Hon ALANNAH MacTIERNAN: It was in 2003, so possibly about 15 years ago. If anything, I would suggest to the member that the economics have gone in the other direction. At that time it was found to be cheaper to tow an iceberg from Antarctica into Fremantle port. It was found to be cheaper to put the water in a tanker and take it down to Perth, but the cheapest option of all was desalination. We committed to desalination as the fundamental—not the only—strategy for dealing with this problem. As time has gone on, desalination techniques have become more sophisticated—a bit like solar energy—and the benefit, if anything, has increased. We have answered questions in this Parliament and Hon Dave Kelly has talked about the need for us to now be planning our third desalination plant. We are also looking at cheaper forms of desalination for agricultural purposes. As the member said, one of the problems in our horticultural growing areas is the increasing salination of water. We are pleased that the federal government has finally come on board to support the Myalup–Wellington scheme, which is at its heart a major project to desalinate water and to increase and expand the water available for horticulture and agriculture in the Myalup–Wellington area. We have been looking at a number of technologies—more work can still be done—and what type of small-scale desal plant might be able to deal with this growing salination of particularly our horticultural waters in the south west. The pipeline is a very romantic concept, but I can tell members that if they thought getting a gas hub up in the Kimberley was a hard job, getting a dam on the Fitzroy River is not achievable. Even if it were a good idea financially, the environmental consequence of doing that on the Fitzroy would make it simply unachievable and would irretrievably compromise the area’s conservation values. It would do the sorts of things that Hon Charles Smith was talking about and cause a massive reduction in biodiversity. I urge members not to waste too much of their very precious time looking at how we solve issues for what really is a pipe dream. Mr Barnett was Premier for eight and a half years and the greatest advocate of that project, but he did not advance it. I think he learnt that the romance of that project was not matched by its economics or its environmental sustainability.

In the short time I have left, I want to talk about this issue of Perth and the regions. We have a problem getting people to go out to the regions. As I say when I visit the regions, we have to be careful not to constantly focus on the negatives of regional life. We need to focus on the positives, and there are many. I always tell the story about Monty House, who was the National Party leader at the time, who stormed into the tearoom—I will make his words more parliamentary—absolutely railing against the farmers’ federation of the time: “They constantly sell down our industry. They’re constantly presenting that we’re a group of busted arse”—sorry—“very poor people and we’re not! Many of us want our kids to take over our farms, but they keep getting this negative story.” There are lots of positives about living in the regions and in small communities, and about not having to drive forever and put up with the high crime rates and the anonymity of the big cities. Let us get out there and sell that. Government has a role to positively sell that message and to get people to start to think about the opportunities that come from living in the country. We have an enormous capacity to look towards the refugees who come into this country. Australia has a relatively small refugee intake compared with other countries. Nevertheless, it provides a great opportunity for the regions and there are some fabulous examples of work in that area. A regional refugee program was put in place for a very short time by a woman called Jackie Jarvis, who won a Rural Women’s Award to do this work. She worked with particularly those refugees who had come from subsistence agricultural backgrounds and took them into the communities. One of the big success stories was a group of African refugees who took jobs on a dairy farm near the Scott River. We all know of the fantastic contribution made by the Karen refugees from the Thai–Burma border who have settled in Katanning. Many other Third World migrant groups like the Filipinos are turning towns around in the south west of Western Australia, Harvey being a case in point where they have reinvigorated the Catholic Church and the sporting clubs. We can also look at the role of the Indian people in Karratha. There is a lot to be positive about. There are big issues and we have to keep our eye on the ball and be prepared to have full and open debate, but we can deal with these problems.

HON MICHAEL MISCHIN (North Metropolitan — Deputy Leader of the Opposition) [10.58 am]: I will not take up too much of the house’s time. I was interested in the manner in which this motion was presented and I will repeat it with emphasis on some of the key points that caused me some confusion. One of them was the use of the word “threat”. The motion reads —

That this house recognise the threat of rapid population growth in the state and the costs to be borne by incumbent residents.

What I suspect from hearing the debate presented to date, is that it should be a little more accurately worded like this: “That this house recognise the challenges presented by rapid population growth in the state and the costs to be borne by existing residents.” Of course, what Hon Colin Tincknell refined it to be is really an expression of concern about various elements, questions and considerations that need to be taken into account with any population growth in this state. His particular focus is on trying to establish and maintain a sustainable population growth. Two aspects of population in this state come to mind: one is size and the other is distribution. Each present their own unique challenges. To focus simply on the quantum of people in this state is perhaps misleading and distracts our attention from some of the issues that are particularly important. Hon Colin Tincknell and from time to time other speakers, including Hon Alannah MacTiernan, have mentioned the question of population distribution in regional areas and the like.

Broadly speaking, population growth can arise in three ways. Firstly, there is natural growth through birthrate. We cannot do much about that. If anything, whatever the problems that are faced by other countries, our population is growing gradually and sometimes going in reverse. That does not seem to be the problem. We cannot do much about that anyway. If people suddenly decide to make a lot of babies and there is a rapid increase in population in Western Australia as a result, governments cannot do much about it. They need to adapt the available facilities to cope with that—likewise, migration from other states. Over the last two terms of our government, we were faced with the equivalent of the population of Tasmania coming into this state. Those people were attracted by the prosperity of this state and opportunities were presented to not only the incumbent residents, but also other members of the Australian population. Constitutionally and practically, there is no way that we can discourage people from coming over here and taking the opportunities that are presented to them. It should be a source of pride for Western Australia that it provided those opportunities at the time. They were never going to last; they come in cycles, as they always have. We saw the reaction to that when the opportunities disappeared because of a downturn in the economy—particularly the ones that have been the foundation of our economy over at least 100 years. We found that the population has gone the other way and exited the state. Again, not much can be done about that, unless we try to discourage people from moving here by not providing the opportunities.

Another factor is migration from overseas. It has to be remembered that wherever people migrate to—they may come directly to Western Australia as their first port of call and intend to stay here or they may go to one of the other states of Australia and hope to achieve opportunities there—nothing will stop them from drifting over to WA if they see the opportunities. The question is not really so much about the threat of population growth. That is always going to be latent if we consider rapid population growth a threat. The issue is really how the state government and the people of Western Australia adapt to population growth and cope with the stressors that come from the attractiveness of this state to other people within the Australian commonwealth or from overseas. Over time this state has become better at dealing with those sorts of stressors.

Hon Alannah MacTiernan seemed to focus simply on expanding the rail network. She could not help herself; she criticised the previous government and claimed that it had an ideological mindset against rail. However, rail is not the only answer to dealing with the challenges of population growth. I remind Hon Alannah MacTiernan that our government prepared the 2030 transport plan, I think it was, and many of the elements that are now being put in place by the —

Hon Alannah MacTiernan: Anyone can prepare a plan. It is actually building something that is the issue.

Hon MICHAEL MISCHIN: I thank Hon Alannah MacTiernan. I did not interrupt the minister.

The ACTING PRESIDENT (Hon Dr Steve Thomas): Order, members!

Hon MICHAEL MISCHIN: I did not interrupt Hon Alannah MacTiernan. I let her babble on.

The ACTING PRESIDENT: Hon Michael Mischin, I ask you to address your comments to the Chair.

Hon MICHAEL MISCHIN: I did not interrupt Hon Alannah MacTiernan. I allowed her to babble on.

The reality is that that plan was prepared and many of the things this government is giving a priority to do are in that plan, rather than simply drawing lines on a map. The previous government addressed other features of rapid population growth that do not seem to be an issue for this government, partly because of the change in the economy and the like. Water was one of them. That factor has been raised. But apart from that, electricity supplies were uninterrupted over the past eight years of government, unlike under the preceding term of government. We addressed roads and other forms of transport, because not everyone catches the train. Going around some of the suburbs, we see the need for good freeway networks and the like. Yes, rail is important, but remember that the population we were dealing with six or seven years ago has now largely disappeared. We have seen a diminution in the demand for public transport. It is still important for the future. I do not deny that at all and that is why a plan had been prepared.

Education facilities were demanded by people coming into this state. We spent a vast amount of money under the stewardship of Hon Peter Collier on expanding and rebuilding education facilities in this state. Medical facilities, hospitals and the like, are equally important to residents of this state and we spent a vast amount on them. We

spent money on rebuilding our court and police infrastructure. It is all very well to say that there are attractions out in the regional areas because of low crime rates. Members should talk to people in Kununurra. They do not seem to have the view that there is a low crime rate there. These challenges need to be faced, and our government attempted to do that. There is always more work to be done. Our regional communications strategy expanded the opportunities for existing towns and allowed for growth there. The regional city programs created a greater amenity for those who choose to live in the country and encourage decentralisation from Perth. We had smaller projects such as moving government offices down to Bunbury. The office building with a capacity for 800 public servants, which was started under our government, is being created in Joondalup. That should shortly open and allow for certain government departments to distribute their public servants across the metropolitan area.

The real challenge is providing the services. Simply providing the infrastructure is not the answer. We need public servants to deliver those services in the right places at the right times. The community resource centres, which have been a source of great debate, the residential colleges out in the country and all those sorts of things not only provide services for the incumbent population, but also accommodate any increases in population down the track. Of course, in the wisdom of hindsight, we can always say that some things could have been done better or differently, and mistakes were made, but those, with respect to Hon Colin Tincknell, are the real challenges. It is not so much a threat. We are always going to have the problem of potential increases in population, whether gradual or otherwise. The real challenge—I am glad he has raised the issue—is that governments and states and populations have to adapt to the changing circumstances, and we are conscious of that. I thank him for having raised the subject. I have been interested in the contributions to date, and I thank members for that.

HON AARON STONEHOUSE (South Metropolitan) [11.08 am]: I thank Hon Michael Mischin because he has given us a lot of clarity on what the real issue is and what really needs to be discussed, which are the challenges for government in providing essential services to a growing population. As I was listening to the debate earlier, I thought that it was reminiscent of Thomas Malthus, who was proven wrong over 200 years ago. With respect to my Pauline Hanson's One Nation parliamentary colleagues, this is the kind of nonsense we hear from Dick Smith, who is—if it is not unparliamentary to say—a socialist nut job. If anyone has had the absolute misfortune to read his manifesto, they will see that it is rambling nonsense. He has more in common with the Greens in economic policy, not immigration policy, than anyone else who might be considered right of centre.

The ACTING PRESIDENT: Honourable member, I am going to rule that it is not unparliamentary to use the word “socialist”!

Hon AARON STONEHOUSE: Thank you. I would like to quote a little bit about Malthus. For those who are not familiar with Malthusian thought, I quote from an article in *The Economist* on 15 May 2008, titled “Malthus, the false prophet” —

Malthus first set out his ideas in 1798 in “An Essay on the Principle of Population”. This expounded a tragic twin trajectory for the growth of human populations and the increase of food supply. Whereas the natural tendency was for populations to grow without end, food supply would run up against the limit of finite land. As a result, the “positive checks” of higher mortality caused by famine, disease and war were necessary to bring the number of people back in line with the capacity to feed them.

That is pretty dark stuff. When Hon Alannah MacTiernan addressed population growth, she made the distinction that we can talk about the challenges of population growth without necessarily being racist. I think that is true but I would warn that if we look at history and at anyone who ever attempted to control the growth of population, that power has always been wielded by one class, one ethnic group and one group of people against another, downtrodden, less fortunate group of people. More often than not throughout the twentieth century, the history of eugenics was intertwined with racism and we cannot ignore that. China's one-child policy showed the social cost of human life and suffering in attempts at population control. It resulted in daughters or disabled children being abandoned on the street because parents had one shot at a child, and they would have rather had a male, healthy child to carry on their legacy. Yes, we can talk about population growth without necessarily being racist but if we look at attempts in history to control population, they have always resulted in human tragedy, normally along the lines of race or class.

A few issues were raised by members who made contributions before me and I will try to address a couple of them. A concern was raised about what would happen if we imported all of our food in Australia. I suppose it would probably be much like Britain. If I am not mistaken, Britain is a net food importer. Trade deficits and surpluses do not matter. There are countries in Africa that have massive trade surpluses but they are in abject poverty and there are wealthy countries in Europe and the Western Hemisphere that have trade deficits but they are incredibly wealthy. Trade deficits and surpluses have no bearing on the affluence of the population of those countries. I will read from the www.agriculture.gov.au website, under the heading “Food”, which states —

The food industry is integral to Australia's economic and social prosperity. It consistently accounts for around 20 per cent of domestic manufacturing sales and service income.

...

We are able to export more than half of our agricultural produce, while more than 90 per cent of fresh fruit and vegetables, meat, milk and eggs sold in supermarkets are domestically produced.

The concern that we are suddenly going to become a net food importer and rely on other countries to provide our food is rather unfounded. Hon Charles Smith mentioned a report that stated the population of Australia should not exceed 23 million people. Obviously, we are well above that now, so we would think that the sky would be falling in and that it would be horrible because there would be too many people and we would all be starving and jobless because of the high immigration intake.

I will quote some figures from the OECD Better Life Index for Australia. The website states —

In Australia, the average household net-adjusted disposable income per capita is USD 33 417 a year, more than the OECD average of USD 30 563 a year ...

In terms of employment, around 72% of people aged 15 to 64 in Australia have a paid job, above the OECD employment average of 67%.

Hon Charles Smith interjected.

Hon AARON STONEHOUSE: I do not have that in front of me but the website does not make a distinction between people who are in the job market and people who are not. It refers only to people who are aged between 15 and 64 years old, so presumably, it includes all people who are able-bodied within that age bracket. It continues —

Good education and skills are important ... In Australia, 80% of adults aged 25–64 have completed upper secondary education, higher than the OECD average of 75%.

... the average student scored 502 in reading literacy, maths and science in the OECD's Programme for International Student Assessment (PISA). This score is higher than the OECD average of 486.

... life expectancy at birth in Australia is around 83 years, three years higher than the OECD average of 80 years.

Pollution levels are also down and water quality is above OECD averages. Some people are concerned about culture, which is a little less tangible than economic affluence. As we import large groups of different cultures and diverse groups of people, they may set up enclaves and fracture society somewhat, which would break down social cohesion. It is very intangible stuff. According to the same website, I quote —

Concerning the public sphere, there is a strong sense of community and high levels of civic participation in Australia, where 94% of people believe that they know someone they could rely on in time of need, more than the OECD average of 89%.

That is interesting. Again, it is very intangible stuff, but it is at least one figure to take to heart. Our population has continued to grow at a pretty steady rate, well above 24 million people. I have a graph that shows it has been on a steady incline for quite some time.

It is certainly not true that immigrants and people who come across state borders steal jobs. I have an interesting study here titled, "Are Immigrants a Shot in the Arm for the Local Economy?" by Gihoon Hong and John McLaren from the University of Virginia, if I am not mistaken. I will quote from the conclusions of the paper —

... emphasizing the effect of immigration on local labor *demand* as opposed to merely labor *supply*. We have first studied a stylized model of a local labor market that shows how the arrival of immigrants increases local aggregate income and thus the labor demand by the non-traded services sector. This effect, which we have labelled the 'shot-in-the-arm' effect, dampens the downward pressure the extra labor supply places on local wages, and also increases the variety of non-traded services available, which confers a benefit on all local consumers, native-born and immigrant.

That is interesting. It continues —

Consequently, even in a model in which immigration always lowers local wages in terms of tradeables, it *raises* real wages in terms of non-tradables, and depending on how strong the shot-in-the-arm effect is, it may raise real wages in terms of the overall consumer price index, raising utility for all local workers.

I said that really fast, so I encourage members to go back and read *Hansard*. Basically, immigrants create jobs. They raise real wages because they increase the supply of labour. In fact, they put a new demand on labour at the same time. Generally, each immigrant creates about 1.2 new jobs.

In closing, Malthus was wrong. It has been 200 years, so we know that. Malthusian thought should be relegated to that same part of history where Nostradamus resides. I will not support the motion.

HON PIERRE YANG (South Metropolitan) [11.17 am]: I rise to make a small contribution to this issue. First and foremost, I thank Hon Colin Tincknell for bringing this motion before the house to debate.

Population policy is very important. It has significant ramifications for the people and their wellbeing, as well as the future of the country and the state in which we live. There is no doubt that Western Australia has experienced

strong population growth over the past decade or two. According to census data from 2011 and 2016, Western Australia's population has grown at 10 per cent—10.5 per cent, to be specific—over the past five years. However, population growth has significantly slowed down over the past two years. It is estimated that population growth was 0.77 per cent in 2016 and 1.15 per cent in 2017. There is an interesting correlation between the economy and population growth, as previous speakers have touched on. Naturally, when the economy is doing well, it attracts a lot of people from overseas and interstate. When we are in a more difficult financial situation, such as we are in now, the growth rate is much slower. During the mining construction boom, we attracted a lot of immigrants from the eastern states and other countries but, since then, we have been losing a lot of our own people to other states.

I believe in sustainable population growth. Sustainable population growth, coupled with well-managed and well-planned mechanisms, will be beneficial for our community and for employment. The most important question is: how do we define “sustainable”? Some people would say sustainable means two or three per cent population growth. Some people would say sustainable means zero population growth. Some people would say it means somewhere in between. Different people have different answers to that question.

I am not a supporter of net zero population growth. In my view, that is dangerous to a country, its people, its communities and its economy. It will threaten a nation's security into the future. A good example is Russia. During the 1990s and 2000s, the population of Russia was in decline. Russia experienced a significant loss of population. In 2005, the United Nations warned Russia that at its current rate of population growth, by 2050 it would lose one-third of its population. I cannot imagine what that would do to an economy and the wellbeing of its population. A 2015 report said that Russia has a very low fertility rate of 1.7 births per woman. That is much greater than the previous rate of 1.2 births per woman. However, it is lower than the population replacement rate of 2.1 births per woman. According to research, since the 1970s, the birth rate in Western Australia has been below the population replacement rate. The rate is currently 1.83 births per woman. I have done my part, although I have not achieved the rate of 2.1 births. I do not know how I can achieve that!

Hon Tjorn Sibma: Keep trying!

Hon PIERRE YANG: Thanks very much! Probably I would not!

The ACTING PRESIDENT (Hon Dr Steve Thomas): Order, members!

Hon PIERRE YANG: I am acutely aware of the time and I would like to give other speakers a chance to speak in this debate, and also Hon Colin Tincknell a chance to reply to this motion.

People's life expectancy is continuing to grow. People look forward to retiring and enjoying the remaining years of their life. Therefore, we need more people to work and continue to pay tax. It is difficult to achieve that if our rate of population growth is stagnant or shrinking. We cannot be complacent and allow the fertility rate to go down even further. However, because we have such a low fertility rate, it is important that we maintain a robust, effective, efficient, non-discriminatory and merit-based immigration program that will ensure our continued growth as a nation, with sustainable population growth.

The critical issue in Western Australia is not population growth; it is how we can curtail the rate of loss of good people from this state to the eastern states. I appreciate the concerns raised by previous speakers and by the mover of the motion. I am pleased to have had the opportunity to put my views and observations on the record.

HON TJORN SIBMA (North Metropolitan) [11.24 am]: I intend to curtail my remarks in order to provide Hon Colin Tincknell with the opportunity to reply to this debate. Earlier this morning, I was detained on urgent parliamentary business, so I caught only the last three or four contributions. The only observation I would make is that if we are to have informed debate in this chamber, we need to commence with the premise that we need to agree on the details. I am not aware of any valid, peer-reviewed study that states that Western Australia is under threat of rapid population growth. I do not see that forecast. I think we have gone through that hump and are now at the other end. Western Australia saw rapid population growth consequential with the boom in the resource, exploration and production sectors. We will never see that growth again. Frankly, a large part of the reason the budget is in the shape it is in is that the former government needed to provide infrastructure and services to accommodate that rapid population growth. I am not necessarily sure that my friends opposite would have handled that situation to a significantly different degree. However, I do think that would be a worthy discussion if the topic was not so much around the threat of population growth but around preserving and improving the quality of life of our population.

I want to make one remark in the context of the budget that is about to be tabled. The threat we face is that people's quality of life is being diminished. Income growth is relatively flat. Confidence in the retail market is pretty low. The property market is stagnant. We are also looking at rapid increases in fees and charges for water, power and the like. This is the issue. I am more than prepared to speak on another occasion about the quality of life that Western Australians face. However, I do not necessarily think the threat comes from population growth; the threat comes from the policy settings adopted by the group opposite.

HON COLIN TINCKNELL (South West) [11.27 am] — in reply: I thank all members for their contributions to this debate. It has been very interesting. The reason we put this motion on the table is because Infrastructure Australia released a report in February that forecast that Perth's population will reach 4.4 million by 2046. I know what the near future looks like. This debate is about the long-term future. This state will incur enormous infrastructure costs to build our society to cater for that increase in population. The best time to plan for that is in the lull that this state is in now. I mentioned during the debate that I am looking for solutions and answers to certain problems. We need to know how that infrastructure and services that this state will need to provide will be paid for, as rightly mentioned by other members.

The Infrastructure Australia report suggested that in order to effectively capitalise on these opportunities, the structure and operation of cities will need to change. The agency directly challenged Perth to amalgamate councils into one major central council to assist in planning. That did not go too well, did it? Further suggestions in the report include public transport development; tax incentives for private enterprise to move jobs to strategic urban centres, with public transport used to link people with jobs; and road tolls or congestion charges on trucks and passenger vehicles. According to Infrastructure Australia, congestion reduces access to jobs and skilled labour and could potentially cost Australia \$53 billion by 2031. It also reduces access to education, health and social services. If we are talking about quality of life, that is right; it is an important issue.

Before I wrap up, I want to ask: how are we going to pay for this? We have suggested structuring a WA infrastructure and finance corporation. We need to build for the future and we need to do it now.

Motion lapsed, pursuant to standing orders.

FEDERAL GOVERNMENT BUDGET

Motion

HON PIERRE YANG (South Metropolitan) [11.30 am] — without notice: I move —

That this house condemns the federal government and its 2018–19 budget for its lack of investment in key areas of need in Western Australia.

I am proud to be Western Australian. I live in WA, my family lives here and my children will grow up in WA. It is the most beautiful and liveable place in the world. I take exception when Western Australia and my fellow Western Australians are dudded by the wise man from the east. Let us look at what happened with the Liberal–National government's budget delivered a couple of days ago. The budget delivered by the federal government clearly has the wrong priorities. The federal government puts big business and its interests, and those of its mates in the banking sector, ahead of everyday Australians. The government has cut energy supplement payments to pensioners, which will cost them \$7 extra a week. At the same time, the government has provided \$80 billion to its mates in the business sector. The federal government has cut \$17 billion from schools, \$270 million from TAFE, \$715 million from hospitals, \$80 million from the ABC, \$205 million from the Australian Federal Police, \$40.7 million from critical veterans' services and \$1.5 billion from remote Indigenous housing.

On that note, WA stands to lose a huge amount. The Liberal–National government has not only got its priorities wrong, but also shown great contempt to the people of Western Australia. The state of Western Australia and the Commonwealth of Australia have had a national partnership agreement on remote housing for the past 10 years. The commonwealth has similar agreements with other states and the Northern Territory. According to the WA–commonwealth agreement, the commonwealth provided \$36 million in the 2016–17 financial year and \$178 million during the last financial year. That money was spent on capital items such as new houses, refurbishments, employment and education housing, and also on reform items such as property and tenancy management, Indigenous employment, Indigenous participation, Indigenous business engagement and Indigenous home ownership. This agreement will expire at the end of next month. It is extremely disappointing that the federal budget has not provided any funding in the coming financial year—not a single dollar. At the same time, the Northern Territory is going to get \$550 million over the next five years. I suspect that the commonwealth agreed to do this because had it not done so, the responsibility of providing housing for remote communities would fall back on the commonwealth government, and I doubt it has the infrastructure or the framework to do this work. Because the legal risk does not arise in Western Australia, the commonwealth government has not entered into a new agreement. This is outrageous. The contempt shown by the federal government to the people of Western Australia is disappointing. Not only is the Northern Territory government getting more in the GST distribution, it is also getting ahead of Western Australia when it comes to remote housing funding support. It seems to me that the evidence points to the fact that the Northern Territory has more effective advocates in the federal cabinet. What about federal ministers from Western Australia? What have they been doing? Why are we not getting a fair share? We are not getting a cent of funding for remote housing from the federal government. That means that Western Australia's 274 remote communities and its 12 000 Indigenous residents are no longer supported by the commonwealth government in the coming financial year and beyond. Let us face it, this will lead to homelessness and this will lead to difficulties in remote communities. This is disappointing and disheartening when we consider that the community has been doing all it can to raise funds to tackle homelessness. One example

I may give is that at the Vinnies CEO Sleepout last year, I think WA collectively raised over \$600 000, but now millions of dollars will be taken away from Western Australia. The federal government says that through the remote housing partnership agreement it will support significant reform in the provision of housing in remote communities, which will address overcrowding, homelessness, poor housing conditions and severe housing shortages. The federal government's 2017 "Remote Housing Review" stated —

Housing is fundamental to the wellbeing of all Australians—it provides shelter, privacy, safety and security, supports health and education, and has a significant impact on workforce participation.

I am afraid that Western Australians who live in remote areas are going to suffer a great deal because of the withdrawal of funding. Despite the fact that the federal Liberal–National government is aware how important this is to the 12 000 Western Australians living in remote areas, it has shown blatant disregard and contempt for WA and the people of Western Australia. The Prime Minister said he was committed to WA getting a fair share, but his deeds do not match his words.

I also want to touch on the lack of support in the federal government's new budget for the issue of homelessness in general. In his budget speech, the federal Treasurer barely touched on the issue of homelessness. I quote Adrian Pisarski, the executive officer of National Shelter, on the 2018–19 federal budget —

"This budget shows a lack of long-term commitment to affordable housing, one year's effort does not make a strategy or anything like a comprehensive package," ...

"This was the government's chance to build on the good initiatives of 2017 by adding a capital component, looking at how to use Build to Rent, creating new incentives to get states and the private sector to do more, instead there is very little to help people struggling to meet their housing costs.

"There was no boost to Commonwealth Rent Assistance ... no new supply strategy, no tax reform to end the distortions and rebalance the market, nothing to help Gens X and onwards get into the market, it's very disappointing."

The national CEO of the St Vincent de Paul Society, Dr John Falzon, was very harsh in his words about the budget. He blasted the federal government and said that it was unconscionable to pursue massive tax cuts while other people are struggling with their housing costs or going without food and secure housing. The same sentiment was echoed by Anglicare. The CEO of Anglicare Victoria, Paul McDonald, said that the federal budget ignored the plight of the most vulnerable in our community by failing to tackle the nation's homelessness crisis. It is a crisis. The federal government has failed in its task of providing leadership on this issue. The federal government does not have a housing minister. The federal government does not have a national plan to tackle the issue of homelessness. It has shown little interest in this part of the budget.

When I moved to Perth some 18 years ago, very few people were homeless. Sometimes I went to the CBD on the weekends or in the evening. I would not see a lot of people sleeping rough on the street, whereas these days if we go to Murray Street and Barrack Street, for example, unfortunately, we see a lot of people sleeping rough. Unfortunately, a lot of people are homeless. Too many Western Australians do not have secure housing. We need a national strategy and investment in this issue to address the housing and homelessness crisis.

Last but not least, I want to touch on the southern forests irrigation scheme. This scheme will deliver 10 gegalitres of water annually and open up 1 700 hectares of land for horticultural production. It will create 200 new jobs and inject \$100 million into the local economy annually. The state government has committed \$19 million to the project. Local growers have pledged \$21 million to hopefully kickstart the project. The state government applied to the federal government under the national water infrastructure program for the remaining \$40 million of the \$80 million needed to fund this project. The federal government rejected WA's application last year and it has just rejected its application again this year. It is disappointing that the federal government has rejected our application. As a result, there is no funding for the southern forests irrigation scheme.

One thing is very clear: the federal government has shown blatant disregard for and neglect of the people of Western Australia once again. I am sure that the people of Western Australia will not forget this and will pass their judgement at the next election. I commend the motion to the house.

HON PETER COLLIER (North Metropolitan — Leader of the Opposition) [11.43 am]: With all due respect, this is a "come in, spinner" motion. We will certainly not support it. I say to the honourable member, whom I have a great deal of respect for—again, he is one of the good guys out of the members opposite—that I cannot believe that he moved this motion. This is just a no-brainer as far as motions are concerned. Members opposite have spent every single private members' business time talking about us. I keep on talking about this. They referred to the Langoulant report. Every single time —

Hon Stephen Dawson interjected.

Hon PETER COLLIER: I sat in silence while the member was speaking. I have 10 minutes. I am not taking interjections.

Hon Stephen Dawson interjected.

Hon PETER COLLIER: If the member does not mind, I sat in silence. I am not taking interjections.

Several members interjected.

The ACTING PRESIDENT (Hon Dr Steve Thomas): Order, members! It is quite true that Hon Pierre Yang was heard in silence and I expect Hon Peter Collier to be heard in silence as well.

Hon PETER COLLIER: We talked about the Langouant report for months on end. Now all of a sudden we have decided that it is the federal government's turn. That might have something to do with the Perth by-election or something along those lines. Members opposite are about to deliver their second budget after 12 months in office, yet they have absolutely nothing positive to say at all about their government. They are still infatuated with us. I am absolutely flattered, and I am sure the federal government is. Members opposite have nothing at all to say. Hon Pierre Yang must have surely been pushed into this because he is an intelligent man. This motion would have had to go through caucus. I would assume therefore that the Treasurer and the Premier were in on the decision to move this motion. They had to be. If that is the case, and they have agreed to this, that is the height of hypocrisy on the part of the Premier and the Treasurer. I will give a couple of reasons for that.

Firstly, about a month ago, the Treasurer made some glowing accolades about the federal finance minister, Hon Mathias Cormann. He is my best mate; I have a conflict of interest. He is the best finance minister this nation has ever had. The Treasurer was glowing in his praise of him. That is great. That is really good. That is one thing. Now he wants to condemn him, a month later. He was part of the decision to move this motion.

Secondly, on 27 April this year, we saw a joint media statement from the Premier and the Prime Minister—the same Prime Minister that these guys want to condemn. It is headed —

MAJOR JOBS AND INFRASTRUCTURE BOOST FOR WESTERN AUSTRALIA

MEDIA RELEASE

Prime Minister, Premier of Western Australia

It has a nice photo of the two of them. It states —

The Turnbull and McGowan Governments have agreed to build historic, major infrastructure projects that will create thousands of jobs, stimulate economic growth and bust congestion, allowing commuters to get home more quickly and safely.

Federal funding of \$3.2 billion in the 2018–19 Commonwealth Budget, will facilitate the construction of \$5.4 billion in infrastructure development for Western Australia, based on current cost estimates and subject to business cases as appropriate.

This follows last year's agreement on a \$2.3 billion 'Boosting Jobs, Busting Congestion' package, which was included in last year's federal Budget.

This significant infrastructure package will provide a major boost to WA's local economy, with many thousands of jobs expected to be created during construction.

It goes on and on. It is very comprehensive. It goes through all the different projects and the billions of dollars of federal funds injected into the Western Australian economy, plus GST top-up payments towards Western Australian hospital infrastructure. It continues —

The Turnbull Government has agreed to allocate the federal WA GST top up payment this year of \$188.9 million towards the following WA hospital infrastructure projects:

- \$158 million towards the Joondalup Health Campus ...
- \$10.6 million towards the Osborne Park Hospital ...; and
- \$20.3 million towards the refurbishment ...

And so on. The federal government is freeing up money so that members opposite can put it into the service industries. That is what the federal government is doing; it is freeing up money for those opposite. The federal government has given money to the state government—it has handballed those funds—and government members are moaning; they want to condemn them. Give me a break!

On top of that, we should look at *The West Australian* from that day, 27 April. That was just two weeks ago. These guys were congratulating the federal government, saying how wonderful it is and two weeks later they are condemning it. The same men stood arm in arm—there were great photo opportunities—with the Minister for Transport, the Premier and the Prime Minister. All the Labor luminaries in Western Australia were desperate to have a photo taken with the Prime Minister because he was giving them billions of dollars. The article states, in part —

“West Australians will be big Budget winners,” Mr Turnbull told *The West Australian* ahead of today's announcement.

“These congestion-busting projects are significant and transformative. They will create thousands of jobs and stimulate economic growth, while allowing commuters to get home sooner and safe.”

Mr McGowan, who will join Mr Turnbull to unveil the spending package today, said it would “create thousands of jobs and provide a major injection into our local economy”.

“Since the election of my Government, WA is no longer being taken for granted by Canberra,” he said.

That is a pat on the back, a congratulations. They were down at Yagan Square, a great Liberal–National state government project, backslapping and high-fiving each other, saying how wonderful it is that the federal government has allocated billions of dollars to the government, and all these guys opposite can do is condemn the federal government. The hypocrisy has no bounds. I cannot believe that Hon Pierre Yang —

Hon Alannah MacTiernan interjected.

Hon PETER COLLIER: The minister is like a magpie on heat. She should be quiet.

Several members interjected.

The ACTING PRESIDENT: Order, members! I said earlier that Hon Peter Collier would be heard in silence and I intend to enforce that. We will have silence for the remainder of his contribution. Hon Peter Collier has the call.

Hon PETER COLLIER: I can go through a pile of other initiatives as a result of federal government funding to Western Australia. Let us look at the black spot projects, to which \$42.5 million has been allocated to WA over a five-year period. Funding of \$30.9 million has been allocated to WA for the bridges renewal program over a five-year period. Funding of \$175 million has been allocated to WA to develop Northern Australia Roads over a four-year period. Funding has been allocated for the national rail program. For the rail investment component, funding of \$788.2 million has been allocated to WA over a four-year period. There are literally dozens and dozens of these programs.

Let us look at education. Quality schools funding has increased by \$172 million; that is an additional \$172 million into education in Western Australia. Universal access is being paid for by the federal government. Our four-year-old kindergarten students will be paid for with guaranteed universal access. The chaplaincy program has been guaranteed; that wonderful program that provides pastoral care for students is now guaranteed. I wish the federal government had guaranteed it when I was Minister for Education and Training—it was a Liberal government—but it did not. It vacated the space and we had to top it up with 178 additional chaplains. We did it because chaplains play such a wonderful role in our schools. Now we have a federal Liberal government providing funds to a state Labor government, which it did not do for the former state Liberal government, and these guys opposite want to condemn it for giving it all this money! We have been given an additional \$303 million for the National Health Reform Agreement. The state has received \$1.28 billion as a contingency for liability for the Perth Freight Link. I wish you guys would get your head out of the sand and build that thing. One need only drive along Leach Highway—ask any of the drivers down there—to see what the problem is. The freight link has to be built sooner or later.

Hon Alannah MacTiernan interjected.

Hon PETER COLLIER: I wish Hon Alannah MacTiernan would listen to the ruling of the Presiding Officer. She is not a law unto herself even though she might think she is.

The federal funding frees up funding for other opportunities, for remote housing in particular. We also lost money in remote housing but we got top-up money through the GST reform, and that is exactly why we have the Aboriginal Regional Services Reform Unit in the Kimberley. It came as a direct result of that.

Let us look at the figures in the budget. In the 2018–19 budget, WA got 15.4 per cent of the infrastructure budget—it is up 8.7 per cent from last year—despite having only 10 per cent of the population, yet you guys are moaning! The amount for WA almost doubled, but government members are moaning about that? The Labor Party condemned us, but two weeks later it was backslapping and high-fiving and having picture opportunities with the Premier and Treasurer at Yagan Square, but the Premier and Treasurer were part of the decision for you guys to come into this place and condemn us. If you cannot see the hypocrisy in that, guys, you really need to give this game away.

As I said, there must be something in this. It has to be the Perth by-election. Labor is trying to create animosity towards the federal government. It must be something like that. You guys have another plethora of by-elections to deal with even though, apparently, they had everything right, but they did not. The government is condemning the federal government for providing it with record funding. Mathias is going to love this. I am catching up with him on the weekend. He is going to absolutely love this. My great mate Ben Wyatt, all he does is condemn him. If I had the capacity, Mr Acting President (Hon Dr Steve Thomas), I would amend this motion to congratulate the federal government. Unfortunately, I cannot so we have to deal with this rubbish. You guys need to grow up, start governing and stop condemning.

HON DIANE EVERS (South West) [11.53 am]: It has been amusing —

Hon Alannah MacTiernan interjected.

The ACTING PRESIDENT: Order, members! Hon Diane Evers has the call.

Hon DIANE EVERS: The most recent contribution to the debate on this motion was amusing. Hon Peter Collier claimed that the motion is part of Labor's election campaign to drum up votes for Labor. All I see with the budget tax cuts is an election scam. This goes so much along the lines of the 2004 election when John Howard promised every family that they would get \$600 a child before the election and, if they voted Liberal, they would get \$600 after the election. Talk about election scams—here is one with the tax cuts that will be phased in over 10 years. In the first year it is lovely because all the people on the lowest incomes between \$50 000 and \$60 000 will get \$534—“Whoo hoo! Yes, let's go vote Liberal and we'll get our \$534!” In 10 years, a person on an income of \$200 000 will get a \$7 000 tax cut. If this is not blatant electioneering before the next federal election, I am not sure what is. The government is saying to those individuals who really need a tax cut, “Here's a couple of hundred dollars; be happy and vote for us”, while it will give the guys at the top the really big income tax cuts over the next 10 years. It is just abysmal, foolish and poor form. It is not for the benefit of the country; it is for the benefit of being re-elected, and that is all it is.

The problem with tax cuts is that government revenue will decrease significantly. Where will the cuts come from? Come on, not in infrastructure—we love infrastructure because it puts money into the economy and provides jobs and builds things, most often roads. When we have congestion problems we build more roads—and then what happens? We have more congestion problems. Is no forethought given? Is anybody planning to work out how to overcome congestion or will we just keep building more roads and taking money from the people to put into more concrete so that we can get to the same place within the same amount of time every time—because congestion builds up to the time that people are prepared to spend driving to get to where they need to go? No thought has been put into it whatsoever.

Funding for our more vulnerable citizens for services and the things they need just to have a decent life is now not available. Some people on the Newstart allowance are given and expected to live on \$40 a day. I imagine there are some people here who would spend that much on lunch. Those people have to find shelter and food, pay for heating, water and transport on \$40 a day. They have to pay for job applications, they have to get to job interviews and be presentably dressed. They have to look after themselves on \$40 a day. That is just abysmal; it is really sad. We have even seen John Howard come out and say that maybe that is a bit harsh and we should give them a bit more. Do we see that in the budget? Do we see much in the budget for vulnerable people? No.

There is money in the federal budget for infrastructure. I am not against infrastructure but when governments are planning these things, they have to say, “What is going to reduce our ongoing costs or bring in income in the future?” It should not just put more concrete down to build another road for smoother travel because that means more people driving on the roads. Did anybody see mention in the budget of climate change? The best the federal government came to was the mention of renewable energy. The budget states that it will no longer be subsidised and that energy will no longer be subsidised. What about subsidies for gas and coal? Are they not subsidies? Are those subsidies not propping up those industries? If the government takes away the subsidies on gas and coal and makes it a fair and level playing field—and takes it away from all those people who still think nuclear power is the answer, and think of all the research money that goes in there—we will see what renewables can do. With a level playing field, renewables will easily outstrip them in 10 years because subsidies are propping up the old fossil fuel, carbon-spitting and pollution-generating industries. We have to move on.

Was there anything in the federal budget for regional areas? As Hon Alannah MacTiernan said today, we need to make it better for people in the regional areas. We need to give people incentives to live in regional areas and we need to give them support. We need to support the community resource centres so that the people who live in the regions have a place to go for social interaction, information technology, and interaction with medical professionals, legal help and Centrelink. That is where we need to be going. The state government is not supporting community resource centres. I do not see anything from the federal government to help people in the regions. We are barely getting the national broadband network 10 years after it was first mooted that we would have that lovely service. It is still so patchy and dodgy. When I hear people talking about speeds over 50 or 60 megabits per second, I think of how we are really happy to get one megabit, because at least that means that it is continuous and something is happening. But we can forget about streaming live videos. We have to give it an hour for every minute that we want to download. It is ridiculous.

This budget is an election scam. The federal government is saying, “Come on, vote for us. We'll give you a couple of dollars and everything's going to be fine—hunky-dory!” That is not the case. I hope that the voters are clear enough to realise that it is not helping anyone, particularly in the regional areas of Western Australia that are being overlooked. The federal government could find a way to take all that money that is being given away in tax cuts and give it to our most vulnerable citizens—who are not like us or a lot of our friends who live a reasonably comfortable life in a beautiful city with access to amazing, wonderful, high-quality food—and those who are

homeless or suffering from a mental illness or drug abuse and trying to get off the drugs, whether they be prescription or illegal drugs, or those who are children living in poverty. There are people who are really hurting and this federal government budget is not trying to support them. I expect better and I hope the voters expect better as well.

HON DARREN WEST (Agricultural — Parliamentary Secretary) [12 noon]: I will begin by acknowledging Hon Pierre Yang for bringing yet another very important point of debate to the Parliament. I must correct the Leader of the Opposition when he called Hon Pierre Yang one of the good guys. Hon Pierre Yang is one of the great guys in the Western Australian Parliament. He is one of the sharp minds that we have on our side of the chamber and he continually brings in worthy subjects for debate, as he has done again today in his motion asking that we condemn the federal government and its 2018–19 budget for its lack of investment in key areas of need in Western Australia. What a sensible motion. The same cannot be said for the response from the Leader of the Opposition.

Hon Donna Faragher: What about Moora college?

Hon DARREN WEST: I note that that was not in the federal budget, honourable member.

I also want to agree with Hon Pierre Yang when I say that I am a very proud and parochial Western Australian and, like most Western Australians, I know when we are being duded by the wise men from the east. We have been duded for the last five years under the federal Liberal and National Parties' watch with the GST rip-off, which has duded Western Australia continually without the current federal government making any attempt to fix it. It has finally picked up on the white-hot anger in Western Australia about the GST and finally it has come over and tried to make peace with the Western Australian voters, albeit ahead of a federal election that is due in the next 12 months. I note that the federal government has picked up on that and, as the opposition leader pointed out, it has finally made some attempt to appease the voters of Western Australia because it knows that it is in for a row. It knows that for the first time, Western Australia could decide who wins the federal election next year. Its members are over here now and offering money for some important projects, which of course we appreciate. The Premier and the Treasurer of Western Australia acknowledge and appreciate the funding that has been provided for some much-needed infrastructure projects, but it still does not cut the mustard for the last five years that Western Australia has had to endure the LNP double whammy of trashed finances by the previous state government and a lack of commitment to help us fix them by the current federal LNP government. That is disgraceful and everybody in Western Australia knows that to be the case.

I will run through a few things that are important to my part of the state. The ABC has had its funding cut yet again. Another \$127 million has been cut from our public broadcaster that we need in regional Western Australia. If honourable members drive around regional Western Australia and put on their radio, they would find that in most places in Western Australia the only reception one can get is from the ABC. To cut another \$127 million out of an independent, unbiased public broadcaster just to benefit mates in the mainstream media who control the right-wing nonsense without any independence or balance, is clearly trying to affect the hearts and minds of the voters in the worst possible way. We proudly pay for our ABC and I proudly support the ABC that has had yet another cut from the Turnbull government. I do not think anyone can argue with me about that. We get local and international news, international views, community information and, very importantly, emergency alerts about bushfires, cyclones and the like from the ABC. The federal government should keep its grubby hands off our ABC and fund it in the way it should be funded. It should go back on this cut and fund our ABC because we need it. This has come on top of further cuts made during Tony Abbott's time when he specifically pledged—people remember the signature on the pledge—that there would be no cuts to the ABC. His government cut \$240 million out of the ABC, and here we go again!

The most shameful part of the federal government's budget is its funding for remote housing in Western Australia—zero dollars! What an absolute disgrace when, on the other hand, it has given \$80 billion in federal tax breaks to its rich mates. Many of those breaks will be given to companies that will not be affected because they do not pay tax in the first place. Other companies will not spend that money on jobs. They will give it to their shareholders who are most likely from overseas. The federal government has also given a \$17 billion tax break to the big banks—what is going on? Over the last month we have all seen the behaviour of the big banks exposed and what an eye-opener it has been, but the Prime Minister of Australia is rewarding those organisations with a \$17 billion tax cut while giving zero dollars to remote housing in Western Australia. That guy is totally out of touch with what the average Australian thinks, and he will find that out very soon.

The national broadband network debacle continues. We had a plan to give everyone the NBN to their house. Look at the debacle we have now—copper wire, 1960 special! Most people in regional Western Australia will not even get the NBN now, unless it comes from an overcrowded satellite that gives them very slow and unreliable download speeds—what a joke! The Karratha–Tom Price Road has been much talked about by federal members of Parliament, but it is not funded in this federal budget. Who do members think will fund that? I will give members three guesses. I was aghast to hear the federal member for Durack on the radio, critical of the state government—

I presume it is the previous state government; it would not be this one—for not funding the much-needed upgrades for Geraldton Hospital. I looked through the federal budget and found no allocation whatsoever for Geraldton Hospital. It has been promised funding four times now by the LNP and it has still not been delivered. Who do members think will pay for that? I will give members three guesses. It is not just me saying this, members. An article in the community newspaper states —

Western Australia has missed out on funds for remote housing and the NDIS in the federal budget, leaving Treasurer Ben Wyatt bitterly disappointed.

He has good reason to be bitterly disappointed because he is the Treasurer who has to clean up the LNP double whammy—the trashed state finances and the GST rip-off. The articles goes on —

Mr Wyatt said there had been “a belligerent refusal” to engage with the state government about renewing the agreement for WA ...

I will just remind members that the state government puts \$100 million a year into remote housing.

I will just pause for a moment to inform members that we have the staff and students of Sacred Heart Catholic School in Goomalling in the gallery today. My wife works at this school as the “director of first impressions” and an administration officer and I was chair of its board for many years. This school was totally revitalised by the Building the Education Revolution funding initiative. That is an example of good federal policy for Western Australia, but I digress.

The Treasurer went on to make some further comments in the article. I will remind members of a couple of good initiatives and some funds that the federal government has provided that we do appreciate. We appreciate the \$1.05 billion for the Metronet rail project—we have talked about that before. We also appreciate the GST top-up payment of \$188 million, including \$158 million for the Joondalup Health Campus expansion, \$20.3 million for the Royal Perth Hospital refurbishment and \$10.6 million for the Osborne Park Hospital expansion. But can anyone tell me what those three hospitals have in common? They are all in the metropolitan area. There is no funding for Geraldton Hospital, which also needs a significant upgrade. A lot of the money promised to us by the federal government has been allocated to the city. From time to time when we make a tough decision in the regions, we are criticised by people saying that we are anti-regional, but one cannot get more anti-regional than the federal government.

In the limited time that I have available I will touch on some other things, and it is not just me saying these things. The National Party Senate candidate for Western Australia has taken the very brave step of coming out in a letter to the editor of the *Kalgoorlie Miner* and absolutely slamming his own government and his federal LNP colleagues. The headline reads “Dud Budget blow to regions”. I urge members to research that and read that article. Twice in two days, I have agreed with a member of the National Party. I do not know what is going on. A federal Senate candidate has slammed his own party’s government for the budget and said how it is a dud deal for regional Western Australia. I commend him for taking that very brave step.

Members, we have been duded for a very long time. The voters of Western Australia will take out their anger on the Turnbull government soon. I look forward to the election of many new Labor members, who will, unlike their Liberal colleagues, get in there and fight for Western Australia.

HON TJORN SIBMA (North Metropolitan) [12.11 pm]: I almost do not know where to begin. When I received this memo yesterday, I wondered whether Hon Pierre Yang had received the memo in late April and read that joint media statement, published under the Premier’s name as well as the Prime Minister’s, titled “Major Jobs and Infrastructure Boost for Western Australia.” It states —

The Turnbull and McGowan Governments have agreed to build historic, major infrastructure projects that will create thousands of jobs, stimulate economic growth and bust congestion, allowing commuters to get home more quickly and safely.

Federal funding of \$3.2 billion in the 2018–19 Commonwealth Budget, will facilitate the construction of \$5.4 billion in infrastructure development for Western Australia, based on current cost estimates ...

The media statement continues and is predominantly fixated on Metronet. I think that the budget speech that is about to be read will have two prevailing themes. The government will pat itself on the back for finding the capital to build Metronet and it will confect a small surplus in the final year of the estimates as we go into an election. They will believe the two positives and they will engage in a process of self-congratulations. We are talking about only one topic. The government has only one thing to sell—Metronet. It is possible only because of the capital contribution of the federal government. Hon Pierre Yang is an intelligent and educated man and he knows better than this. It is amazing that he chose this day of all days to move such a hypocritical motion. It is absolutely hypocritical and misses the point. The state Labor government has elevated Metronet beyond any other priority. It is the only infrastructure project that it is concerned about. The metropolitan area is the only area of the state that will benefit from it.

I was very interested in the intellectual contribution of Hon Darren West, who made the observation that Western Australians have been duded for a very long time by the federal government. I have to agree. But the answer to that is not to elect the greatest factional dud, the hollow man from central casting—the opposition leader, Bill Shorten. What has the charisma-void, zinger-replete, working-class hero Bill Shorten pledged to do in respect of GST? Zero.

Several members interjected.

Hon TJORN SIBMA: There is no federal Labor commitment to repair the GST imbalance. Government members know it. They all know it. They are all hypocrites.

The ACTING PRESIDENT: Hon Tjorn Sibma, take a seat, please. Several members may not have been in the chamber earlier when I said that we would have silence during contributions from members in this debate. I know some were away on urgent parliamentary business, but let me reinforce the message that I have no intention of losing control of this debate under my watch. We will progress. Members will be heard in silence and we will not have that sort of shouting across the floor.

Hon TJORN SIBMA: I get very excited on budget day, particularly when I am antagonised by infantile motions such as this that can open up government members only to claims of hypocrisy. That is all it is. They cannot make the debate about infrastructure in this state about one issue solely, receive federal government funding to allow the capital construction of that project, and then complain that the federal government is not doing its bit to meet areas of need in this state. The two do not hang together. It is one or the other. Make your choice.

I want to reflect on the contribution by Hon Darren West. I am a member for the North Metropolitan Region and I am not a member for the Agricultural Region, but I propose this: I do not think that the communities of regional Western Australia necessarily see Hon Darren West as their knight in shining armour. I do not know what the sentiment is in downtown Moora. I have not been there for a while. With respect to hypocritical positions adopted by members opposite, that completely took the cake. Closing down camp schools, not even entering into correspondence with or visiting the town of Moora, and cutting the funding for community resource centres by 40 per cent without going to visit them either—frankly, if I am going to take advice about the needs of regional Western Australia, I am not going to take it from that superstar Hon Darren West! I have mentioned before in this chamber, and perhaps it is a little unfair, but that section of the government benches seems to be the place where parliamentary careers go to die. I warn members at the back, Hon Kyle McGinn in particular, do not get sucked into that career black hole. He should not follow the lead of the gentleman who sits in front of him. It will end terribly for you. I know that comrades have a lot of faith in you, member. Repay that faith and do not follow the lead of that member in front of you. Do not get trapped by the rhetoric.

Several members interjected.

Point of Order

Hon MARTIN PRITCHARD: Mr Acting President, I was wondering whether you expect members to direct comments to yourself.

The ACTING PRESIDENT (Hon Dr Steve Thomas): On the point of order, yes, comments should be directed to the Chair. They should also be relevant to the motion before the house. I think we have digressed a little, so I will draw the member back to the motion and ask him to continue his remarks.

Debate Resumed

Hon TJORN SIBMA: Excellent advice, Mr Acting President. I will conclude my remarks. I get carried away sometimes and provide advice that people do not want to hear, but I will end by saying this: this motion is the most disingenuous, hypocritical, intellectually bereft motion I have had the misfortune of reading this year. Pull your head in.

HON KYLE MCGINN (Mining and Pastoral) [12.18 pm]: Was that not amusing? That was an absolute load of rubbish from Hon Tjorn Sibma across the way there. The member wants to talk about hypocrisy. He should look at what we have seen in the federal budget that has come down. I came from Karratha before entering into Parliament and the number one thing that we were pushing for up there was Karratha–Tom Price Road. That had been on the Labor government's agenda back in 2001 when it created it. It started it by completing stages 1 and 4. What did we see from the mob opposite between that time and when it was kicked out in 2017? Absolutely nothing—nothing. Talking about tourism and opportunities and opening up the north, not one thing was done on Karratha–Tom Price Road. The Balla Balla project is coming up. Do we have a road sealed and ready to go so that we can try to facilitate local jobs and local workers and have a drive in, drive out workforce? No. Who comes in to make that promise? The WA Labor government. We have committed \$50 million to that project. It was an election commitment by the member for Pilbara. It was made very clear across the Pilbara region that it was a priority for this government to go back to what the former Labor government started and to finish the job, because we all know that when we leave it to a Liberal–National government, nothing gets done at all.

What did we see from the federal government? There is not one single cent for roads in the north—not one single cent. It put out a \$1.5 billion pot of money. We know how it likes to put out buckets for which we all have to compete and see who is mates with who to get a bit of money that can be spent with no business case. They can just run in and spend money.

Several members interjected.

Hon KYLE McGINN: Let us talk about the business cases in the Langoulant report. Let us go back to that!

Was the federal member for Durack surprised that no money was put in the budget for roads in the north? She was not surprised at all. When she was asked on ABC radio whether she was disappointed that no roads in the north had been funded by the federal government, her response was, “No, I’m not actually.” She must be very confident that she is going to be re-elected by not giving any commitments to important infrastructure in the north. She said that nothing is confirmed but that we can fight to get funding from a bucket of money. Not one cent has been funded. This government identified the road as a priority, being integral to the north. The minister met with Barnaby Joyce in Darwin in 2017 when the ministers got together. The road was put on the agenda as a priority, yet the minister—sorry, she is not a minister, and I am sure she will not be one after the election—the member for Durack, Melissa Price, turned around and said that the state government did not identify it as a priority. I am sorry; we made it an election commitment to deliver a road with \$50 million of state government funding, but she does not think we made it a priority. Come on now; that is an absolute joke, coming from the member for Durack. It is disappointing that she is trying to defend that, saying that we now need to go out and fight for a bucket of money. Over \$500 million was given to the Northern Territory, yet we were given nothing for roads in the north—not one cent. If we talk about communities and housing, not one penny was given to remote housing, yet \$550 million was committed to the Northern Territory. Nothing was given to Western Australia. If members want to talk about how we are ripped off in Western Australia, it is not just with the GST; it is on every single thing that this federal government funds from wild dog control to roads. All over the place, we can find ways that the government has given other states and territories more funding and a higher priority than those in Western Australia. The WA Labor McGowan government is putting us back contesting for these funds and making sure that we get priority projects back off the ground.

I am absolutely outraged that nothing was done for eight years about such a critical piece of infrastructure. Karijini National Park is in the north and the biggest oil and gas port in Western Australia sits in the Dampier Archipelago. The biggest iron ore port in Australia is in Port Hedland. We want to start connecting the dots and start putting down roads, which should have been done over the last eight years, but not one inch of the road was laid. When a project such as Balla Balla comes up, we need to start immediately to make sure that we can make it viable for a company to have drive in, drive out workers instead of building another aerodrome, with another mob of fly in, fly out workers, which means that we will not capitalise on local jobs for these local projects. It is outrageous that the member for Durack does not think it is disappointing that no roads were committed to and that we need to fight for a share of a bucket of money. It is an absolute disgrace. I believe that voters in her electorate should be outraged and should vote with their feet come election day to ensure that she does not have another opportunity to rip off infrastructure in that region.

I know there is only limited time left and other members want to speak but I had to point out that it is an absolute outrage for Melissa Price, the member for Durack, to think we did not make the road a priority. We made it an election commitment. We put it back on the agenda. We started the agenda for the Karratha–Tom Price Road. Members of the federal government sat on their hands and did nothing. We will see the road built under the WA Labor government.

HON LAURIE GRAHAM (Agricultural) [12.24 pm]: I rise to support the motion moved by my colleague Hon Pierre Yang. I am surprised by the opposition, particularly regarding the vehement way it is being expressed that there has been a change of situation. It is quite clear to me that the budget and the comments made about the support the federal government has given the budget are largely tied to projects that the federal government wished to see funded with a forthcoming budget in mind.

I will turn to a few items that have not yet been addressed today. In the workforce development area, which was well discussed yesterday, it is interesting that the federal government has seen fit to cut \$21.2 million over the forward estimates for the workforce development training program. This is really a disgrace at a time when training is an absolute priority. The National Training System Commonwealth Own-Purpose Expenses program has also been cut. We heard yesterday during the second reading debate on the Pay-roll Tax Assessment Amendment (Exemption for Trainees) Bill 2018 that the federal government is reducing its financial support. These are just two areas in which financial support has been reduced. Having been fairly involved in the apprenticeship and traineeship system, it is also disturbing to see that with the change of administration, the feds have not seen fit to put more money back into that system. Contracts in place with the Chamber of Commerce and Industry of Western Australia and three other providers to support and maintain apprenticeships are clearly inadequate. From an administration point of view, most apprenticeships are now being needlessly lost because the CCI and others

are failing to get off their—better not use that word—backsides and get out there and try to save apprenticeships. Previously, they were administered by the state when it used to have contractors in place. The feds have abandoned that space and lots of trainees and apprenticeships have needlessly lost their positions because the federal government has failed to meet its requirement to enforce contractors to provide them.

In regional Western Australia, the federal government has also largely withdrawn from job network providers. They no longer visit any of the small centres. Community resource centres were very important buildings in regional Western Australia but we do not see very many, if any, deliverers of federal government programs using that infrastructure today. It is no wonder that their current purpose is being questioned.

A comment was made about the camp schools being closed. I drove past one last week and it was still open. I suspect they will all be open until the end of the year and by then a new arrangement will be in place to repurpose the camp schools for their current purpose plus others.

It is also interesting to note that the federal government saw fit to cut Australian Securities and Investments Commission funding. That is strange when the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry has just looked into the need for more regulation. The federal government cut positions from that program.

I could not leave the chamber without commenting on Geraldton Hospital. As a long-time resident of Geraldton, I find it strange that, in the last few weeks, Melissa Price has seen fit to condemn the state government for not providing any funding. I just hope that she finds a way, in the foreseeable future, to assist the state in developing that project.

Comment was made earlier about Ben Wyatt being two-faced in facing the federal government some time ago in relation to money it was giving us, but, clearly, if members look at all the commitments made, that funding was all negotiated on the basis that it would be delivered in a particular area at a particular time to get an outcome. That outcome is clearly looking towards next year's federal election.

The federal government has also withdrawn long-term funding for remote housing. Quite clearly, the decision to withdraw this funding can be linked only to the fact that there are not too many votes in Melissa Price's electorate, particularly in the north west. It was interesting that Nigel Scullion, in his contribution to the budget debate, talked about all the money in the budget for Indigenous advancement et cetera but he did not highlight the fact that he had also been party to a government that cut funding to provide housing for disadvantaged people. Shelter WA is one organisation concerned about the decision to cut funding.

In the very limited time that is left, I will touch on few other matters. The southern forests irrigation scheme is another project for which the federal government has seen fit to leave matching funding out of the budget. With \$40 million in place and another \$40 million required, it is a shame that that occurred.

Motion lapsed, pursuant to standing orders.

STANDING COMMITTEE ON LEGISLATION

Thirty-fifth Report — "Animal Welfare Amendment Bill 2017 — Extension of Time" — Tabling

HON Dr SALLY TALBOT (South West) [12.30 pm]: I am directed to present the thirty-fifth report of the Standing Committee on Legislation entitled "Animal Welfare Amendment Bill 2017 — Extension of Time".

[See paper 1346.]

Hon Dr SALLY TALBOT: On 21 March 2018, the Legislative Council referred the Animal Welfare Amendment Bill 2017 to the Standing Committee on Legislation for consideration and report, pursuant to Legislative Council standing order 128(1). The committee is required to report to the Legislative Council by 12 June 2018. On 2 May 2018, the committee resolved to seek to extend the date by which the committee is to report from 12 June 2018 to 28 June 2018. This extension of time is requested to enable the committee to properly discharge its reporting obligation to the Legislative Council, given the unexpectedly high number of submissions received. The committee therefore requests an extension of time in which to report from 12 June 2018 to 28 June 2018. In that regard, I have a corollary motion.

Extension of Reporting Time — Motion

HON Dr SALLY TALBOT (South West) [12.32 pm] — without notice: I move —

That the committee be granted an extension of time in which to report from 12 June 2018 to 28 June 2018.

I seek leave to continue my remarks at a later stage of this day's sitting.

Leave granted.

Debate adjourned until a later stage of the sitting, on motion by **Hon Martin Pritchard**.

FINANCIAL TRANSACTION REPORTS AMENDMENT BILL 2018*Receipt and First Reading*

Bill received from the Assembly; and, on motion by **Hon Sue Ellery (Leader of the House)**, read a first time.

Second Reading

HON SUE ELLERY (South Metropolitan — Leader of the House) [12.34 pm]: I move —

That the bill be now read a second time.

The Western Australian Financial Transaction Reports Act 1995 was the result of an agreement by the then Standing Committee of Attorneys-General in 1992 to pass model state legislation requiring cash dealers, typically banks, to provide information to state police about offences against state laws and protecting cash dealers against legal action in relation to providing that information. This initiative stemmed from Australia's membership of the Financial Action Task Force, which is an international intergovernmental body established in 1989 by the ministers of its member jurisdictions. The objectives of the task force are to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system.

The Western Australian Financial Transaction Reports Act 1995 complemented the commonwealth's Financial Transaction Reports Act 1988 in its requirement for all cash transactions over a certain sum, international fund transfers and suspicious matters to be reported to specified authorities. For commonwealth purposes, the authority is the Australian Transaction Reports and Analysis Centre, known as AUSTRAC, and in this state the authority is the Western Australia Police Force. In 2006 the commonwealth enacted the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, which gave AUSTRAC a new regulatory role and expanded its enforcement and compliance powers. The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 has largely superseded the reporting requirements of the commonwealth's Financial Transaction Reports Act 1988, although that act contains residual operating provisions.

Under the state's Financial Transaction Reports Act 1995, the Western Australia Police Force is able to obtain information from a cash dealer who has provided a suspect transaction report to AUSTRAC under the commonwealth's Financial Transaction Reports Act 1988. The WA Police Force is currently unable to request information in relation to suspicious matters reports, threshold transaction reports and international funds transfer instruction reports made by reporting entities to AUSTRAC under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006. Amending the Western Australian Financial Transaction Reports Act 1995 is necessary to reflect the new reporting obligations in the Anti-Money Laundering and Counter-Terrorism Financing Act 2006. It will enable the Western Australia Police Force to request information and documents from reporting entities when information has been provided to AUSTRAC under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006.

The amendments provide that a reporting entity that communicates information to AUSTRAC under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 is also required to provide information and documents to the Western Australia Police Force when requested to do so, and when the information and documents may be relevant to the investigation or prosecution of a person for an offence against the law of the state, or may be of assistance in the enforcement of the Criminal Property Confiscation Act 2000. The amendments also provide that a reporting entity that communicates information to the AUSTRAC CEO that is not reported under the commonwealth Financial Transaction Reports Act 1988 or the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 may nevertheless be required to report that information to AUSTRAC and provide information and documents to the WA Police Force if required.

The requirement to produce documents is a new feature. Currently, the WA Police Force obtains documents using an order to produce pursuant to the Criminal Investigation Act 2006. This is not ideal because it is difficult at the very early stages of an investigation into money laundering for the WA Police Force to fulfil the more onerous requirements of an order to produce. The ability to request documents, in addition to the information, will improve the efficiency and effectiveness of WA Police Force investigations of, or prosecution of persons for, offences against the WA state laws.

Time frames for compliance are also introduced through the amendments, but they do not replace the requirements to comply as soon as practicable. The amendments ensure consistency with the time frame for requesting information by commonwealth enforcement agencies under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006. The new period for compliance is appropriate to prevent any delay in the provision of the information and documents that is crucial to investigations and to prevent and intercept the movement of funds.

Several other jurisdictions, including Victoria, Queensland, South Australia and the Northern Territory, have amended their legislation to include a new provision to reflect the new reporting obligations in the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, thereby enabling police in those

jurisdictions to legally obtain information and documents under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006. Each jurisdiction has taken a slightly different approach to align with the commonwealth Anti-Money Laundering and Counter-Terrorism Financing Act 2006 that is not based on nationally agreed model legislation.

In summary, this bill will update Western Australia's Financial Transaction Reports Act 1995 to give the Western Australia Police Force powers to obtain information and reports from cash dealers under the commonwealth Anti-Money Laundering and Counter-Terrorism Financing Act 2006. It will assist Western Australian law enforcement authorities in their investigation and prosecution of money-laundering and terrorist-financing activities, which will ultimately be of benefit to the entire community.

Although the Western Australian Financial Transaction Reports Act 1995 is a mirror law, a question remains whether Legislative Council standing order 126 applies to this bill. I have been advised of the approach of the Standing Committee on Uniform Legislation and Statutes Review in its recent reports, including that relating to the Aquatic Resources Management Bill 2015 and the Child Support (Adoption of Laws) Amendment Bill 2012. The committee's position has been that it will only consider that a matter falls within standing order 126 if it materially changes the operation of an existing uniform legislation scheme, implements an additional scheme or implements an additional governmental agreement. It appears that the bill does not introduce a new uniform scheme or implement a new intergovernmental agreement. Each jurisdiction has taken a different approach to amending their legislation. There has been no indication that the commonwealth has sought to create consensus or impose rules on how that is to occur.

As to whether the proposed amendments materially change the operation of an existing uniform legislation scheme, the bill will amend the Western Australian Financial Transaction Reports Act 1995 to introduce provisions that support, and operate by reference to, the commonwealth Anti-Money Laundering and Counter-Terrorism Financing Act 2006. WA police will have the same powers as previously available prior to the commonwealth Anti-Money Laundering and Counter-Terrorism Financing Act 2006 becoming operational in 2008. The bill makes some improvements to the act to ensure that WA police may effectively respond and freeze funds that relate to criminal activity.

Given there are questions about whether the bill is a uniform legislation scheme, I am of the view that it is prudent that the bill be referred to the Standing Committee on Uniform Legislation and Statutes Review for consideration pursuant to standing order 126(1).

I commend the bill to the house and table the explanatory memorandum.

[See paper 1347.]

Debate adjourned and bill referred to the Standing Committee on Uniform Legislation and Statutes Review, pursuant to standing orders.

DISALLOWANCE MOTIONS

Discharge of Order

Hon Martin Pritchard reported that the concerns of the Joint Standing Committee on Delegated Legislation had been addressed on the following disallowance motions, and on his motions without notice it was resolved —

That the following orders of the day be discharged from the notice paper —

1. Shire of Donnybrook-Balingup Meeting Procedures Local Law 2017 — Disallowance.
2. Shire of Capel Dogs Local Law 2017 — Disallowance.
3. Shire of Collie Parking and Parking Facilities Amendment Local Law 2017 — Disallowance.
4. Western Australian Meat Industry Authority Amendment Regulations 2017 — Disallowance.

PAY-ROLL TAX ASSESSMENT AMENDMENT (EXEMPTION FOR TRAINEES) BILL 2018

Second Reading

Resumed from 9 May.

HON ALISON XAMON (North Metropolitan) [12.46 pm]: I only began my contribution to the second reading debate on the Pay-roll Tax Assessment Amendment (Exemption For Trainees) Bill 2018, so for members' interest I will rehash briefly some of what I said. I acknowledge that there was a general consensus about the need for ongoing training, particularly that it is important we ensure there is ongoing training for employees in order for them to be able to address changes in the way the work is performed, and industry disruption. It is also necessary because people may need to undertake career changes and it enables people to undertake career progression. It is obviously important to enable people to undertake promotional opportunities and it is quite critical that we ensure employees keep their skills and knowledge current. As I have said, this bill highlights the critical question of who pays for this, because it costs money. We have very clearly seen that successive federal governments have been

slowly turning their backs on training. It was noted in the briefing provided by the government that nearly half the federal funding has been removed from the training system over the last decade or so. That is usually dressed up in the language of opening it up to the market, but in reality it has effectively resulted in a sustained attempt to degrade a system that in the past was one of the best in the world and ensured equity. I will have a bit more to say about that later.

The current national partnership agreement that the federal government is attempting to get the states to sign up to is for a dramatic drop in funding. We are talking about around \$54 million over the forward estimates. Also, it appallingly places a limit on how those funds can be spent. With the requirements to co-fund, this agreement would severely restrict Western Australia's ability to pay for the rest of the training that we know we need to undertake in this state. It is effectively going to cost us 23 000 training places a year. Much to my deep concern, it also restricts the ability of the state to support funding in areas of critical need and emerging critical need. We already know that there are serious concerns about meeting workforce requirements in the future, particularly in aged care and health. We also know, from a workforce development perspective, that we are looking at a significant deficit to ensure that we have the staff available to make the National Disability Insurance Scheme work. These training places would inevitably come out of TAFE. The national partnership agreement is effectively trying to get the states to sign up to exactly the opposite of what we want and, importantly, is the opposite of what is best for the community. Effectively, this bill is an attempt to backfill some of that funding, which is an insidious situation that the state has been put in. During this financial year, while the relevant legislation has been held up in the federal Parliament, backfilling has been possible due to the previous drops in training demand, which, by the way, is largely speculated to be because of the unaffordability of TAFE. This is an emergency measure only and will not work as training demand swings upwards.

We already know that the state has very limited levers to pull when it comes to raising revenue. I believe that no party, if we had the money available to us, likes payroll tax and wants to see payroll tax. In fact, as my colleague Hon Diane Evers has pointed out, it is Greens' policy to not have any payroll tax at all. The reality is that if this bill does not pass, there is a very real risk that we will lose a huge number of training places. This loss will most affect those students who are not as lucky as others to already be in employment and earning over \$100 000. I also note, given the nature of the federal legislation, that the amount of money that would be made available to the state if we did sign up, remains unknown and is highly likely to be unstable from year to year. That is a disgraceful way to treat the training sector. I am appalled that the federal government would put Western Australia in this position. It is completely failing to listen to the very clear advice that is coming from our state about our areas of need. It is even worse because all the states are in the same position as us. The funding model and the national partnership agreement need to meet the training needs of the states. What we have been presented with right now is guaranteed to fail. We already know that the states and industry understand what their training needs are. As I have said in this place before and as I will continue to say, the state is far better placed to deliver training services than the commonwealth. Far too often, as in so many other areas, the commonwealth is simply too far removed to know what we need within Western Australia.

This bill effectively refocuses the payroll tax exemption on new employees. It is incentivising the training of new employees who are earning around or below the average Western Australian wage. The expectation is that this is most likely to mean training at lower Australian qualifications framework levels for new entrants into the workforce. The courses cost less to deliver, they provide new employees with the tools to ensure that they can perform within the workforce and they assist in creating job security and also, importantly, desirable industry skills. These will be great outcomes for those individuals and also for those businesses and more generally for our society. Helping new employees get a solid grip on the employment and education ladder should be a fundamental priority for all of us. It is most certainly a priority for me.

Employees who are new to an employer but not new to the workforce would also be eligible for the exemption. Employers are still incentivised to employ and train people who change careers and also people who are re-entering the workforce. There are many good reasons to train existing employees. I briefly mentioned some of those in my opening remarks. Additionally, it is one of the ways that we can ensure that we retain employees. As has already been said during this debate, I want to reiterate that there is nothing in the bill that prevents employers from providing training for their existing staff or from accessing subsidised places to train their existing staff. As was well articulated by Hon Colin de Grussa, there are good reasons to do that. It makes good business sense to undertake that anyway. It is in the interests of industry to do that. All it means is that they will not get a tax exemption because they will be pursuing good business sense.

I also note that in a number of white-collar industries, ongoing training is required to maintain certification. I am one of those people. Yet we do not seem to blink twice at this category of workers paying for training out of their own pocket. If I wish to remain certified as a lawyer, I am expected to pay a minimum of \$1 000 a year in continuing professional development in addition to insurance and my legal practice certificate. There is certainly no guarantee that white-collar workers will be earning over \$100 000. We also do not think twice about those people who are in the growing gig economy who have to pay their own fees and receive no incentives. A subsidised place is the only support they receive towards any form of training fees.

I had a quick look at one suite of qualifications that are popular for payroll exemption traineeships, specifically the competitive systems and practices qualifications—certificate III through to the advanced diploma. These qualifications are generally about business practice optimisation. Again, during this debate, we have too often spoken about employee-funded training as if it is a huge favour that employers are doing for employees and that without the exemption, there is no reason to train employees or if we want to really start to go over the top, from the Chamber of Commerce and Industry of Western Australia's perspective, apparently there is no reason to even retain employees. The reality is that it is in the interests of businesses, as I have already said, for this type of training to be undertaken. In my experience, the decision about training is generally a collaborative exercise with employers and employees working together to identify the skills a business needs and the employee generally wants to gain a more efficient, effective and often happier workplace as a result of undertaking training. Training and qualifications such as these are already a huge benefit to businesses, regardless of whether additional benefit is gained through payroll tax exemption. Additionally, the state government has identified these particular courses as being subsidised as general industry training courses. That does not necessarily mean that these courses can be done through TAFE. This particular suite of courses is not currently delivered by any Western Australian TAFE college.

Madam President, I seek leave to continue my remarks at a later stage of today's sitting.

Leave granted.

Debate adjourned until a later stage of the sitting, on motion by **Hon Martin Pritchard**.

[Continued on page 2519.]

Sitting suspended from 1.00 to 2.00 pm

ESTIMATES OF REVENUE AND EXPENDITURE

Tabling of Budget Papers

Hon Stephen Dawson (Minister for Environment) tabled the budget papers.

[See papers 1340A–D.]

Consideration of Tabled Papers

HON STEPHEN DAWSON (Mining and Pastoral — Minister for Environment) [2.00 pm] — without notice: I move —

That pursuant to standing order 69(1), the Legislative Council take note of tabled papers 1340A–D (budget papers 2018–19) laid upon the table of the house on Thursday, 10 May 2018.

This motion enables the Legislative Council to examine and debate the budget papers associated with the appropriation bills, which are now before the Legislative Assembly. The Treasurer's budget speech accompanying the budget papers provides the detailed economic and financial framework for the 2018–19 budget.

[The Minister for Environment read the following speech.]

INTRODUCTION

Madam President, the McGowan Labor Government's second Budget in eight months shows that our responsible plan to get the State's finances back on track is working.

In a little over a year in office we have funded most of our election commitments, restrained expense growth to historical lows and delivered responsible financial management.

Madam President, the only credible way back to surplus is to deliver low general government expense growth. Over the whole of 2018–19 we expect expense growth to be constrained to just 0.9 percent. And over the forward estimates period expense growth is forecast to average just 1.2 percent.

By way of context, 0.9 percent growth is the lowest expense growth in over 20 years.

Our efforts to restrain expense growth have not been in vain. We are still on track to return to surplus in 2020–21. In fact, relative to last year's Budget, the State's total net operating position is \$2.8 billion better off over the four years to 2020–21. That is \$2.8 billion that will not be added to the debt we inherited.

The economy is also starting to turn the corner. Most importantly, around an additional 30,000 Western Australians have found employment since the March 2017 election and we expect another 20,000 jobs to be created in the year ahead.

After a determined period of negotiation, we have secured a \$3.2 billion funding offer from the Commonwealth. The Commonwealth offer comprises:

- \$1.052 billion for a range of METRONET projects;
- \$189 million for health projects;
- \$190 million for Myalup–Wellington Dam; and
- \$1.7 billion for metropolitan and regional roads.

These capital contributions are welcome, but are in no way compensation for our disgracefully low GST share. Even with a 50 percent per capita share WA still subsidises the rest of the nation to the tune of \$3.4 billion, relative to an equal per capita share.

RESPONSIBLE FINANCIAL MANAGEMENT

Fiscal Outlook

Madam President, responsible financial management — particularly constraining the rate of recurrent expenditure growth — is absolutely critical to getting the State's finances back on track.

This Budget continues the focus on responsible financial management evident over the McGowan Labor Government's first year in office, and we remain on track to return the general government operating balance to a surplus position by 2020–21.

The return to surplus in 2020–21 is built on low expense growth, not a drastic turn around in revenue forecasts.

The Budget does show that the State's own-source revenues such as payroll tax and transfer duty appear to have stabilised and are expected to grow over the forward estimates period, however this turnaround was already forecast and factored into the 2017–18 Budget and the Pre-election Financial Projections Statement.

This Budget provides for expense growth of 0.9 percent in 2018–19 and an average of 1.2 percent per annum over the forward estimates period.

These historically low rates of expense growth are the result of the Government's Budget repair measures and our disciplined approach to reviewing and reprioritising expenditure to fund election commitments and other priority programs and infrastructure.

In just five months, the expected deficit for 2017–18 has been halved—from \$2.6 billion to \$1.3 billion—as a direct result of controlling our spending and being responsible with the State's finances.

The improvement has been so stark that the 2019–20 year, forecast just eight months ago as part of last year's Budget as \$1.1 billion in deficit, is now close to a balanced Budget year with a \$160 million deficit forecast.

The 2020–21 forecast operating surplus has again been protected, improving slightly to \$1.3 billion. Madam President, this will be the first surplus outcome since 2013–14, after the previous Government racked up nearly \$5 billion worth of deficits in its last three years in office.

With the addition of the new final outyear's forecast \$1.5 billion surplus, the Western Australian Government, for the first time in a long time, is on track to earn more than it is spending over the Budget and forward estimates period, with a combined operating surplus position of \$1.8 billion.

As a result of the McGowan Labor Government's disciplined approach to expenditure management, and the resulting path back to surplus, total public sector net debt is now expected to peak at \$40.9 billion at 30 June 2020. This is \$2.9 billion less than forecast in the 2017–18 Budget.

By 30 June 2021, net debt is expected to be \$3.2 billion lower than forecast in the 2017–18 Budget.

Budget Repair

As part of our first Budget, we announced a significant package of Budget repair measures and most are progressing well. For example:

- our Voluntary Targeted Separation Scheme, while not concluding as quickly as originally anticipated, is still on track to achieve the full 3,000 separations target, with over 2,000 separations expected to be finalised by 30 June 2018 and estimated gross savings of \$1.1 billion anticipated over the forward estimates period;
- Government office accommodation reforms are on track to achieve savings of \$128 million, and \$55 million in savings are now assigned at agency level for State Fleet initiatives; and
- the Point of Consumption Wagering Tax is in progress and expected to commence from 1 January 2019.

Madam President, there is no silver bullet to resolving the financial mess created by the former Government.

The Liberal–National Government was spending more than it was earning, year, on year, on year. The solution to that problem does not lie in a sale of the State's assets.

It is also not an option to drastically increase taxes and other revenues to match the ballooning expenses of the former Government.

The Liberal–National Coalition oversaw an average annual 6.4 percent increase in general government expenditure over their time in office. That is a whopping \$9.9 billion increase in real terms.

To offset some of this expense growth, the Liberal–National Coalition delivered six different transfer duty and land tax increases and a total of \$8.4 billion in revenue measures during their time in office.

The McGowan Labor Government would not undermine business confidence through such reckless revenue increases in any economic context, let alone at the current point in the cycle, where business confidence has just returned and employment is starting to grow again.

However, there are some limited revenue measures available to us.

In last year's Budget we committed to a 1.25 percentage point increase in the gold royalty rate, reflecting that the gold sector's discounted royalty rate equated to just half of the benchmark return for all other commodities. This modest increase, which was blocked by the Liberal and National parties, would have had a net impact of around \$14 an ounce. Since that time the gold price has risen by \$142 an ounce, completely undermining the claims that a rate increase would have hurt the industry and cost jobs. While the Government is not seeking to reintroduce the royalty increase in this year's Budget, we believe an increase in the rate remains justified.

A small increase to payroll tax for the largest one percent of businesses was also announced in the 2017–18 Budget, revenue which will begin to flow into the Consolidated Account from 2018–19 for five years, by which time the task of Budget repair will be well progressed.

Last year we also announced the introduction from 1 January 2019 of a 4 percent surcharge on purchases of residential property by foreign individuals and entities. In this Budget, we have decided to bring Western Australia into line with other States and raise the foreign buyers surcharge to 7 percent. This increase will raise an estimated additional \$50 million, bringing the total estimated revenue from the foreign buyers surcharge to \$123 million over the forward estimates period—at no cost to Western Australians.

There are also revenue initiatives to fund major programs.

Madam President, the McGowan Labor Government has made the financially responsible decision to increase cost recovery rates in key areas.

Funding of \$10 million per annum for the Exploration Incentive Scheme will be raised through increases to annual mining tenement rents of 6 percent in each of 2018–19 and 2019–20. This is not only a responsible decision financially, it will also support and create local jobs through the encouragement of exploration investment and lock in ongoing funding for the Scheme.

This Government is removing the resource sector's exemption from paying the Building and Construction Industry Training Fund Levy on engineering construction work. This will support training and skills development for the State's construction workforce.

We are also introducing an improved cost recovery model for environmental regulation services undertaken by the Department of Water and Environmental Regulation. The additional revenue will be reinvested in the Department in the form of additional staff and implementation of digital services to improve service delivery and reduce environmental application assessment timeframes. This approach will help drive efficiencies, promote economic development and create jobs in the State.

Finally, Madam President, as already announced by the Premier and the Minister for Emergency Services, the 2018–19 Budget includes an additional \$128.5 million in fire and emergency services over the next four years, mostly allocated to regional projects.

This unprecedented investment will see \$80 million spent on enhancing rural bushfire capacity through the new Rural Fire Division, including a first of its kind \$18 million Bushfire Centre of Excellence and a \$35 million boost for bushfire mitigation effort. It will be funded through the Emergency Services Levy with a modest increase taking effect on 1 July 2018.

An increase of \$28 to the metropolitan ESL and increases of between \$8 and \$17 per annum across the four regional ESL categories are also included in the Budget.

Madam President, I wish to emphasise a key point here: the spending associated with these announcements is dependent upon the Government's reasonable fee increases.

The final option for Budget repair left to Government is to reduce expenses and this is where the McGowan Labor Government has chosen to do most of the heavy lifting.

We must cut the expenditure of Government to match its revenues and, as I said earlier, this is the first Budget in a long time where the Budget and forward estimates period is now in net surplus.

The very low expense growth across the forward estimates can only happen if we reduce embedded, and ever climbing, cost structures of the public sector.

We have reduced embedded cost growth in the public sector through the \$1,000 wages policy, which is estimated to reduce spending by around \$700 million over the five years to 2021–22.

We successfully reduced the size of the senior executive public service by 20 percent, saving \$26 million per year from 2018–19. We have also frozen the annual wage costs for all Parliamentarians, Judges and senior public servants under the jurisdiction of the Salaries and Allowances Tribunal for the current term of Government.

We are reducing the size of the car fleet and the office floor space for the public sector.

The Government Trading Enterprises are also making sizable contributions to Budget repair through efficiency measures and increased dividend payments to Government.

Most importantly, we have reduced the number of departments and agencies in the public sector. The Machinery of Government changes are delivering ongoing and critical efficiencies in service delivery as we remove duplication.

Decisions such as these mean that we are able to make smart decisions for our future.

Decisions such as ensuring the freeze on vocational education and training course fees continues over the period to 2021. This will help address affordability concerns for prospective students and employers, and help more people into jobs in the future.

Public Sector Reform

Madam President, in response to more than 300 recommendations from the Service Priority Review, the Special Inquiry into Government Programs and Projects, and the Interim Report of the Sustainable Health Review, the McGowan Labor Government has already initiated a number of changes which have led to greater efficiencies.

Taking the Department of Health for example and we see average expense growth of just 1.2 percent per annum across the forward estimates period, compared to growth under the former Government of 8.5 percent per annum.

But, we also recognise that we need to do things better in the public sector. There are a number of reforms that have gone unimplemented—we are more than a decade behind the other States. The development and implementation of standardised governance arrangements for Government Trading Enterprises is a prime example.

Similar to other States, we also plan to introduce data sharing legislation, including protections for personal and other sensitive information, to support better Government decision-making and service delivery. The changes will remove barriers to data sharing across Government agencies and underpin important research on public policy issues such as juvenile offending and domestic violence.

To ensure coordinated and sustained reform, we will set up a central implementation team and invest \$21.8 million over the next four years to reform and rebuild the public sector.

We have also allocated \$15.3 million over the next four years to establish Infrastructure WA as an independent advisory body to provide expert advice to Government on infrastructure needs and priorities.

Update on TAB and Landgate

Madam President, while this Government does not see asset sales as a solution to the fiscal problems we have inherited, we do wish to end the uncertainty which has frustrated the racing industry over the future of the TAB.

The previous Government talked a lot about whether or not the TAB should remain in public hands, but failed to make a decision. With the support of industry, we will end this indecision. Consultation is proceeding well and there is confidence that we will agree a path forward for the future of the TAB later this year.

The Government will continue to investigate the potential commercialisation of the activities of Landgate and further updates will be provided by the Treasurer in due course.

FIGHTING FOR A FAIR SHARE FOR WA

Madam President, Western Australia's low share of the GST continues to be a fundamental constraint on our Budget, and we are continuing to fight for a fair share for Western Australia.

In 2018–19, Western Australia will receive just 47.3 percent of our population share of GST revenues. This represents a loss of \$3.6 billion compared to if we had received our full population share. Even by 2021–22, our GST relativity is only forecast to reach 64.9 percent. To put this in context, Madam President, no other State has ever received less than 83.4 percent of its population share of the GST.

The GST system is broken, it needs reform and there are strong underlying economic and fairness arguments to justify that reform.

The Productivity Commission is expected to deliver its report on its GST distribution inquiry by 15 May. We expect the Commonwealth Government to move quickly to implement reforms.

Fundamental GST reform is needed, and the McGowan Labor Government will continue to fight for a fairer share for Western Australia.

I would like to now briefly address the Commonwealth funding included in this Budget.

Just days before our State Budget cut-off, the State Government had confirmed that the Federal Government would provide a \$3.2 billion funding offer between 2017–18 and 2024–25.

We moved quickly to implement this funding contribution in this Budget, including \$1.2 billion across the forward estimates, towards our projects that are closer to delivery stage.

In line with the recommendations of the Special Inquiry into Government Programs and Projects handed down earlier this year, for some projects that require further planning work and the development of business cases, the McGowan Government will get that work completed to ensure these important projects are delivered. Timing of new road projects will be determined in due course by the State Government when that work is done, but importantly further funding will be sought from existing Federal Government infrastructure programs to these projects.

There is more work to be done with the Commonwealth in advocating for a fair share for Western Australia.

In particular with the array of Commonwealth funding agreements that are due to expire, or have already expired.

For example, we are actively engaged in negotiations with the Commonwealth on a new National Housing and Homelessness Agreement to replace two existing agreements that expire on 30 June 2018. A commitment to continued Commonwealth funding for remote housing is also being sought following the imminent expiry of the current agreement. Any reduction in this funding (of over \$100 million per annum) would have a significant adverse impact on Western Australia's remote areas, particularly as it would come on top of the Commonwealth's 2015 withdrawal of investment in essential and municipal services in these communities.

Finally, we need to address in-built inadequacies in the Commonwealth's overall approach to Western Australia. It must be recognised that our dollars must stretch across our vast land mass and reach people in some of the most remote places in the country.

For too long, the level of funding provided to this State has failed to adequately recognise the higher costs of delivering services in our regional and remote locations, as well as the high levels of State investment in our schools. For example, on the latest available data, Federal healthcare funding for Western Australia is \$277 per person below the national average.

Further:

- we have only 63 aged care beds for every 1,000 elderly people, compared to the national average of 75;
- per child, the Commonwealth's annual contribution to pre-school students in Queensland and New South Wales is estimated to be over \$5,000 compared with only \$1,200 in Western Australia; and
- the Commonwealth recognises only a small fraction of the extra cost of providing vocational training in regional and remote areas, which is around \$45 million higher each year than for metropolitan services.

These are just a few examples of why we need to continue fighting for our fair share.

CREATING JOBS AND STRENGTHENING THE STATE'S ECONOMY

Economic Outlook

Madam President, I mentioned earlier that the State's economy is turning a corner.

After contracting by 2.7 percent in 2016–17—the first annual contraction on record—the Western Australian economy is estimated to grow by 2.5 percent in 2017–18 and a further 3.25 percent in 2018–19.

Exports, particularly of LNG, iron ore, lithium and gold, will continue to be the major driver of growth in the State's economy in the short to medium term.

The State's LNG exports are projected to grow by around 70 percent in the three years to 2019–20 to almost 50 million tonnes, accounting for around 10–15 percent of expected global production. The recent

announcement by Chevron Australia of a multi-billion-dollar subsea expansion of the Gorgon natural gas project is a welcome development that will maintain the supply of gas for the life of the project and create hundreds of Western Australian jobs.

Conditions in the gold industry remain very favourable, and investment in the production and refining of lithium is an emerging area of growth for the State's resources sector, with lithium expected to contribute a growing share of mineral production and exports over the forward estimates period.

Madam President, consumer confidence in the State is also on the rise and from 2019–20 an improving domestic economy and labour market is expected to see household consumption take over as the major driver of growth in Western Australia's economy. This should see much steadier and more balanced growth in the years ahead than the boom-bust cycle of the last decade.

To help deliver more balanced and diversified growth in the economy, and in doing so create local jobs, the McGowan Labor Government has:

- invested heavily in tourism destination marketing and events, with \$425 million over five years allocated to Tourism WA in last year's Budget;
- recently launched an action plan to grow the number of visitors to the State over the next two years;
- provided Defence West with a \$4.9 million boost to continue to champion Western Australia's defence industry; and
- launched WA Industry Link—a key component of the Government's Jobs Law that will help local businesses secure work on government contracts.

We will also spend \$3.4 million over the forward estimates period to expand the State's Science, Technology, Engineering and Mathematics Strategy.

Around 30,000 jobs have already been added since the McGowan Labor Government came to office. This follows a reduction of more than 11,000 in 2016–17.

METRONET

The Government's significant investment in METRONET is not only an integrated land and transport plan, it is also a plan to reduce congestion, and a plan that will lead to the creation of local jobs. It will truly transform this city.

We continue our work on the Yanchep Rail Extension and the Thornlie–Cockburn Link, both fully funded in last year's Budget.

In recognition that various METRONET projects are still under development, with business cases currently being progressed for projects such as the Morley–Ellenbrook Line, the Midland Station project and extension of the Armadale line to Byford, we have set aside a \$750 million provision for METRONET over the forward estimates period. We have secured additional Federal infrastructure funding totalling \$1.052 billion over the period 2017–18 to 2024–25 for our METRONET plan. As well as set aside a small amount from the Metropolitan Region Improvement Fund.

Our railcar procurement program—among the first projects to be started under the new *Western Australian Jobs Act*—will deliver 246 railcars over the next ten years. This will seek at least 50 percent of local manufacturing of the railcars, alongside a maintenance requirement of 30 years, thereby helping to create ongoing jobs within the State.

Madam President, we recognise that the public housing portfolio is ageing, with social housing waitlist data indicating a critical shortage of homes suitable for the needs of singles and couples in terms of location, access to public transport, amenities and configuration.

That is why this Budget includes a \$394 million METRONET Social and Affordable Housing and Jobs Package, which will be delivered in collaboration with the private sector and be strategically aligned to the delivery of Stage 1 of METRONET. This package is also expected to create over 2,350 additional jobs over the next four years.

Over the Budget and forward estimates period, the package is forecast to be net debt neutral, with sales proceeds forecast to offset both the costs of the developments and the creation of an additional 320 social housing dwellings.

Emerging Industries

Madam President, when we came to office, we not only committed to creating jobs, but also to the development of new industries such as emerging battery technologies to help diversify the economy.

This is why we have now committed \$5.5 million to support the State's bid to host the headquarters for the New Energy Industry Cooperative Research Centre. The objective for the Cooperative Research Centre is to create value through industry-led research and drive global demand for local products, services and solutions. It is an initiative that builds upon our State's natural mineral endowment, as well as our extensive research and industry capabilities.

Aboriginal Employment

Progress is also being made in implementing the \$20 million Aboriginal Ranger Program we announced in last year's Budget. Thirteen applications have been funded under Round One of the program, providing real jobs and economic and social benefits in remote and regional Western Australian communities.

The Government has also delivered on our election commitment to support Aboriginal-owned businesses through an Aboriginal Procurement Policy. This Policy outlines progressive targets for Government agencies to award one percent of procurement contracts to registered Aboriginal businesses from 1 July 2018, increasing to two percent from 1 July 2019 and three percent from 1 July 2020.

We have consulted with the Aboriginal business sector and Government agencies and identified a need to build capability within the sector to help Aboriginal businesses make the most of the opportunities available. Therefore, we have allocated \$500,000 a year in grants for the next three years to enhance expertise in business development, governance, contractual compliance and tendering.

DELIVERING QUALITY HEALTH CARE, EDUCATION AND COMMUNITY SERVICES

Madam President, when it comes to the delivery of services, we are committed to ensuring we do so effectively and efficiently.

Health

This Budget includes expenditure of \$8.8 billion in 2018–19 to support the provision of high quality health care to the people of Western Australia. The McGowan Labor Government continues to put patients first, while also recognising the need for value for money in the delivery of its health services.

Importantly, we are starting to see improved efficiency in the delivery of hospital services in the State, which in turn has seen the unit cost of hospital activity fall in 2017–18. This has helped bring the cost of hospital services in Western Australia closer to the national average cost.

Improving the efficiency of public hospital services is not only critical to repairing the State's finances, but to ensuring a sustainable and high quality health system into the future.

In recognition of the growing demand for health services in the Joondalup–Wanneroo catchment area, we have provisioned \$158 million to expand services at Joondalup Health Campus. This expansion will be in partnership with Ramsay Health Care and is funded by the Commonwealth. We have established a project team and committed \$4.6 million towards planning the design and construction of the expansion. The remaining funds will be allocated upon approval of the business case.

Other key investments in health infrastructure include:

- \$79.2 million for redevelopment of the Geraldton Health Campus. This includes \$5.9 million for an offsite Step Up/Step Down Mental Health Facility;
- \$24.9 million at Osborne Park Hospital with the Commonwealth contributing \$10.6 million towards this project;
- \$11.8 million at Royal Perth Hospital to develop a dedicated observation area, with an authorised mental health unit, for patients presenting with mental health issues or drug or alcohol intoxication; and
- \$1.8 million to construct a family birthing centre at Fiona Stanley Hospital.

Education

Madam President, the Government will be spending \$5.1 billion on public school education in 2018–19, delivering high quality education to Western Australian students.

We are continuing our important election commitment to put education assistants back in the classroom, spending \$54.9 million over the forward estimates period. This will include a total of 74 regional and remote schools receiving funding to appoint additional Aboriginal and Islander education officers to support Aboriginal students.

We are also investing \$1.2 billion over the forward estimates period on the construction, refurbishment and expansion of public schools across Western Australia, including \$469 million in 2018–19.

In addition, we are investing \$9.8 million across the forward estimates period on North Albany Senior High School and Albany Secondary Education Support Centre. This will enable construction and refurbishment of buildings, and will increase permanent student accommodation capacity.

In the training sector, we are continuing to upgrade and repurpose ageing TAFE training campuses State-wide and will invest \$17.9 million in South Regional TAFE's Esperance Campus to provide industry-relevant training facilities to support the training and workforce development needs of the Esperance region, with a focus on trades training, nursing and aged care.

Law and Order

Madam President, the McGowan Labor Government is committed to community safety. This is why we prioritised the decision in this year's Budget to provide \$26.9 million for a new police helicopter. This will replace the almost 30-year-old helicopter currently in use, which is often spending more time in the hangar undergoing maintenance than in the air providing crucial support to frontline police.

We will spend \$20.5 million over four years to deliver our Target 120 election commitment. This is a significant investment in children and young people most at risk of escalating criminal activity. We will work with their families to make positive changes in their lives and reduce their risk of reoffending, helping to both protect the community and improve the future prospects for these young people.

The McGowan Labor Government is continuing to implement its Stopping Family and Domestic Violence election commitment to hold violent perpetrators accountable, keep victims safe, and prevent violence against women and children.

As part of the 2018–19 Budget, an additional \$2.6 million has been allocated for a second 'Breathing Space' service operated by Communicare for male perpetrators of family and domestic violence. The service will provide a three month residential program, incorporate supported case management and behaviour change programs, and include support and advocacy for partners.

We will also spend \$4.3 million to upgrade information and communication technology systems to integrate with the National Order Reference System information sharing platform, which will improve interjurisdictional monitoring of domestic violence orders.

To help ease demand pressure in our courts, we will spend an additional \$4.2 million for two additional judicial officers and support staff in the Magistrates Court, which is expected to reduce the Court's time to trial towards its target of 19 weeks.

National Disability Insurance Scheme

Madam President, in December last year, the Government entered into a revised National Partnership Agreement for transition to the Commonwealth-administered National Disability Insurance Scheme.

In this Budget, we have committed to spend \$20.3 million to support the disability sector in this transition, and a further \$14.5 million to facilitate the transition of the existing workforce, with up to 200 employees expected to permanently transfer to the National Disability Insurance Agency over the transition period.

Emergency Services

Madam President, I noted earlier that the McGowan Labor Government is investing a record additional \$128.5 million in fire and emergency services over the next four years. This includes \$80.3 million to establish a dedicated Rural Fire Division within the Department of Fire and Emergency Services, which will expand the rural focus from response to broader emergency management.

Essential Services and Household Fees and Charges

Madam President, the McGowan Labor Government remains committed to ensuring everyone in the State has access to reliable electricity, water and wastewater services. We are investing a substantial \$6.6 billion across the forward estimates period on power and water infrastructure, including \$1.8 billion in 2018–19.

Despite this significant investment, for 2018–19 we have limited increases to tariffs, fees and charges that impact the 'representative household' to just 4.8 percent, down from 7.7 percent in last year's Budget.

This includes the increase in the Emergency Services Levy mentioned earlier.

Electricity prices for the average household will this year rise by 7 percent or about 30 cents a day.

This Budget includes significant reform in relation to water pricing, aimed at minimising price increases for low consumers of water and sending a clear price signal to water guzzlers. Larger increases for high water users have allowed us to keep increases in water, sewerage and drainage charges for the representative household to just 5.5 percent.

We have kept changes to public transport fares to a minimum, with standard fares increasing by 1.5 percent (rounded to the nearest 10 cents) and student fares remaining unchanged at 70 cents.

SHAPING OUR STATE, INVESTING IN OUR SUBURBS AND TOWNS

Regional Expenditure

Through responsible financial management, the McGowan Labor Government has secured the future of the Royalties for Regions program. Another \$4 billion will be spent across the forward estimates period under Royalties for Regions.

New expenditure in this Budget is focused on improving economic diversification and creating jobs, including:

- \$24 million to build Western Australia’s grains research and development capacity;
- \$22.5 million for a Regional Economic Development Grants program; and
- \$5 million for the Myalup Primary Industry Reserve.

The McGowan Labor Government’s commitment to the regions extends beyond the Royalties for Regions program.

Infrastructure investment in the regions will total \$3.4 billion over the forward estimates period. Around \$1.7 billion will be spent on the delivery of health services in the regions and \$1.1 billion on educating over 72,000 students enrolled in over 300 regional schools.

Roads and Road Safety

Madam President, investing in road infrastructure in our suburbs and towns is a major focus of this Budget.

The McGowan Labor Government will spend more than \$2 billion over the forward estimates period on regional roads—this massive investment reflecting the high priority given to making our regional roads safer.

Major ongoing projects include:

- \$347.2 million for a range of upgrades on the Great Northern Highway from Muchea to Wubin; and
- \$65.7 million to complete construction of the remaining 90 kilometres of unsealed sections of the Broome to Cape Leveque Road.

We will invest \$93.8 million over the forward estimates period—\$75 million of this being Commonwealth funds—to commence the northern and southern sections of the Bunbury Outer Ring Road. This will improve road freight access to the Port of Bunbury, reduce congestion and improve safety for all traffic.

We are also investing a total of \$125 million on the extension of Stephenson Avenue between Scarborough Beach Road and the Mitchell Freeway, with \$65 million of this funded by the Commonwealth.

To support improved road safety, \$124.1 million will be spent over the next four years on various projects, including:

- \$70 million to deliver upgrades on regional roads where there is a high risk of run-off road accidents;
- \$20 million to widen a 58 kilometre section of Indian Ocean Drive;
- \$17.2 million to continue upgrades to Great Eastern Highway on priority sections identified in the Wheatbelt Safety Review; and
- \$13.3 million on safety treatments at high priority metropolitan intersections.

Cycling

We will invest a further \$20 million to increase and extend the Principal Shared Paths in the Perth metropolitan area. This will help achieve more sustainable transport options for key arterial transport corridors.

We will also spend \$5.3 million to increase cycling grants to local governments and to continue the Safe Active Streets Bike Boulevard program.

Culture, Heritage and Environment

The McGowan Labor Government is shaping our State by managing, protecting and enhancing our culture, heritage, environment, and local assets.

In this Budget, we are providing \$3 million to deliver on our election commitment to establish a Contemporary Music Fund. This Fund will support home grown contemporary music artists by assisting

them with marketing, promotional, performance, recording and production costs. A strong and vibrant local music industry will support tourism and the creation of local jobs.

We have also committed to supporting jobs and boosting the economy through heritage tourism by reinvesting \$4 million of sales proceeds over two years into the Heritage Revolving Fund.

Near Bunbury, we are providing \$10.5 million to fast-track the creation of the Preston River to Ocean Regional Park and to assist the Government in creating the 2,297 hectare Leschenault Regional Park, which will extend along the Collie and Brunswick Rivers, westwards across the Swan Coastal Plain.

CONCLUSION

In conclusion, Madam President, the 2018–19 Budget has been framed in a responsible manner, and in a manner that is consistent with the McGowan Labor Government’s priorities of:

- creating jobs and strengthening the State’s economy;
- delivering quality health care, education and community services;
- shaping our State, and investing in our suburbs and towns; and
- fighting for a fair share for Western Australia.

The Government is gradually cleaning up the financial mess we inherited upon coming to office, and through our responsible financial management the State’s finances are returning back to a sustainable path.

Madam President, I commend this Budget to the Council.

Consideration of the papers made an order of the day for the next sitting, on motion by **Hon Ken Baston**.

PAY-ROLL TAX ASSESSMENT AMENDMENT (EXEMPTION FOR TRAINEES) BILL 2018

Second Reading

Resumed from an earlier stage of the sitting.

HON ALISON XAMON (North Metropolitan) [2.43 pm]: I was talking earlier about the delivery of particular courses that are deemed to be important to industry. I would like all courses that are considered important enough to be subsidised to be available through TAFE. It is important members remember how TAFE, as the system through which we deliver training in this state, is important to the community. Currently TAFE is responsible for delivering courses across a broad span of industries and qualification levels. It does not have the luxury of picking and choosing only those courses that are cheap to run. We rely on TAFE to train people in technical engineering and construction, and plant equipment, machinery and tools. Providing training in those areas is already extremely costly.

Importantly, TAFE is also inevitably the backdrop of our system. When our policy settings allow disasters like the VET FEE-HELP mess or the collapse of registered training organisations, which are truly rorting the system, we always turn to TAFE to pick up the pieces. We need to remember that TAFE is also responsible for taking students from diverse backgrounds and, as much as the funding allows, providing the support that those students need to succeed. We are demanding a lot from our TAFE system, yet we are not providing TAFE with what it needs. Subsidised places at TAFE have been and should remain the backbone of our training system; yet, as I have said, we have steadily been starving TAFE of funds. We are asking those institutions to do more with less; we are asking them to compete for funding as though they were private providers. As I have already said, TAFE is expected to pick up those training programs from which there is no money to be made. We are failing to acknowledge how important a healthy TAFE system is not only for trainees, but also for the economy as a whole.

While I am talking about TAFE, I wanted to raise the recent developments in Victoria. As members would know, the Victorian government recently declared that from next year a number of its priority industry qualification courses will be fee free for students. I would love to see that happen in Western Australia, but I acknowledge that if we combine the previously mentioned national partnership agreement arrangement with WA’s ongoing appallingly low share of GST revenue, we are not likely to be in a position to do that any time soon. I nevertheless maintain that this is what we should be aiming for.

I acknowledge that this bill is not going to bring my desired fee-free TAFE courses any closer. It is a stopgap measure to ensure that as many TAFE places as possible are kept open while the federal government continues to fail to understand what we actually need in this space—or perhaps it just does not care. The value of this bill is in the retention of the 9 600 training places this academic year and the 43 636 over the forward estimates. It does not make up the entire gap of the 23 000 that we will lose annually should the national partnership agreement be signed. I note that this agreement is supposed to fund the current year. This is at least going some way to deal with the damage that has effectively been wreaked on the training sector courtesy of the federal government.

I look forward with interest to the second part of this project that will focus on how to better support and target apprentices and trainees into the future outside of a payroll tax exemption. I note that members have expressed their distaste for a grant scheme, and I am not surprised by that. I recognise that grant schemes are often unwieldy and discriminate against smaller organisations. Given that the government has expressly targeted assisting small businesses that do not qualify for a payroll tax exemption, I hope that any such future scheme will be easy to understand and use. Like others in this place, I look forward to seeing the fruits of the consultation that is currently being undertaken.

As my colleague has already stated, the Greens will support this bill. I believe the federal government has left us in a position where, unfortunately, frankly we cannot afford not to do this.

HON SUE ELLERY (South Metropolitan — Minister for Education and Training) [2.48 pm] — in reply: I thank members for their contributions and note that although the Pay-roll Tax Assessment Amendment (Exemption for Trainees) Bill 2018 was read into the house by my colleague Hon Stephen Dawson, I am the minister responsible for it. I again thank members for their contributions to this important piece of legislation and remind them where we started. There are essentially two drivers for this policy position. One is around tightening existing payroll tax exemption provisions to stop the gaming of the system that had continued even beyond the measures put in place by the previous government in 2014–15, and then to direct the revenue that will no longer be lost into funding training places to address the shift of funding from the commonwealth government. It is not a tax grab; rather, it is a tax integrity measure. The immediate removal of the exemption was necessary to protect the integrity of the payroll tax base and to ensure that no further gaming took place. In that respect, it is worth noting that the cost of the exemption has grown over 600 per cent since 2005–06, from around \$11 million, to \$80 million in 2016–17, far outstripping the growth in wages and employment over that same period. In 2016–17, of around 19 000 businesses registered for payroll tax, only around 1 750 businesses claimed the exemption for trainees. The exemption is the most generous of all jurisdictions and there is clear evidence that it was being gamed, to use the expression by some businesses.

I want to address in turn each of the issues raised by those members who have spoken. Hon Dr Steve Thomas raised a question in the first instance about the adequacy of the \$100 000 wage threshold. At that level, the cap seeks to strike a balance between limiting the extent to which WA communities subsidise the training of chief executive officers and other senior and well-paid employees, while encouraging businesses to train newly appointed employees. I will come back and address the issue of newly appointed employees a bit later. The cap is well above annualised average weekly ordinary time earnings in WA of around \$91 000 in November 2016, based on the most recent available data. The threshold is based on an employee's rate of pay for ordinary hours—a number of members referred to this—and does not include other forms of remuneration such as bonuses, allowances, commissions, overtime, employer superannuation contributions and the like. It is envisaged that the wage cap will have an insignificant impact for new employee trainees.

Hon Dr Steve Thomas and Hon Aaron Stonehouse raised the history of exemptions and put the proposition that there was no historical evidence to suggest that the exemption for traineeships was intended to be limited to new employees. However, that is just not the case. There is evidence and I will walk members through that. On 1 July 1984, an exemption for apprentice wages was introduced to support the training of apprentices in this state. The exemption was limited to the first year of employment as an apprentice and, as set out in the second reading speech introducing the amendments, one of the objectives of the exemption was to provide, and I quote —

... businesses with added incentive to employ young people and to provide them with skills which will have lasting benefits for our society.

On 1 July 1994, this exemption was broadened to exempt apprentice wages for the term of the apprenticeship and the objective of the extension was to promote, support and encourage the expansion of apprenticeship training in this state. I refer to *Hansard* from the Legislative Assembly of Thursday, 21 October 1993. The second reading speech of the Pay-roll Tax Assessment Amendment Bill was read by the member for Nedlands, one Mr Richard Court, where he says —

Nevertheless, at a time of very high youth unemployment, these initiatives will provide businesses with added incentive to employ young people and to provide them with skills which will have lasting benefits for our society.

I refer to the Pay-roll Tax Assessment Act 1971 and the second reading speech of 1983 in the Legislative Assembly—I do not have a date but I will find it.

Hon Colin Tincknell: Will you address my solutions to employees placing large portions of their workforce on the scheme?

Hon SUE ELLERY: Yes.

Hon Colin Tincknell: And employers extending the terms of training contracts and also tax exemption.

Hon SUE ELLERY: Sure. I am giving a second reading reply now. In the second reading reply, I will try to address all the issues raised by all members.

Hon Colin Tincknell: Thank you.

Hon Nick Goiran interjected.

Hon SUE ELLERY: Mr Acting President.

The ACTING PRESIDENT: Order, member!

Hon SUE ELLERY: I will try to provide responses to all the issues.

Hon Nick Goiran: She is going to try.

Hon SUE ELLERY: Honestly, Mr Acting President!

The ACTING PRESIDENT: Come on! Yes. Order!

Hon SUE ELLERY: I have asked people to cooperate because I would like to be able to deal with something else this afternoon.

Hon Nick Goiran: Deal with what?

The ACTING PRESIDENT: The Leader of the House has the call.

Hon SUE ELLERY: That is what I will try to do. One of the honourable members has asked to go into committee. If the member thinks that I have not provided him with the response he sought, there is the opportunity to ask me that question then.

Hon Colin Tincknell: Thank you.

Hon SUE ELLERY: Talking about new employees, the second reading speech states —

... during the first year of employment of apprentices, including those apprentices on probation, be exempted for pay-roll tax purposes.

I think it is also worth referring to the taxation ruling from the Australian Tax Office on the Australian traineeship system. The information provided from the ATO about how income tax is treated using traineeships is as follows —

The Australian Traineeship System ... was introduced by the Commonwealth Government during the 1985–86 financial year to provide a new form of structured vocational training for young people seeking to enter the workforce.

That is new entrants to the workforce.

One of the other issues raised, I think, by both Hon Dr Steve Thomas and Hon Aaron Stonehouse went back to 1994. On 1 July 1994, the exemption was broadened to exempt trainee wages paid under an accredited training scheme or a traineeship scheme approved by the Minister for Employment and Training under the Industrial Training Act 1975. These schemes replaced the traineeships under the Australian Traineeship Scheme, which was discontinued in 1995. The second reading speech introducing that exemption noted that this measure is consistent with the government's objectives of reducing the burden of payroll tax and encouraging businesses to hire and train new staff.

On 10 June 2008, significant regulatory reform took place and the Industrial Training Act 1975 was repealed. The relevant regulatory provisions were added to the Vocational Education and Training Act 1996, such that an integrated framework applied to both apprenticeships and traineeships under the umbrella term "apprentice". Consequential amendments were made to the payroll tax legislation to combine the previous separate exemptions into a single exemption. The proposition was put also during the second reading debate that the government had not provided any evidence of how the system was being gamed in respect of the exemption.

In a minute, I will refer to a letter that the Treasurer sent to the respective parties. The Treasurer provided numerous examples of exploitation of the exemption during the debate in the other place, and separately, in the letter I am about to refer to. These include examples post—this is the important bit—the changes introduced by the former government in 2014 to cap the number of training contracts to 100 employees per business per quarter. The previous government made a genuine effort to try to restrict the gaming of the system that was occurring, but that did not stop it completely. I will give some examples. A large entertainment company attempted to register existing employees working in information technology, warehousing and corporate services into a certificate III and certificate IV in hospitality, even though they did not undertake any work in any way relevant to hospitality in their day-to-day role. Senior leaders of a large mining company were nominated for a diploma in leadership and management, although these existing employees already possessed an equivalent or higher qualification such as an MBA. A large mining company nominated existing employees for a certificate III in civil construction, even though the organisation did not provide any civil construction operations.

Hon Donna Faragher: Are you saying that those examples that you are putting forward now were rejected by the Department of Training and Workforce Development or not, because it obviously assessed whether or not they were appropriate? Maybe I might ask that during the committee stage.

Hon SUE ELLERY: I do not have the answer to that question in front of me. If the member asks me that question during the committee stage, I will give her an answer.

Hon Donna Faragher: Maybe the officers have just heard it.

Hon SUE ELLERY: They might pass me a note and I might be able to do it in the second reading reply.

In 2015–16, an employer claimed exempt wages of around 92 per cent of its total wages of \$5.3 million and 93 per cent of \$4.4 million in 2016–17. The payroll tax payable dropped from approximately \$150 000 in 2014–15 to nil in 2015–16 and 2016–17. In 2016–17, an employer claimed an exemption for 89 per cent of its total wages of \$26.7 million. The tax exempted was \$1.3 million. In 2017–18 to date, an employer has claimed an exemption for 77 per cent of its total wages of \$3.2 million. Its tax liability has reduced from \$661 000 in 2016–17 to an estimated \$120 000 for 2017–18. The Department of Finance's Office of State Revenue is also aware of examples in which employers have placed enough employees on traineeships to reduce their taxable wages to less than the payroll tax exemption threshold of \$850 000. Additionally, there are recent examples of employers cancelling and re-entering training. Indeed, the promotional material that the Chamber of Commerce and Industry of Western Australia provided to its members about traineeships was not about the benefit of traineeships; it was about the benefit of employers cutting their tax bill by investing in training. It was not saying that this is about investing in training for the betterment of businesses and, by the way, it can help businesses; it was saying that businesses should invest in training for the purpose of cutting their payroll tax liability.

Hon Rick Mazza: Surely a lot of that is offset by the cost of the training itself. For an \$80 000 employee, an employer would receive a tax benefit of around \$5 000, but the cost of training would offset that \$5 000 if it is a \$2 000 to \$5 000 course.

Hon SUE ELLERY: The cost of training is subsidised in any event. The payroll tax exemption is not the only point at which a training course is subsidised by the state. There is a whole spectrum of points along the system at which employers get subsidised beyond the payroll tax exemption for the purpose of training.

One of the issues that was raised by Hon Aaron Stonehouse was that businesses are the best place to determine their training needs rather than the government. Of course that is absolutely the case. The government is not trying to change that at all. It is not stopping businesses from training people, but moving to address how the exemption is applied by putting in place steps to ensure that the training is genuine training for the purpose of improving a workforce rather than for the purpose of paying less payroll tax. The savings that come from that will be redirected to fund additional training places for the priority needs of all businesses, including those that do not pay payroll tax right now. The idea is that we will make sure that we fill the gap in training places to benefit all employers.

One of the other propositions put by Hon Aaron Stonehouse was that the government is prioritising training new employees over existing employees. To a certain extent, I would say that that is true. It is the government's objective to focus on providing training for new employees—that is, new jobs. That does not mean that we walk away from supporting training for existing employees, but there is an unashamed focus on trying to expand the number of new people coming into the labour market and the number of new jobs. It takes me back to the point I was trying to make before about the original policy intent, which was to encourage businesses to hire and train new staff. This will not stop employers from training existing workers, but it will stop them from gaming the system and it will build on the measures that were put in place by the previous government to stop them gaming the system. Those revenue savings will then be redirected to fund additional training places to meet the needs of new and existing employees.

One of the issues raised by Hon Donna Faragher was the effectiveness of the previous government's changes to cap the number of training contracts a business may register. There has been a downturn in the number of training contracts since the previous government introduced the cap, and that was a result of a combination of effects, including the economic conditions and some policy decisions. Although that was a good step towards putting some limitations on gaming the system, it did not go far enough and it certainly did not stop the gaming. There still remained considerable opportunities for the exemption for trainees to be exploited, despite the cap and despite having a registered training contract in place. The limit of 100 employees per quarter who may be registered in a training program was relatively arbitrary and not relative to the size of the business. There are some examples of businesses that claimed a large portion—some as high as 90 per cent—of their total wages as an exemption. Larger businesses were also able to circumvent the current settings by splitting the training of existing employees between group members or rotating employees through a training program to maximise the number of employees on training contracts at any one time. Businesses could have had over 400 employees in training at any one time, depending upon the length of the individual training contracts. The amendments made to the Vocational Education and Training (General) Regulations 2009 do not allow the Department of Training and Workforce Development

to refuse to register a training contract based on expected payroll tax avoidance. I think that goes to the question that Hon Donna Faragher asked earlier. The Department of Training and Workforce Development did not have the head of power to reject a training contract for that reason alone. This has required further amendments to bring the policy back to its original intent to encourage businesses to hire and train new staff.

I have referred to the letter that was sent to the Leader of the Opposition, Hon Mike Nahan, and to members of other parties by the Treasurer dated 2 May 2018.

Hon Donna Faragher: Will you table that?

Hon SUE ELLERY: Yes, I will. In the letter that the Treasurer sent to Mr Nahan, he states —

During the Second Reading debate ... you and other members of the Opposition suggested that evidence demonstrating that the payroll tax exemption for trainees was being exploited had not been provided. It was also suggested there was no evidence to show that the measures put in place by the Liberal–National Government in 2014–15 to limit the number of employees participating in a training program had been ineffective in addressing the issue.

Whilst I have not suggested that all businesses, or even a majority of businesses, are exploiting the exemption, since 2014–15 there have been a number of examples of potential misuse identified and there has been a sufficient number of businesses enrolling a large proportion of their workforce in training programs to cause concern. Moreover, the value of the exemption claimed over the period 2005–06 to 2016–17 increased by more than 600 per cent, far outstripping wages and employment growth over the same period.

I highlighted a number of examples that were picked up by State Revenue of inappropriate use of the exemption during Question Time on 20 and 21 March 2018 and 12 April 2018, and emphasised the impacts of the issue and concerns of the Government during the debate. As I outlined during Question Time on 20 March, even after the 2014–15 changes:

The letter then spells out the examples that I have already referred to, so I will not read them again, but I will table the document. He goes on to say —

Furthermore, the attached presentation was provided to Members during briefings to all parties, including the Liberal Party, prior to the debate of the Bill (Attachment 1). The presentation explains the extent of the issue and provides examples where this exemption has been misused.

Whilst quantifying the ‘misuse’ can be difficult due to the varied nature of each business and its training needs, several clear examples of inappropriate claims for the purpose of tax minimisation include the following:

Again, another three examples are provided, which I have already referred to, so I will not read them out again, but as I said, I will table the letter. The letter continues —

This type of behaviour is becoming more regular, as I mentioned in Parliament, with over 120 employers claiming the trainee exemption for over 30 per cent of their wages, at a combined cost to payroll tax revenue of around \$22 million. This is occurring across a range of industries, business sizes and training courses.

The Department of Finance’s State Revenue is also aware of examples where employers place enough employees on traineeships to reduce its taxable wages to less than the payroll tax exemption threshold of \$850,000. Additionally, there is recent evidence of abuse by employers cancelling and re-entering training agreements or extending the training agreements to maximise payroll tax savings. The payroll tax savings were being exploited by training organisations, including the Chamber of Commerce and Industry of Western Australia, as evidenced by the attached publication featuring a sponsored article by CCI Apprenticeship Solutions (Attachment 2).

While the measures put in place by the former Government may have had some effect in reducing exploitation of the exemption, it is clear that opportunities for opportunities still exist. For example, the training *registration* limit of 100 employees per quarter, introduced in 2014, does not account for the size of the business. The 100 persons limit can exceed the entire workforce of many businesses and for large businesses, it can be circumvented through a rotation program.

As noted in Parliament, while the amendment to the *Vocational Education and Training (General) Regulations 2009* reinforced the ability of the Department of Training and Workforce Development to refuse to register a training contract, this power is not sufficient for addressing recent examples of misuse of the exemption. As you can appreciate, the DTWD does not approve the registration of training contracts solely on the basis of facilitating a payroll tax break. To require the DTWD to screen applications purely on this basis would be administratively onerous and would likely be contradictory to the objectives of the VET Act.

If I may add, as Minister for Education and Training, I think it would be contradictory to the objectives of the VET act. The letter continues —

Finally, Members noted that in Parliamentary debate no consultation has taken place on this issue. As you would appreciate, it is the usual practice of governments not to consult on matters affecting the integrity of their tax bases and this matter is no different.

Indeed, all governments do that when there is a tax integrity measure in place; it is announced on day one to apply from day two, so we do not get people trying to take advantage of a gap between the announcement and the actual implementation date and, if members want it, I have examples of the previous government doing exactly the same thing. The letter continues —

To consult prior to the announcement would have brought further attention to available means to reduce payroll tax and exacerbate the problem. This is consistent with the approach you took yourself as Minister for Finance in late 2013 with respect to Land Tax following a decision by the State Administrative Tribunal in relation to the full exemption of assessable land party used for, in that instance, a retirement village. I note that in your statement to Parliament on 27 November 2013 you announced retrospective tax integrity measures without prior consultation with industry, in-line with this practice.

The appropriate consultation on the transition to an alternative assistance scheme will occur in Stage 2 of the reforms.

I intend to talk a bit more about stage 2 in a minute. The letter concludes —

I hope the Liberal Party will reconsider its position on the Bill when it is debated in the Legislative Council.

Yours sincerely

Ben Wyatt MLA

MINISTER FOR FINANCE

That letter was copied to Dean Nalder, MLA; Hon Liza Harvey, MLA; Hon Terry Redman, MLA; Hon Mia Davies, MLA; Hon Rick Mazza, MLC; Hon Colin Tincknell, MLC; Hon Robin Chapple, MLC; Hon Tim Clifford, MLC; Hon Diane Evers, MLC; and Hon Alison Xamon, MLC.

If I may, I will table this document now, otherwise I will forget.

[See paper 1348.]

Hon SUE ELLERY: I turn to a couple of the other issues that were raised during the course of the debate, including the situation with the commonwealth government. I had hoped that the federal budget this week would see a difference. It did see a difference; we went backwards, not forwards, in respect of the federal government's contribution to training in Western Australia.

The commonwealth government's budget papers show a reduction in funding for training, due to revised downward forecasts for the migration levy. By way of background, the commonwealth government proposed to pay for the Skilling Australians Fund, which it announced in last year's budget, by introducing a migration levy. It is forecast to get less money out of the levy.

Over the four-year forward estimates, the total national pool of funding is now \$1.2 billion, compared with \$1.5 billion over the previous forward estimates. WA's nominal share of the new agreement is estimated to be \$126 million over the forward estimates, compared with around \$160 million under the previous offer. The commonwealth government has proposed that a portion of this funding be provided as a guaranteed incentive payment based on a jurisdiction's per capita share of \$50 million a year, if the jurisdiction signs up. For us, that would mean about \$5 million per year. The remainder of the funding would be dependent upon the amount raised through the migration levy, and I note that that legislation has now passed through the Senate.

The commonwealth government has indicated that there is still a national pool of \$250 million available this financial year, should a state sign up before 7 June 2018. The commonwealth government is getting pretty keen for us to sign, but no state government would sign up to the offer that is on the table, and no state government has.

Hon Peter Collier: Stare them down.

Hon SUE ELLERY: Yes, that is what we are doing.

The state would also be eligible for its share of a \$50 million incentive payment; the commonwealth is trying to get us excited about that. The budget papers also reveal that the commonwealth government has not made any concessions in respect of the terms and conditions of the agreement, including the budget benchmarks and

matching expenditure. The commonwealth government is trying to put the greatest liability and the greatest up-front spend on the states, which come in at the end. The states are being asked to wear the greatest liability in terms of training arrangements. That means that the national partnership agreement still presents significant risks to the state. Nevertheless, we live in hope, and detailed discussions are still happening. Although that is not part of the bill before us, it is relevant in a broader policy sense to have some discussion about it.

I turn to stage 2 of the payroll tax exemption amendments to fund a grants scheme. It is clear from stakeholders that the simplest way to provide a suitable incentive for apprenticeships is to retain a demand-driven payroll tax exemption. To confirm and clarify, the state government will continue with the payroll tax exemption for apprenticeships; this was raised by Hon Donna Faragher. The state government will continue to explore the best approach to grants or an incentive scheme for traineeships. Possible approaches may include the improved use of data matching between the Office of State Revenue and the Department of Training and Workforce Development, to simplify incentive payments into priority areas identified in consultation with industry. Group training organisations, training councils, the State Training Board, TAFE colleges, the Australian Council for Private Education and Training, the Chamber of Minerals and Energy and the Civil Contractors Federation have been consulted on the design principles for the grants scheme so far. Those consultations have occurred in the last couple of weeks. The rest of the relevant stakeholders are due to be consulted within the next couple of weeks. These include the Australian Industry Group, the Business Council of Australia, the Chamber of Commerce and Industry of Western Australia, the regional Chambers of Commerce and Industry of Western Australia and UnionsWA. The department is going to report back to me early in June on stakeholder views on design principles for the grant scheme, including giving me a range of options to take into account.

Limiting the payroll tax exemption will not prevent businesses from training their employees. We anticipate that any worthwhile training will still be undertaken by businesses, regardless of whether the wages of those employees undergoing training no longer qualify for a payroll tax exemption. Where we have seen a reduction in training numbers, it suggests that the training delivered was being motivated by the payroll exemption rather than the skills needed. That drop is evidence, I think, of concerns that the scheme was being gamed, as opposed to being used to assist genuine training in genuine skills needed by that business at that time or in the immediate future.

During debate, issues were raised around the second tranche of legislation. We will finish that consultation in the next couple of weeks. I will have options in front of me for the design of the scheme not long after—I hope in early May—and we hope to develop the scheme later this year. Further legislative change will be required. Do not hold me to this because I do not have a scheme design yet and I obviously do not have approval to draft, but I anticipate seeing legislation into Parliament in the first half of 2019.

Hon Peter Collier: Why does it need further legislation?

Hon SUE ELLERY: It is a grant scheme, so depending on the design it is anticipated that the department will need a further head of power to manage the grants.

Hon Donna Faragher asked who will be eligible. Through consultations that are happening now with the stakeholders, the scheme will be developed. We want to ensure that the scheme can assist employers to meet their requirements, that it is simple—a number of members raised this—to access, can be administered efficiently and is not overly bureaucratic. We have picked that up through the consultations that to date have been very positive. Hon Donna Faragher also asked about who had been consulted. I have named those who have been done so far, and those who will be consulted in about the next 10 days.

We will continue with the payroll exemption for apprenticeships and we will continue to explore the best way of dealing with grants or incentive schemes for traineeships.

Hon Robin Scott raised the proposition that the effect of the abolition of the exemption would be a loss of Western Australian jobs in favour of skilled workers who either come from the eastern states or are already here on 457 visas or who will come on temporary skills shortage visas. I think that is a big jump to take, but it appears that the suggestion is that those businesses with total wages currently below the payroll tax threshold and needing to adapt to changing demands will seek to sack their existing workforce and start again. I do not think that will happen. It is clear that companies in the eastern states are not getting payroll tax exemption for existing workers undertaking a traineeship, so how did they get their skills and who funded them? To recruit all those workers into WA would be a far more costly exercise for businesses here.

Hon Rick Mazza raised the issue of the definition of new employees. He said it was, essentially, too short at three months; I guess that is the best way to paraphrase it. From the point of view of Hon Rick Mazza, the problem is that the definition of a new employee does not allow employers enough time to assess new employees on probation prior to entering into a traineeship. The proposed definition of a new employee is consistent with the definition in the current vocational education and training regulations in WA. It is also used by the commonwealth for its apprentice employer incentive schemes, and is applied consistently across all jurisdictions. Any changes to that in Western Australia would create significant administrative complexities, particularly for those employers

who operate across jurisdictions. The focus on new employees also reflects the original intent of the payroll exemption, which was to encourage businesses to hire and train new staff. It might be valuable information for Hon Rick Mazza to note that under the vocational education and training regulations, the training contract also has its own three-month probation period. That provides the opportunity for an employer to assess an employee's suitability to the vocation. Therefore, they could meet the definition of having been employed for fewer than three months, enter into a traineeship contractual arrangement and have a further three months under that training contract to assess the suitability of the employee. Employers will have three months after they have entered into the training arrangement to assess a full-time employee during the probation period. If the employer decides within three months that it is willing to commit, the employer will have at least a further month following the commencement date of the training contract to assess the employee's performance and terminate that contract if necessary. An employer may also apply for an extension to the probation period if it feels necessary.

Just for interest, a probation period can be extended by lodging an application to extend the probation period of a training contract form with the apprenticeship office. Any extension of the probation period is limited to the length of the original probation period. A training contract can be terminated by lodging a "Notice to terminate a training contract during probation period" form with the apprenticeship office, and the form does not require the signature of all parties. If it is helpful, I can table a copy of those forms or subsequently give them to members. Hon Rick Mazza also said that the effect of the policy set in the bill will be to remove any incentives from employers to employ apprentices and trainees, but that will not be the case. This is not the only incentive that exists.

The commonwealth government provides a range of financial incentives for employers who employ apprentices, and the definition includes both apprentices and trainees. The commonwealth Australian Apprenticeships Incentives Programme provides commencement, recommencement and completion incentives to employers who employ eligible apprentices, including school-based apprentices. The amounts are \$1 500 for commencement, \$750 for recommencement, and \$2 500 for completion for new and existing workers in occupations on the national skills needs list. All incentives apply to full-time, part-time and school-based apprentices and trainees at certificate III or IV level; new workers in priority occupations—aged care, child care, disability care and enrolled nursing—that are not on that national skills needs list at certificate III, IV or diploma or advanced diploma level; and new workers in occupations that are not on that list or priority occupations and who complete the certificate III or certificate IV qualification. There is a \$3 000 completion incentive for existing workers in priority occupations that are not on that NSN list who complete certificate III, certificate IV, diploma or advanced diploma qualifications. There is support for adult Australian apprentices who members would expect to be amongst those in the existing workforce. The incentive is \$4 000 on completion of 12 months' training for existing workers aged 25 years or over to upgrade skills at certificate III or certificate IV level in an occupation on the national skills needs list.

A range of incentives are targeted to specific groups or geographic areas, including the rural and regional skills shortage incentive, which is \$1 000 for a certificate III or IV for occupations on the national skills needs list in a rural and regional workplace. The nominated equity groups commencement incentive is \$1 250 for certificate II. The group training organisations certificate II completion incentive of \$1 000 is provided to group training organisations that support an apprentice deemed to be part of a nominated equity group. There are declared drought area incentives, mature aged workers' incentives, school-based apprenticeships commencement and retention incentives, and wage support and assistance for employers of apprentices with a disability. There is also financial support for apprentices and trainees themselves. There are trade support loans of up to \$20 420 as an income contingent loan to apprentices undertaking a certificate III or IV leading to a priority trade occupation that currently appears on the NSN list, as well as a number of agriculture and horticulture qualifications at certificate II, III and IV levels. The living away from home allowance is available to full-time, part-time and school-based apprentices during the first three years of training if they have to move away from their parents or guardians' home.

I see that there is now an amendment, which would have been nice to have known about before, but it has just been put in front of me. I need to flag that we cannot agree to this. We will have to discuss this in the Committee of the Whole. As I said in the explanation that I have just provided, this would put us at odds with the commonwealth and every other jurisdiction and it would be administratively very difficult for those businesses that operate across jurisdictions, so we would not be able to agree to that.

I have also been given some examples of payroll tax savings. Hon Colin Tincknell raised with me whether the government had given consideration to the suggestions that he made. We have not in respect of changing the provisions of this bill, but maybe he will want to ask me some more specific questions, given that we are going into the Committee of the Whole; we can do that.

With those comments, I hope that I have addressed the issues that honourable members raised and, again, I commend the bill to the house.

Division

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

Ayes (18)

Hon Jacqui Boydell	Hon Sue Ellery	Hon Kyle McGinn	Hon Alison Xamon
Hon Tim Clifford	Hon Diane Evers	Hon Samantha Rowe	Hon Pierre Yang
Hon Alanna Clohesy	Hon Laurie Graham	Hon Matthew Swinbourn	Hon Martin Pritchard (<i>Teller</i>)
Hon Stephen Dawson	Hon Colin Holt	Hon Dr Sally Talbot	
Hon Colin de Grussa	Hon Alannah MacTiernan	Hon Darren West	

Noes (13)

Hon Peter Collier	Hon Michael Mischin	Hon Charles Smith	Hon Ken Baston (<i>Teller</i>)
Hon Donna Faragher	Hon Simon O'Brien	Hon Aaron Stonehouse	
Hon Nick Goiran	Hon Robin Scott	Hon Dr Steve Thomas	
Hon Rick Mazza	Hon Tjorn Sibma	Hon Colin Tincknell	

Pairs

Hon Robin Chapple	Hon Jim Chown
Hon Adele Farina	Hon Martin Aldridge

Question thus passed.

Bill read a second time.

Committee

The Deputy Chair of Committees (Hon Laurie Graham) in the chair; Hon Sue Ellery (Minister for Education and Training) in charge of the bill.

Clause 1: Short title —

The DEPUTY CHAIR: The minister has asked whether she can sit down to answer the questions.

Hon DONNA FARAGHER: I am happy with that, no problem.

I have a couple of questions. I appreciate the minister's response in her reply to the second reading about exemptions for apprenticeships. I want some further clarification if I could. The minister and the press statement indicated, and the Treasurer in the other place stated, that there would be no change or altering of the exemption to apprentices. The press statement, however, states that stage 1 will not alter the exemption for apprenticeships and later, which I referred to in my second reading contribution, it states —

... the Government will work with industry in developing stage two of these changes, —

Which the minister has already outlined —

to replace all remaining apprentices and trainee exemptions with a grant scheme.

I am sorry if I missed it in the minister's reply, but I accept that stage 1 does not include apprenticeships. My question, though, relates to whether it is anticipated that there will be a change in the second stage that will encompass apprentices. The media statement suggests that it will be replaced by the grants scheme.

Hon SUE ELLERY: I thank the member for the question. What I said in my reply to the second reading debate stands. I think the essence of the member's question is whether the grants scheme will apply to apprentices as well. The answer is no; the exemption will remain in place for apprentices. That is a change in position from the original media statement that we put out. It is a change.

Hon DONNA FARAGHER: Just so that I can be clear—I am asking this quite genuinely, because people have come to me concerned about this—is the minister saying that the position in the statement of 30 November has now changed, and can the minister say with confidence that the exemptions with respect to apprentices will not apply going forward, and will not do so any time in the future?

Hon SUE ELLERY: So that we get our language absolutely right, the lifting of the exemption will not apply to apprentices. That is a change in policy from when the media statement was first put out. The Chamber of Commerce and Industry of Western Australia and some other stakeholders were advised of that late last week.

Hon DONNA FARAGHER: I thank the minister for that. What made the government change the position?

Hon SUE ELLERY: The consultation had already started. It was clear from employers that that was a fairly critical issue for them, so the government listened.

Hon Donna Faragher: I will pass that on to them; thank you, minister.

Hon AARON STONEHOUSE: I apologise if the minister addressed this in her response to the second reading debate, but I was away on urgent parliamentary business during the first half of her speech. I refer to the limit placed on new employees who will be eligible for the tax exemption, which has been set at \$100 000 per annum. Can the minister tell me what informed the decision to set the limit at \$100 000 as opposed to \$90 000, \$110 000 or \$150 000?

Hon SUE ELLERY: We looked at average wages. The average wage is \$91 000. Erring on the side of generosity, I suppose, we picked the figure of \$100 000. It could have been \$91 000; it could have been \$105 000.

Hon Rick Mazza: A round number.

Hon SUE ELLERY: It is a nice number, but it is higher than the average wage.

Hon RICK MAZZA: In my contribution to the second reading debate last night I asked whether the tax is applied on amounts over \$100 000 for superannuation and other benefits. The minister had not covered that in the second reading.

Hon SUE ELLERY: Let us be clear. I think the honourable member is aware that we have excluded a whole range of on-costs in determining whether it is \$100 000. Just so my advisers get it clear, that is not the member's question. Maybe rather than me interpreting it, I will ask the member to say it again.

Hon RICK MAZZA: If an employee is on \$100 000, that is exempted—I get that. If they are on \$100 000, they will have their superannuation guarantee levy and they will maybe have overtime and other add-ons, which are not calculated in the \$100 000 for the purposes of the exemption. What I want to know is whether the amounts over \$100 000 will still attract payroll tax.

Hon SUE ELLERY: No.

Hon DONNA FARAGHER: I again apologise as I have not seen the letter that was tabled by the minister

Hon Sue Ellery: They have got it.

Hon DONNA FARAGHER: I think we should be able to work through it anyway. I refer to my earlier interjection during the minister's summing up of the second reading debate. The minister put forward a number of examples. Had the examples that the minister provided undergone an assessment, and had they been approved for registration by the department?

Hon SUE ELLERY: Yes, we think so. The reason I put in the caveat of "we think so" is because of the dates. I think one of them goes back to 2014–15. We have not been able to track back that far to check that the training contract was entered into. However, the information was provided by the Office of State Revenue. It would get that only once the training contract had been approved, which is why I think we can confidently say that the majority of the examples I gave, with the possible exception of one, were approved training contracts. That is why I made the point in my reply to the second reading that the Department of Training and Workforce Development does not have the head of power or, frankly, the resources to check whether the proposed training contract is being entered into with a company that is kind of gaming the system. The Office of State Revenue has been able to identify those examples. It only gets that information once the training contract has been approved.

Hon DONNA FARAGHER: I appreciate the minister's response. Maybe this is not the time to be asking these questions—this might be something for a separate time—but I will use this opportunity. I now have a copy of the letter. One of the examples refers to a large entertainment company attempting to register existing employees working in information technology, warehousing and corporate services into a certificate III and IV in hospitality, even though they did not undertake any work in any way relevant to hospitality in their day-to-day role. I accept that that was not appropriate. I reflected on this in my contribution to the second reading debate. I understood that all training contracts must undergo a form of assessment by the department and that further assessment of those training contracts could be required under certain circumstances, one of which is that the intended occupation does not appear to be aligned with the qualification.

I am trying to get an understanding of this. The department may say it does not have the resources and it is not going to go through each and every one, but whether there are limits to its ability in terms of a head of power or whatever else, according to its very own fact sheets it says it undertakes these assessments and must undertake these assessments. The very first circumstance is that the intended occupation does not appear to be aligned with the qualification. I accept that the minister might not be able to tell us whether these are accepted or not. I think the Treasurer should have been able to tell us, but if he cannot that is fine. That example alone fits very much with what I have just outlined. I cannot see why we would have even gone beyond first base.

Hon SUE ELLERY: The provision that the member has referred to in the training act relates to the department's obligation to check that the course proposed matches the qualification. It goes to the integrity of the training, not the financial arrangements of the company. There is a fundamental difference. The Department of Training and Workforce Development's obligation under the act is to check that the proposed course—the curriculum and all those things—matches the qualification. For example, is the content sound and is it appropriate for a certificate III? Should it be a cert IV or a cert II? That is the obligation set out in the provision the member has just referred

to in the training act. The proposition about the proposal from company X to seek to put a number of its employees through a course—a traineeship or apprenticeship—is not a function of the Department of Training and Workforce Development. We are trying to tighten that up so that it will be a matter that is assessed and enforced by the Office of State Revenue. The bit the member is referring to in the training provisions are, quite rightly, about making sure that the course being proposed matches the qualification. It does not go to the eligibility or otherwise for a payroll tax exemption or mean that the department is required to look at the finances of the company for the purposes of payroll tax. It is required to look at the company for the purpose of ensuring that it is a legitimate employer entering into a training contract. Those are two separate matters.

Hon DONNA FARAGHER: Just so that I can be clear, is the minister saying that if an employee who is working in IT gets put into a cert III course in hospitality, the department can only assess whether it is an appropriate cert III or cert IV, but not in respect to the employee and what they are paid to do? Is that it in a nutshell?

Hon SUE ELLERY: That is correct.

Hon COLIN TINCKNELL: Could we not limit businesses to claiming the exemption up to a defined percentage—let us say 30 per cent—of their total wage bill? This would save around \$22 million in reduced costs compared with the current exemption policy to about 1.8 per cent of the total payroll tax revenue per annum. The minister mentioned that we want to come into line with other states. I hear that quite often in this place. Sometimes improvements could be made. As a state, why could this government not be leading the way? My questions are about limiting businesses to claiming exemptions up to a defined amount—for example, 30 per cent.

Hon SUE ELLERY: The member raised two components. I will deal with the latter one first—the proposition that just because other jurisdictions operate in this way, does that mean that WA necessarily has to act in the same way and could we not try to improve what other jurisdictions do. That would complicate the system for employers that work across various jurisdictions. The strong message coming from industry is that it does not want us to make it harder for companies that operate across different jurisdictions. In fact, they want national consistency. To do something separately would, firstly, create a problem for industry; and, secondly, using different definitions of various things including, for example, the definition of new employees, would create significant difficulties in administering what is effectively, for traineeship and apprenticeship arrangements, a national scheme. A separate set of definitions would be very messy and difficult to operate.

The member proposed that we introduce some other form of cap of 30 per cent or some other percentage of payroll, for example. We would be concerned that that might lead to more employers trying to game the system. The previous government put a version of a cap in place. Although it led to some diminution in the number of employers gaming the system, it did not stop it completely. Companies were able to structure their businesses in such a way as to still get around that and to seek an exemption for training that was not what it should have been. They put members of their leadership team, some of whom had Master of Business Administration degrees, into a cert III leadership course. That is not about lifting the skills of a person with an MBA; it is about taking advantage of a payroll tax exemption. Now that more businesses are aware of the opportunity to reduce their payroll tax liabilities by training workers, it would be expected that options to limit the proportion of employees undertaking training would be ineffective. More businesses would be expected to use the exemption to reduce their payroll tax liability, which could lead to an increase in the cost of the exemption. It would be quite difficult to design legislation to put that in place while taking account of our obligation to operate under a national training scheme.

Hon COLIN TINCKNELL: For businesses that want to add to the extended time, could we not disallow employers from claiming an additional tax exemption for training contracts that are extended beyond their initial terms if businesses were not at fault? This has the potential to reduce the total amount of exempt wages by about 12 per cent, which would equate to about \$8.7 million per annum.

Hon SUE ELLERY: As it stands, the bill does what the member proposes. It limits the term, achieving what the member has asked about.

Hon COLIN TINCKNELL: Will employers not be allowed to claim additional tax exemptions if they extend the time?

Hon SUE ELLERY: That is correct.

Hon Colin Tincknell: Is that a change from what you originally put out?

Hon SUE ELLERY: No.

Hon Colin Tincknell: Sorry, I did not realise that was in there.

Hon SUE ELLERY: I know. Just because I am sitting down does not mean that the member does not have to stand up.

Hon COLIN TINCKNELL: Could we limit businesses from claiming payroll tax exemptions that exceed the cost of training?

Hon SUE ELLERY: That would be an administrative nightmare because the agency would have to know what the training costs were. Training is provided by a range of providers—the public provider in TAFE and private RTOs and group training organisations. A long-term bipartisan position has been to respect the right of employers

to choose their own provider; so, not forcing them to go with a public provider in TAFE or to choose a certain RTO. If the government were to do what the member is suggesting, the government would effectively be dictating to business. I can give an example. Right now a debate is going on about whether private health funds can say to their members, “We will pay you this if you use only these providers.” That is effectively what the member is suggesting we do here. That is controversial in the private health fund sector; it would be equally controversial if the government were to say to employers, “You must choose these training providers.”

Hon PETER COLLIER: I have a comment to make and then I will ask a general question based upon the minister’s comment about the grant scheme—this is the gospel according to Peter! I believe that the training sector across the nation is knackered. That may be all good and well for either the minister or me, but the feds do the same thing with funding all the time. Until some uniformity exists across the nation, training will continue to be a problem. It will not matter who is on the Treasury bench, because unless the states have uniform standards and funding, there will be problems.

I welcome the minister’s comments about the consultation she has done. I am delighted with that. However, as she just pointed out, the provision of training in Western Australia is multifaceted. There are TAFE colleges and well over 400 private providers, and funding for training comes through any one of those avenues or through the Building and Construction Industry Training Fund or wherever it might be, so there are a raft of different areas. I am a little concerned about the lack of detail on the grants scheme. I understand we are at a very early stage and that the minister has done a lot of consultation—I applaud her for that—but the minister suggested that legislation may be required and it may not. If not, that leads to a lot of subjectivity about where that funding will go. Although she has done a lot of consultation, can the minister enlighten the chamber on how she sees that the grant scheme will operate?

Hon SUE ELLERY: Based on one of the drivers, we deliberately decided to publicly announce a policy to stop gaming of the system to generate revenue to come into place, because the feds walked away from funding its contribution of general training in its last budget. In May last year, it took money out of Western Australia, and we had to find ways of replacing that money. That is why we went ahead and announced this first stage, which is that we lift the exemption. But we knew that would involve serious consultation and we needed to have buy-in from industry to work out a replacement. We were in a difficult position because the commonwealth just said, “See ya later. We’re not giving you that money.” We had to find an alternative source of funding and so we decided deliberately to do this in two parts—to lift the exemption and then to consult on what the grant scheme will look like. To answer the member’s question in full: I anticipate that there will be other legislation—but I do not want to pre-empt it—to fund it. I think we will need further legislation.

Hon PETER COLLIER: I would like to clarify something. If the feds have done what they are good at—that is, starting something up and then bailing out; again they are pretty good at that stuff—this will not just purely fill that gap, will it?

Hon SUE ELLERY: I am not sure what the member means by that. There are two drivers: one is that we do not want to provide an exemption to people who are not genuinely training.

Hon Peter Collier: I understand that.

Hon SUE ELLERY: The two drivers are the integrity of the payroll system, but also to generate enough money to also pay for those 43 000 training places.

Hon PETER COLLIER: I understand that. I based my last question on the minister’s comment about reduced federal government funding. She said that this was one avenue of filling that gap. That is fine. I remember trying to find money in the bottom drawer all the time when the feds bailed on things. I mentioned the chaplaincy program this morning. That has nothing to do with this matter, but that is the sort of stuff that state governments have to deal with, time in, time out. I am going to finish with this comment: I really hope that it is not too subjective and that it does not become political. If it were to get to that point, it would defeat the purpose of the bill. I will be up there with batons with the government—I am sure Hon Donna Faragher and Hon Dr Steve Thomas will do the same—if the government can genuinely show regard for increased training opportunities and that there is an open and transparent fashion upon which that funding will be delivered. If it does not, the government will face enormous cynicism and negativity in the community; in addition, no inroads will be made in this area. I am very conscious of the fact that the federal government—I mean the federal government generally and not the current federal government—has an innate capacity, because it has its hands on the purse strings, to put on conditions. It will start up something and 18 months later the whole thing will finish. Just look at what happened with the child and parent centres. It opened five of them and then cancelled them. That happens in every single portfolio. If we are to do this—I can look at the numbers; I am not happy about it but that is the way it is—for goodness sake, there simply must be some integrity behind the grants scheme.

Hon SUE ELLERY: I know the member was only commenting on how policy discussions happen. I am sure that if Treasury had its way, it would prefer that this money not be specifically dedicated to a specific number of training places, but it is.

Clause put and passed.

Clauses 2 to 4 put and passed.**Clause 5: Section 41D inserted —**

Hon RICK MAZZA: I want to make a few comments about my amendment on the notice paper. The minister said earlier that employers have been seeking consistency across the states and federally. I understand that that consistency is about training. We are here amending a tax act. Of course, payroll tax across Australia is different in every state. We are making amendments to change a cap on an eligible exemption, amongst other things. There is no consistency between the states on taxes on wages. I understand that employers may want consistency across the states on training components, especially when it comes to qualifications such as on certificate III or certificate IV or diplomas. However, I do not buy the argument that there has to be consistency as far as the Income Tax Assessment Act is concerned, because this is something completely different and specific to Western Australia. I therefore move the motion standing in my name —

Page 3, after line 7 — To insert —

new employee means an employee of an employer who is 3 months from the end of any probation period, not being longer than a period of 6 months.

As I said in my contribution to the second reading debate, my major concern is that when a new employee is on a probation period, the employer may not be ready to put them into a training program. I understand what the minister said earlier about a lot of training agreements having a three-month limit. That is not what we are talking about; we are talking about the eligibility of a new employee who the employer might not want to start on training until their probation is complete. I think this is a very sensible amendment and will give employers flexibility when they put on new employees with probation periods.

Hon Dr STEVE THOMAS: While the minister has the experts with her, the opposition is interested to see how a proposal to insert a definition of new employee might interact with further clauses. On page 4, under proposed subsection (3)(b), it states —

the employee is an eligible new employee under subsection (4);

Proposed subsection (4) intends to define employee. There seems to be some conflict. It would assist us if the experts could give a legislative opinion on how that might function.

Hon SUE ELLERY: While they are looking at that, I will respond to Hon Rick Mazza. It needs to be pointed out that every jurisdiction across Australia, including the commonwealth, uses this definition of new employee. Although he is right that this bill is amending Western Australia's payroll tax regime, it is amending the payroll tax regime for the purposes of an exemption that applies to a system of training that uses the same definition across the whole nation in every jurisdiction and the commonwealth. If that is undone, it would be very difficult to administer those training arrangements. The other point that needs to be made is the one that I made in my reply to the second reading debate. That is, effectively, employers get the six months Hon Rick Mazza is seeking, because they have three months to meet the definition of a new employee. Then they enter into a training contract, and there is a three-month probation period within that training contract. They can then make a judgement call at the end of, effectively, now six months whether that employee is suitable.

On the other matter, I will check the advice. We are not sure that we understand the purpose of the question from Hon Dr Steve Thomas. The relevant bit he points out is in proposed subsection (3)(b), "the employee is an eligible new employee under subsection (4)". Proposed subsection (4) sets out the respective definition. I think the member's question is: if we accept this amendment, would we have to change other provisions? The answer is that we probably would. If we were to go down this path, it would create chaos for employers trying to operate it and chaos for the agencies trying to implement it.

Hon AARON STONEHOUSE: The minister was talking about the probationary period built into a lot of the training.

Hon SUE ELLERY: It is built into all the training, not a lot of them.

Hon AARON STONEHOUSE: She was giving us the idea that someone could be on probation for three months, and they could then be put on the training contract and there would be another probationary period of three months. That would mean there would be, in fact, six months' probation. An employer would not get the payroll tax exemption if they commenced training at the end of the three-month probationary period, would they?

Hon SUE ELLERY: The training would need to commence within a defined period. I make this point because I am aware that we will go somewhere else in a minute. Changing the definition would also mean that it would have a direct impact on all the commonwealth's incentives to employers, which rely on the definition we are all using. If we adopt this amendment, it will mean those employers would not get the commonwealth incentives that rely on the definition we all use.

Committee interrupted, pursuant to standing orders.

[Continued on page 2541.]

Sitting suspended from 4.15 to 4.30 pm

QUESTIONS WITHOUT NOTICE**NATIONAL DISABILITY INSURANCE SCHEME — 2018–19 STATE BUDGET****334. Hon PETER COLLIER to the Minister for Disability Services:**

I refer to the \$20.3 million in transition funding for the National Disability Insurance Scheme rollout into Western Australia, which I welcome. It was contained in today's budget.

- (1) Is any of the \$20.3 million federal funding; and, if so, how much?
- (2) Will service providers have direct access to these funds?

Hon STEPHEN DAWSON replied:

I thank the honourable Leader of the Opposition for the question. I appreciate him bringing up the fact that in today's budget we had an amount of \$20.3 million to safeguard the sustainability of the sector.

- (1) Zero.

Hon Peter Collier: It is all state funding?

Hon STEPHEN DAWSON: Absolutely.

- (2) We will work with the sector over the next few months to work out the transitional process and how it might be able to access the funding.

WATER CORPORATION — RESIDENTIAL CUSTOMERS IN ARREARS**335. Hon PETER COLLIER to the minister representing the Minister for Water:**

I understand that it is more than likely that there is no answer to this question, but I thank the office of the Leader of the House for following up on it. If there is not an answer, I am informed that I will get it on Tuesday.

- (1) What is the total number of residential customers either in arrears or on payment plans for their water bills for the following months —
 - (a) December 2017;
 - (b) January 2018;
 - (c) February 2018;
 - (d) March 2018; and
 - (e) April 2018?
- (2) What is the total value of outstanding debt for those residential customers who are either in arrears or on a payment plan for the following months —
 - (a) December 2017;
 - (b) January 2018;
 - (c) February 2018;
 - (d) March 2018; and
 - (e) April 2018?

Hon ALANNAH MacTIERNAN replied:

I thank the member for the question. I understand that there has been negotiation with the Minister for Water, who has provided the following answer.

Due to the complexity and the level of information required, it is not possible to provide an answer in the time available. We will commit to providing this information to the member by Thursday, 17 May 2018.

ARTHUR BOYCOTT GREER — PAROLE**336. Hon MICHAEL MISCHIN to the Leader of the House representing the Attorney General:**

I refer to the Attorney General's media release of 9 May regarding the release of convicted child murderer Arthur Boycott Greer to parole.

- (1) On what date did the Attorney General first receive the Prisoners Review Board's report and recommendation to release Greer?
- (2) What further communication took place between him or his office and the Prisoners Review Board and on what date or dates?
- (3) On what date did he request the Acting Commissioner for Victims of Crime to contact the Mason family and precisely what response did he and the acting commissioner receive and when?

- (4) On what date did the Attorney General decide to accept the Prisoners Review Board's recommendation to release Greer?
- (5) On what date did he submit the relevant paperwork to the Governor?
- (6) When did the Governor in Executive Council make the decision on and order the release of Greer?

Hon SUE ELLERY replied:

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

- (1) It was 2 February 2018.
- (2) On 16 February 2018, the Attorney General wrote to the Prisoners Review Board seeking advice pertaining to how Mr Greer's health may impact his risk of reoffending. On 20 March 2018, the board provided a response to the Attorney General's queries. In correspondence dated 4 April 2018, following a discussion between the Attorney General and the board's chairperson, the chairperson provided further information to the Attorney General explaining why Mr Greer was reviewed outside his normal review cycle.
- (3) The office of the Commissioner for Victims of Crime contacted the secondary victims numerous times during the process and these conversations remain private.
- (4) It was 4 May 2018.
- (5) It was 7 May 2018.
- (6) It was 8 May 2018.

DEPARTMENT OF EDUCATION — 2018–19 STATE BUDGET

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

- (1) Given that the total 2018–19 Department of Education appropriation will increase by only \$13 000 from last year, can the minister guarantee that, excluding the \$41 million in cuts previously announced, no schools, programs or grants provided to external organisations will have their funding reduced or ceased as a result of today's budget?
- (2) If the minister cannot give this guarantee, will she undertake to table a full list of all cuts on Tuesday, 15 May; and, if not, why not?

Hon SUE ELLERY replied:

I thank the honourable member for the question. She would appreciate that I have been at the table dealing with a bill —

Hon Donna Faragher: You should know; it's your budget!

Hon SUE ELLERY: Perhaps I could give the answer. I do not have in front of me my notes from the budget, so I cannot assume that the first part of the member's question is correct. That is what I am saying.

Hon Donna Faragher: I am asking you to guarantee that you're not going to have cuts.

Hon SUE ELLERY: Perhaps I could give the answer, Madam President.

The PRESIDENT: I am struggling to —

Several members interjected.

Hon SUE ELLERY: Perhaps I could give the whole answer before the member determines that I have not given her a satisfactory answer.

The PRESIDENT: Minister.

Hon SUE ELLERY: Thanks, Madam President.

I cannot check whether the first bit of Hon Donna Faragher's question is correct because I do not have my notes in front of me, but I can say this, and I have said it before—budget repair continues; it is an ongoing process. That is nothing new; that is not new news. However, I am pleased with the commitments in the budget for education. There has been an increase in funding. There has been a commitment to serious capital works projects and to putting more resources back into classrooms. I am pleased that we have been able to deliver on those election commitments and we will continue to do that. I am pleased with the programs that we are rolling out in schools across Western Australia. But the answer to the question about whether budget repair has effectively stopped is: no, it has not.

CHILD PROTECTION — CHILD SEXUAL ABUSE — ROEBOURNE

338. Hon NICK GOIRAN to the Leader of the House representing Minister for Child Protection:

I refer to your incomplete answers to my questions about the 184 victims of child sex offences in Roebourne.

- (1) Has the minister ever personally asked any officer of the department if any of the 184 victims are currently residing with a person either charged or convicted with one or more child sex offences?
- (2) If yes to (1) —
 - (a) when did this occur;
 - (b) who did the minister ask; and
 - (c) who was present when the minister asked this question?

Hon SUE ELLERY replied:

The answer to the question is this.

- (1)–(2) Please refer to Legislative Council questions without notice 271, 247 and 225. As stated in those answers, the minister continues to get regular updates from the Department of Communities to assure herself that adequate safeguards are in place for vulnerable children in Roebourne and surrounding areas. The minister is satisfied that the Department of Communities continues to undertake the necessary actions to appropriately protect and support children and families in Roebourne. The minister refers the member to previous responses provided to the Legislative Council regarding this matter. The minister has offered the honourable member a briefing regarding the West Pilbara Plan, which he is yet to accept.

Should the honourable member have any information about any child or children who may be at risk of harm, the minister would ask him to take appropriate action to report these concerns to the Department of Communities and/or the Western Australia Police Force.

Several members interjected.

The PRESIDENT: Order! If you want question time to continue today, I suggest you let Hon Jacqui Boydell take the call and ask her question, and everyone else can listen in silence.

GOLDFIELDS ARTS CENTRE — 2018–19 STATE BUDGET

339. Hon JACQUI BOYDELL to the Minister for Regional Development:

I refer to the budget announced this afternoon and the ongoing royalties for regions subsidy for the Goldfields Arts Centre. Considering that the minister's commitment on 17 September last year was to provide \$250 000 per annum, why has she allocated only \$100 000 per annum in the budget?

Hon ALANNAH MacTIERNAN replied:

I am sure that there is an explanation for this and I am happy to get that detail and provide it to the member at the end of question time.

[See page 2541.]

CAPEL POLICE STATION

340. Hon COLIN HOLT to the minister representing the Minister for Police:

I refer to the new police station planned for Capel.

- (1) What is the cost of building the new police station?
- (2) When will the new police station be opened?
- (3) Has the minister received advice that a new police station in Capel is not an effective use of police resources; and, if so, will the minister please table the advice?
- (4) Has extra funding been made available to keep the new police station open so that it does not affect frontline patrols and services?

Hon STEPHEN DAWSON replied:

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

- (1) The estimated total cost of the new police station is \$8 million.
- (2) Current planning is for the new police station to open by mid-2020.
- (3) No such advice has been provided by the Western Australia Police Force to Hon Michelle Roberts, MLA, Minister for Police.
- (4) Extra recurrent funding has not been provided to Western Australia Police Force at this time.

HYDRAULIC FRACTURING — SCIENTIFIC INQUIRY

341. Hon RICK MAZZA to the Minister for Environment:

I refer to my question without notice to the Minister for Environment on 12 September 2017 regarding the government's announcement that a panel will conduct a scientific inquiry into hydraulic fracking.

- (1) Have the panel members since been appointed?
- (2) If yes to (1), what was the selection process; how many members were appointed; what are their fields of expertise; and what are the terms of their remuneration?
- (3) What is the current anticipated time frame for the completion of the inquiry?

Hon STEPHEN DAWSON replied:

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

- (1) Yes.
- (2) The chair of the independent panel, Dr Tom Hatton, was appointed by the government. Panel members with expertise in the areas of geology, hydrogeology, water, petroleum engineering, environment, health, ecotoxicity and social science were sought, in consultation with Dr Hatton. Panel members were appointed by the government. The panel members are Dr Tom Hatton, Dr Phillip Commander, Dr Ben Clennell, Dr Fiona Haslam McKenzie and Dr Jackie Wright. Details of panel members' expertise can be found on the fracking inquiry website. I will table a copy of the webpage. The panel members' terms of remuneration are \$2 000 per day, except the panel chair, who has not sought remuneration.

[See paper 1349.]

- (3) The panel expects to complete its report by the end of 2018.

CONFISCATION OF PROCEEDS OF CRIME — AUDITOR GENERAL'S REPORT

342. Hon AARON STONEHOUSE to the Leader of the House representing the Attorney General:

I refer the minister to the Auditor General's recent report, "Confiscation of the Proceeds of Crime", and specifically to the correspondence on page 11, where it is stated —

The DPP has long submitted that confiscation activities should be centralised in one agency, with that agency having powers to investigate, issue notices, manage property and conduct confiscation proceedings. This would likely resolve, or at least make possible the resolution of, many of the issues identified by the OAG. Creation of such an agency would require amendment of the CPCA.

- (1) Does the Attorney General acknowledge and agree with the Auditor General's findings that —
 - (a) no single agency knows what impact confiscating assets is having on crime;
 - (b) seized assets could be better managed than they are at present to minimise deterioration in condition and value between seizure and either sale or return of the asset; and
 - (c) more clarity is needed around the outcomes that the DPP and police are to achieve from the confiscation account funding they receive each year?
- (2) Does the Attorney General agree with the DPP submission recommending the creation of a single, centralised agency with the power to investigate, issue notices, manage property and conduct confiscation proceedings; and, if yes, what form might such an agency take?
- (3) Does the Attorney General have any plans to review and amend the Criminal Property Confiscation Act 2000 beyond those already before this Parliament?

Hon SUE ELLERY replied:

I thank the honourable member for some notice of the question. I think there have been conversations behind the Chair about the answer to this question.

Hon Aaron Stonehouse: With my staff, perhaps, but I may not have received that.

Hon SUE ELLERY: Okay.

- (1)–(3) The Attorney General acknowledges the Auditor General's report and is currently considering its findings and recommendations. If the member wishes for a considered response to be provided, it is kindly requested that this question be put on notice.

KALGOORLIE HEALTH CAMPUS — SONOGRAPHY AND NUCLEAR MEDICINE

343. Hon ROBIN SCOTT to the parliamentary secretary representing the Minister for Health:

I refer to question without notice 328, to which the minister provided an answer on Wednesday, 9 May 2018.

- (1) Noting the minister's response that on average, four sonographers are flown from Perth to Kalgoorlie each week at a total cost of \$3 830, what is the total weekly cost of flying four sonographer contractors from Perth to Kalgoorlie inclusive of accommodation and meals?
- (2) Noting the minister's response that two sonography positions were advertised by the WA Country Health Service in December 2017, with no applications, was the lack of response a consequence of the antiquated equipment still being used in the Kalgoorlie regional hospital?

Hon ALANNA CLOHESY replied:

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

- (1) The total cost of \$3 830 is inclusive of accommodation and meals.
- (2) I am unable to provide an answer to this question as it is seeking an opinion.

GREENPATCH DEVELOPMENT — TUART BUSHLAND — DALYELLUP

344. Hon DIANE EVERS to the minister representing the Minister for Planning:

I refer to the proposed modification to the "Dalyellup Beach Estate Local Structure Plan", specifically Greenpatch subdivision lots 9105, 9076, and 8019 on which there is an important stand of tuarts.

- (1) Is this state-owned land?
- (2) Does the state government have the power to determine whether these lots can be included in the Preston River to Ocean Regional Park; and, if not, why not?
- (3) If yes to (2), will the state government consider extending the boundary of the Preston River to Ocean Regional Park to include these lots; and, if so, when will the government consider extending the boundary of the regional park to include these lots; and, if not, why not?

Hon STEPHEN DAWSON replied:

I thank the honourable member for some notice of the question. The Minister for Planning has provided the following information to me.

- (1) No.
- (2) Yes.
- (3) The boundaries of the Preston River to Ocean Regional Park were determined through extensive research, government agency assessment, public consultation and government consideration. However, a portion of lot 9105 has been identified on the draft structure plan as regional open space, which, if the structure plan is supported and the land considered suitable for inclusion in the regional park, could be included subject to detailed assessment and reservation in the greater Bunbury region scheme.

SUICIDE PREVENTION STRATEGY

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

I refer to the emerging awareness of the incidence and impact of older adult suicide in our community since the state suicide strategy, "Suicide Prevention 2020", was released. What is the Mental Health Commission doing to reduce the suicide risk in this population?

Hon ALANNA CLOHESY replied:

I will try to make this as quick as possible; it is quite extensive. I thank the honourable member for some notice of the question.

The statewide suicide prevention strategy, "Suicide Prevention 2020: Together we can save lives" recommends an evidence-based approach to suicide prevention across the lifespan, including older adults, identifying key activities under six action areas. The Mental Health Commission has procured government and non-government organisations to provide services that are in line with an evidenced-based approach and address the activities outlined in "Suicide Prevention 2020". Services include, but are not limited to, 10 suicide prevention coordinators across Western Australian who work with relevant service providers at a regional and local level to support the development and implementation of programs that increase local community and service provider capacity to identify and respond to suicidal ideation, reduce stigmatising behaviour towards mental health, and support services and community in postvention responses.

The MHC has recently launched the Think Mental Health campaign, which will contribute to prioritising mental health and wellbeing; destigmatising mental health issues; assisting the Western Australian community to navigate the range of mental health activities and services available; and building resilience and improving the overall mental health and wellbeing of the Western Australian community, including adults.

360 Health + Community will deliver the Active Life Enhancing Intervention program to target people who have attempted suicide. The Regional Men's Health Initiative will deliver the mental health and wellbeing education for men in regional and remote farming communities. MATES In Construction WA Ltd will deliver the MATES standby response coordinator to target men of all ages. Through the Suicide Prevention Grants Program, the MHC recently awarded funding of \$188 868.64 to 13 organisations to deliver suicide prevention training initiatives in communities.

The MHC has engaged with Mental Health First Aid Australia regarding the recent launch of a 12-hour older person mental health first aid course. Mental Health First Aid Australia will present to the suicide prevention coordinators about the new program on 17 May 2018.

CLIMATE CHANGE — POLICY

346. Hon TIM CLIFFORD to the Minister for Environment:

- (1) By what month and year does the government expect to replace the policy "Adapting to our changing climate", published by the then Department of Environment and Conservation in October 2012?
- (2) Will the government consult the public before developing any new policies on greenhouse gas emissions controls for high-emitting industries; and, if yes, when?
- (3) Has any consultation with large emitters on greenhouse gas emissions controls for their industries occurred; and, if yes, when did it occur and with whom?

Hon STEPHEN DAWSON replied:

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

- (1)–(3) The McGowan government takes climate change seriously and is committed to playing a positive role. The climate change unit within the Department of Water and Environmental Regulation has been reinstated and resources allocated for additional staff to provide policy advice on climate change. As a first step in establishing this government's climate change policy, I have conducted a stocktake of climate change actions across government, including climate change adaptation and mitigation policies, projects and programs to guide our future approach and priorities. Consultation has already commenced with some large emitters, through the Environmental Protection Authority's review of the Wheatstone liquefied natural gas project and the Gorgon project. The government is committed to undertaking wider levels of consultation on climate change as part of delivering the government's climate change policy.

DEPARTMENT OF PRIMARY INDUSTRIES AND REGIONAL DEVELOPMENT — LOCATION

347. Hon COLIN de GRUSSA to the Minister for Agriculture and Food:

I refer to comments made by the minister at the opening of the Northam grains research facility on 2 May 2018 with regard to moving the Department of Primary Industries and Regional Development to Northam.

- (1) Will the minister now commit to moving the Department of Primary Industries and Regional Development to Northam?
- (2) What funding allocation can be found in the state budget to assist with this?
- (3) Has the department provided any advice in support of moving to Northam?

Hon ALANNAH MacTIERNAN replied:

I thank the member for the question.

- (1)–(3) The member would be aware that there was a certain amount of lightness in elements of that speech. I was reflecting on what an extraordinary and fabulous place Northam is, the strength of its school, the strength of its residential college and, of course, the strength of the new research facility that we opened. So, I was reflecting on the fact that I thought there was more capacity for some of the services of the department to perhaps be decentralised there, but it was—if the member heard my speech, he would be aware—a general observation rather than any commitment at this point.

NATIONAL DISABILITY INSURANCE SCHEME — SERVICES

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

I note the many budget notes in today's budget papers that attribute the massive reduction in disability spending in the 2018–19 budget to the redirection of state funding to the National Disability Insurance Agency.

- (1) How can we be confident that people with disabilities and their families are getting the same or better service under the National Disability Insurance Scheme?
- (2) Is the minister receiving complaints that services previously received are now not to be available under the NDIS regime?

Hon STEPHEN DAWSON replied:

(1)–(2) That was a very long question with a significant preamble. If in future members want to ask these questions without notice, it is common courtesy probably to give me a copy so I can actually have it in front of me so I can make sure that I answer it as diligently as possible. Nonetheless, what I got from it was that the first part was how can we be confident that people with disability will get a better service —

Hon Simon O'Brien: The same or better service.

Hon STEPHEN DAWSON: The same or better service under the NDIS. Honourable member, members in here would know that we made a decision late last year to go into the National Disability Insurance Scheme. We did it after months of consultation with people with disability, their families and their carers. The National Disability Insurance Scheme is about making the lives of people with disability better. Certainly, as we transition into the national scheme, I am working with the sector in Western Australia, people with disability, their families and their carers, business communities such as the Chamber of Commerce and Industry of Western Australia and trade unions to make sure that we transition people into a better scheme and that people with disability get better or the same level of services as they have had previously.

Regarding the second part of the member's question, I do not have in front of me so I cannot answer it. If the member wants to —

Hon Simon O'Brien: Is the minister already receiving complaints from people that services previously received are now not to be available under the NDIS regime, run out in Geelong?

Hon STEPHEN DAWSON: Madam President, I am happy to answer that, but it is farcical for somebody to be interjecting during question time. I ask that I be given a copy of the question in future, so I do not put it on notice!

Several members interjected.

Hon STEPHEN DAWSON: I am quite happy to put everything on notice to make sure that members get a proper answer.

Have complaints been made about the NDIS? Absolutely; there have been complaints about the federal scheme and the state scheme. We are operating multiple schemes at the moment in Western Australia. Yes, people have raised concerns. What are those concerns? A range of concerns has been raised. My commitment to people with disability, their families and carers is to make sure that we work together and when concerns are raised or complaints are made, to mitigate those and address any risks associated with the rollout of any National Disability Insurance Scheme.

PREMIER — KIERAN MURPHY — APPOINTMENT

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

I refer to media reports concerning the appointment of Mr Kieran Murphy to the Premier's staff.

- (1) When did Mr Murphy commence employment?
- (2) When was Mr Murphy's appointment approved by the merit selection panel?
- (3) What specific role has Mr Murphy been appointed to undertake?
- (4) At what classification has Mr Murphy been appointed and at what annual salary?
- (5) Is Mr Murphy entitled to a vehicle and a mobile phone?

Hon SUE ELLERY replied:

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

- (1) Mr Murphy will commence employment on Monday, 14 May 2018.
- (2) Mr Murphy's appointment was approved by the ministerial merit panel on 6 April 2018.
- (3) Mr Murphy will take up the position of special adviser to the Premier.
- (4) It is band 4, non-CEO, with an annual salary of \$220 000.
- (5) Yes.

BROOME–CAPE LEVEQUE ROAD — UPGRADE

350. Hon KEN BASTON to the minister representing the Minister for Transport:

I refer to the correction provided to question without notice 306, which stated that formal approval was not obtained to waive the competitive tender process in procuring water drilling for the Broome–Cape Leveque Road upgrade project.

- (1) Who was responsible for obtaining formal approval to waive the competitive tender requirement?
- (2) What were the reasons for undertaking a select tender rather than a competitive tender process in this instance?

- (3) Given Broome's proximity to the Cape Leveque road, how many Broome-based water drilling service providers were invited to participate in this tender?
- (4) Why was Main Roads Western Australia satisfied with only two tender submissions when some Broome-based water drilling service providers were excluded from the tender process?

Hon STEPHEN DAWSON replied:

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

- (1) It is Main Roads' regional manager in the Kimberley.
- (2) Tenders were sought from local Kimberley contractors who have been used previously in the region. The procurement method of a select tender was done in accordance with the relevant policies. However, due to an administrative error, the formal approval of the acting managing director of Main Roads to waive the competitive tender requirement was not obtained.
- (3) It was one.
- (4) The two tenders were assessed fully by Main Roads and it was determined that they represented value for money. Therefore, Main Roads was satisfied with the submissions provided.

CAMP SCHOOLS — CLOSURE

351. Hon JIM CHOWN to the Minister for Education and Training:

I refer to the operating deficit figures for camp schools that the minister provided on Thursday, 22 March 2018. Can the minister please confirm that the formula used to calculate the deficit for each camp school was as follows: the total funding allocation received from the Department of Education minus the amount remitted to the department from the revenue raised by the camp schools?

Hon SUE ELLERY replied:

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

The formula to arrive at the deficit for each camp school was the total cost of operations—excluding costs incurred centrally by the department—minus revenue received, which includes camp fees and other miscellaneous income. Note, camp school revenue excludes funding provided by the department.

SOIL AND WATER CONTAMINATION — FLUOROALKYL SUBSTANCES

352. Hon Dr STEVE THOMAS to the Minister for Environment:

I refer to the potential contamination of soil and water by chemicals known as per-fluoroalkyl and poly-fluoroalkyl substances—PFAS—found in fire retardant foam.

- (1) Have these substances been discovered in soil or water in Western Australia in any additional locations since the response given to my question on notice 465 asked on 31 October 2017?
- (2) If so, where has it been found and in what concentrations?

Hon STEPHEN DAWSON replied:

I thank the honourable member for some notice of the question. Due to the level of detail required, I request that the member put this question on notice.

MEMBER FOR DARLING RANGE — WORK HISTORY

353. Hon MICHAEL MISCHIN to the minister representing the Minister for Corrective Services:

I refer to the minister's answer on 30 November 2017 to my question without notice 853 regarding the personal and employment history of the former member for Darling Range, Mr Barry Urban.

- (1) Has the minister or the Commissioner of Corrective Services initiated an investigation into the veracity of Mr Urban's claimed personal and work history submitted with any application for a position with the department in order to establish whether he supplied false information to support his application; and, if not, why not?
- (2) If yes to (1), who instructed that an investigation be commenced and when; when did the investigation commence; who is conducting the investigation; what stage has it reached; and when is a result expected?
- (3) If the investigation reveals that Mr Urban provided false information to support his application for a position with the Department of Corrective Services, will the matter be referred to WA Police for action; and, if not, why not?

Hon STEPHEN DAWSON replied:

I thank the honourable member for some notice of the question. The Department of Justice advises the following.

- (1) Mr Urban's appointments to positions within the department have been through an informal recruitment process in accordance with Public Sector Management Act provisions for contracts of up to six months. There is no evidence of Mr Urban having ever been subject to a full merit-based selection process that could have led to a permanent appointment. The positions applied for by Mr Urban did not require evidence to be provided with regard to claimed formal education qualifications as these were not mandatory requirements for those positions. As a consequence of the above and in relation to Mr Urban's appointment to positions within the department, no referrals have been made to the department's investigation services for assessment and/or investigation.
- (2)–(3) Not applicable.

GENDER REASSIGNMENT ACT

354. Hon ALISON XAMON to the Leader of the House representing the Attorney General:

I refer to section 15(3) of the Western Australian Gender Reassignment Act 2000 that states that a recognition certificate cannot be issued to a person who is married. Given that equal marriage is now legal, when does the minister intend to introduce legislation to enable married people to change their sex on their birth certificate?

Hon SUE ELLERY replied:

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

The Attorney General intends to introduce legislation to delete section 15(3) of the Western Australian Gender Reassignment Act 2000 early in the second half of 2018.

HEALTH SERVICES — KAMBALDA

355. Hon ROBIN SCOTT to the parliamentary secretary representing the Minister for Health:

- (1) Is the minister aware of a report by Joanna Delalande in the *Kalgoorlie Miner* on Friday, 4 May, to the effect that the Kambalda community could be left without a doctor after the health provider at the town's only general medical practice inexplicably withdrew its services?
- (2) What is the minister's best estimate of the number of people reliant upon the local medical practice in Kambalda?
- (3) What action is being taken by the Department of Health to ensure that the residents of Kambalda East and Kambalda West, plus other nearby residents, have uninterrupted access to medical care?
- (4) What is the ratio of residents to medical practitioners in Western Australia and what is the ratio of residents to medical practitioners in the Shire of Coolgardie?

Hon ALANNA CLOHESY replied:

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

- (1) Jupiter Health is a privately owned business and is contracted by the Shire of Coolgardie to provide the general practitioner staff and service at Kambalda Family Practice. Its contract is due for renewal in July 2018. It has advised the Shire of Coolgardie that it will not be entering into another contract.
- (2) The estimated population of Kambalda is 2 400 people. However, many of these people reside within the mining facilities or drive in and out for work purposes, including to the nearby regional centre of Kalgoorlie–Boulder.
- (3) WA Country Health Service works with and supports the Shire of Coolgardie with respect to the contracted private general practitioner service. The Kambalda community health centre is staffed by nurses who provide a range of healthcare services. The range of care services and programs provided includes child health, school health, nurse-led emergency response care, post-acute care, women's health, chronic condition management, and immunisation. There is also access to a range of public and privately funded allied health, maternal health, health promotion, mental health, cancer care and palliative care services. The health centre is telehealth enabled, which means it has the resources to provide consultations with medical specialists and other specialist services using audio and visual links over the internet. This service is not established for general practice presentations. WACHS nursing staff will continue to support the community through the provision of these services and programs while the Shire of Coolgardie seeks general practitioner services. Many residents use the range of medical services available from the mining sites and/or in Kalgoorlie.

- (4) The Shire of Coolgardie consists of the Kambalda and Coolgardie town sites. The current estimated population of the Shire of Coolgardie is 3 613. Three general practitioners currently reside in the shire—namely, one full-time and one-part time GP in Kambalda, and one part-time GP in Coolgardie. WACHS understands that the estimated ratio of residents to medical practitioners in the goldfields region is 55.75 per 100 000 headcount. WACHS is unable to break down this figure per shire. Recruitment of GPs into regional areas remains a challenge across Australia. WACHS works closely with agencies such as Rural Health West to support the attraction and retention of GPs and continues to invest over \$14 million a year in a range of royalty for regions—funded GP incentive payments.

GOLDFIELDS ARTS CENTRE — 2018–19 STATE BUDGET

Question without Notice 339 — Answer Advice

HON ALANNAH MacTIERNAN (North Metropolitan — Minister for Regional Development) [5.07 pm]: I promised earlier to provide some information to Hon Jacqui Boydell. We committed to transfer the management order for the Goldfields Arts Centre to the Perth Theatre Trust, and that has happened. We also committed to provide funding. I think the member quoted the figure of \$250 000 a year—is that correct?

Hon Jacqui Boydell: Yes.

Hon ALANNAH MacTIERNAN: As the member will see from the budget, for this current year and for next year, we have exceeded that figure. Page 447 of budget paper No 2 volume 2 shows an allocation of \$325 000 per annum for the first two years. For the next three years, the allocation is \$140 000 per annum. Coming into next year's budget, we will be reviewing the needs of the venue to see what additional moneys need to be allocated. At this time, for the current two years, we have in fact increased the amount of funding over and above what we committed to.

PAY-ROLL TAX ASSESSMENT AMENDMENT (EXEMPTION FOR TRAINEES) BILL 2018

Committee

Resumed from an earlier stage of the sitting. The Chair of Committees (Hon Simon O'Brien) in the chair; Hon Sue Ellery (Minister for Education and Training) in charge of the bill.

Clause 5: Section 41D inserted —

Committee was interrupted after the amendment moved by Hon Rick Mazza had been partly considered.

Hon AARON STONEHOUSE: Before we broke I was trying to seek some clarification. An employee can be on a three-month term of probation and at the end of that three-month probationary period can be put on a training contract that would include an additional three-month probationary period; is that correct?

Hon SUE ELLERY: To get the exemption, the employee and the employer need to enter into a training contract before the end of the three months.

Hon AARON STONEHOUSE: I think that answers my follow-up question too. The employee can enter into the training contract after two months and 29 days and the employer would get the exemption. The employee would then be put on another three months of probation in that case.

Hon SUE ELLERY: Just to be clear, the second period of three months' probation is probation for the training contract. Within the first three months of the training contract, the employer may decide that the employee is not a suitable person for this training contract and may end that probation period. There is a process for doing that, and it happens.

Hon AARON STONEHOUSE: So long as the training contract is commenced within that three-month period they will get the exemption, but that would exclude an employee hired on a six-month probationary period if the training commenced after the three month cut-off for new employees under the act.

Hon SUE ELLERY: If a training contract is entered into after the first three months of the employee's period of employment, the training contract is valid and will stand, but the employer will not be entitled to the payroll exemption granted for the purposes of new employees or, I might add, any commonwealth incentives that apply to training arrangements, because we use the same definition.

Hon RICK MAZZA: I am still having some trouble with this. The employee is on an employment contract with a three-month or six-month probation period so they are not permanent yet. At that stage the employer is unsure about what level of training they should give them. Under this bill, they will have no choice, if they want the exemption, but to enter them into a training contract within the three months. The training contract itself might have a three-month probation period but that is separate from the employment contract. That is where I am having great difficulty understanding how this is fair on employers and, to a large degree, employees. The minister has said to me that one of the reasons is the definition and how it might affect other states, but this is not about the training; this is about the taxation on the employee themselves. We have different payroll tax assessment legislation

around Australia. In fact, even the notes and handouts we were given in the briefings show the differences. Western Australia's exemption is generous compared with those of other states, which are more limited. The information sheet lists the following: Western Australia, \$80 million, or 2.4 per cent of payroll; New South Wales, \$85 million, or one per cent of payroll; Victoria, \$6 million, or 0.1 per cent of payroll; Queensland, \$36 million, or 0.9 per cent of payroll; South Australia, \$7 million, or 0.6 per cent of payroll; Tasmania, \$2 million, or 0.5 per cent of payroll; ACT, not applicable; and the Northern Territory, \$5 million, or 1.2 per cent of payroll. There are differences around Australia with this. Can the minister explain to me what catastrophic occurrences might happen, which I think is the term the minister used when Hon Dr Steve Thomas asked the question, if this state—we always go on about the sovereignty of the state—was to put the amended definition that an employee whose probation was up would then have three months to enter into the training contract?

Hon SUE ELLERY: If I take the member back to look at clause 5 of the bill before us, the member is quite right to say that this bill seeks to amend the Pay-roll Tax Assessment Act, but it does so in clause 5 with reference to another act, the Vocational Education and Training Act 1996. The two are inextricably linked. Although the member says that we should be able to change our own definitions of how we apply payroll tax, in fact, the bill before us will change the way we deal with exemptions under the payroll tax act with specific reference to the training provisions set out in the Vocational Education and Training Act 1996. That act links and joins us to all the training regimes in place across Australia and, indeed, links employers to the entitlements that the commonwealth provides for training incentives. By undoing the definition of “new employee”, we would be undoing that nexus with the VET act and the commonwealth incentives. In addition, I am also reminded that we would be undoing all the provisions set out in the Vocational Education and Training (General) Regulations 2009, which link us and use the same definitions used across Australia. They are the technical reasons that the amendment the member proposes would create chaos. In addition, there are reasons not linked to the technical connections between the two pieces of legislation here and the arrangements in place nationally. Industry has made it perfectly clear that it wants the same arrangements in place across Australia because companies that operate across jurisdictions—not even companies that operate nationally, but that operate between two states—do not want to have to deal with different sets of regulations. They are the two sets of reasons. Firstly, we are dealing with amending our payroll tax provisions with specific reference to the definitions in a set of vocational arrangements in an act and a set of regulations. Secondly, industry has said it wants consistent applications and does not want to be operating under different regimes in different jurisdictions.

Progress reported and leave granted to sit again, pursuant to standing orders.

ARTHUR BOYCOTT GREER — PAROLE

Statement

HON MICHAEL MISCHIN (North Metropolitan — Deputy Leader of the Opposition) [5.21 pm]: I rise to comment on the recently announced release on parole of one Arthur Boycott Greer. The first we were advised of this was in a media release on Wednesday, 9 May 2018, by the Attorney General John Quigley. It states —

Attorney General John Quigley today announced that he has accepted the Prisoners Review Board's recommendation to release Arthur Boycott Greer on parole to facilitate his return to the United Kingdom.

It makes mention in the media release, and I quote —

Greer was found guilty of the murder of a 14 year-old girl, Sharon Lee Mason, who disappeared in Mosman Park in 1983. Her body was later found in 1992, buried behind a shop formerly owned by Greer.

Greer, 80, whose next statutory review date was scheduled for November 8, 2019, wrote to the Board in October 2017 requesting an early review in light of his failing health.

The request was approved and the Board prepared a report for the Attorney General recommending that the Governor be advised to release Greer to parole.

After seeking further advice from the Board about the impact of Greer's health, Mr Quigley made a decision to endorse the Board's recommendation for the Executive Council's approval.

The media release then goes on to ascribe certain comments to the Attorney General, and I quote —

“After receiving the Prisoners Review Board statutory report on Greer earlier this year, I sought further advice from the Board in relation to Greer's health.

“The information pertaining to Greer's current state of health was critical to my decision making.

“The Board returned a medical report which addressed my concerns about how Greer's health and age may affect his risk of reoffending should he be deported back to the UK.

“The Board formed the opinion that Greer’s age, limited mobility and his deteriorating health act together to reduce his risk of reoffending.

“The Acting Commissioner for Victims of Crime has been in contact with Ms Mason’s family.

“The Acting Commissioner informs me that Ms Mason’s loved ones expressed a wish that Greer be transported from prison to deportation and that he not taste freedom in Australia again.

“Arrangements are being made for Greer to leave as soon as possible for the UK, relinquishing WA taxpayers from the ongoing cost of his 25 years of incarceration and compounding medical needs.

I make two observations about that media release. Firstly, there is the question of Greer’s health. It appears that the criteria that particularly exercised the Attorney General’s mind is the fact that Greer is 80 years old, and that his health is deteriorating and his mobility is becoming limited. One might think that is not a good enough reason to release a child killer on parole. A factor that he took into account, and one that seems to have exercised his mind particularly, is that his age-limited mobility and deteriorating health act together to reduce, not eliminate, his risk of re-offending.

The Attorney General goes on in a statement that was delivered in the other place yesterday—I confess that I only have the uncorrected proof here, but if anything in it requires correction in due course, I accept all that—to state —

Today I rise to inform the house that I have accepted a recommendation from the Prisoners Review Board to release Arthur Boycott Greer on parole to facilitate his return to the United Kingdom. As members in both houses are aware, Greer was convicted of the murder of a 14-year-old girl, Sharon Lee Mason, in November 1994, and sentenced to life imprisonment with a minimum of seven years. In its 2016 statutory review, the board recommended that Greer be granted parole and deported to the United Kingdom. This was rejected by the then Attorney General. Greer’s next statutory review was scheduled for November 2019.

I interject at that point to point out that, yes, I did reject the Prisoners Review Board’s recommendation for release on parole, because the sole basis for his release on parole was for his deportation, not because of a reduced risk, not because he had accepted responsibility for the murder of a 14-year-old girl and concealment of her body, not because he has been rehabilitated, not because he has in any way shown contrition for his offence or accepted responsibility for it, and not because he had a clear criminal history before that; on the contrary, he has a criminal history of violence and sexual offending. The reason the Prisoners Review Board recommended his release was simply to hand the problem to the United Kingdom with a notional order of parole here, which of course would mean that he would be given a get-out-of-jail-free card, go to the United Kingdom and be their problem and one killer—a killer of one of our children—would be released from prison. That is a factor that appears to have played on this Attorney General’s mind considerably because he mentioned at the end of his media release and also at the end of his ministerial statement that it will relieve Western Australian taxpayers from the ongoing cost of his 25 years of incarceration and increasing medical needs. If that is the criterion that this Attorney General is going to adopt when considering whether child killers or any other sorts of offenders are to be granted parole, simply to get the problem out of the prison, save a bit of money and make it someone else’s problem, while leaving those who are bereaved thinking, “Well, where is our justice system working if it is just going to be for expediency rather than the exercise of justice?”, we have come to a very sad pass.

I find it personally very disappointing that those are the criteria that seem to have exercised his mind. I think it is a betrayal of the things that people expect from our criminal justice system if we have an Attorney General who is looking at whether there is a reduced risk of reoffending somewhere else and otherwise to save money in this state by releasing our prisoners. It is not a decision that I would have made. To my mind, it is also contrary to much of the rhetoric that we have heard over the past couple of years. The Leader of the Government might like to reflect on the fact that we have heard a lot about no body, no parole laws and how those who are bereaved and do not know the whereabouts of their deceased loved ones—their murdered loved ones—should receive the comfort of knowing that a prisoner ought not to be released from prison until they are disclosed and there is cooperation. The legislation that was introduced the year before last by the then shadow Attorney General, the current Attorney General, made a big play on how cooperation was important. Here we have someone, who, had it not been for the accidental discovery of Sharon Mason’s dismembered body in the backyard of his premises—I see the leader seems to find this amusing.

Hon Sue Ellery: I’m not even talking about you. Not everything in this world is about you.

Hon MICHAEL MISCHIN: It is a very sad day. We have heard how no body, no parole should be the principle. This time Greer has not even accepted responsibility for his crimes. He did not reveal Sharon Mason’s body. It was discovered, and he has found every argument under the sun since then to avoid responsibility for his behaviour. It is a disgraceful decision if it is based on the criteria that has been advised here by this Attorney General and hypocritical of the things he has been saying about having regard for victims of crime and their next of kin.

MENTAL HEALTH — ELDER SUICIDE*Statement*

HON ALISON XAMON (North Metropolitan) [5.30 pm]: I rise only because I want to make some brief comments in response to the answer to one of the questions I asked today in question time. I asked a question of the Minister for Health via the parliamentary secretary about the emerging incidence of suicide amongst older Australians. I wanted to know what the Mental Health Commission was doing to address this disturbing trend in this particular population. I received a comprehensive answer that went over much of what is happening generally within the suicide prevention space. But when it came to answering the specific concern I raised about targeting suicide of older Australians, I was advised that the Mental Health Commission has engaged with Mental First Aid Australia regarding the recent launch of a 12-hour older-person mental health first aid course and that on 17 May 2018—next week—Mental Health First Aid Australia will be making a presentation to the suicide prevention coordinators about the new program.

I happen to think that the state suicide strategy as it was developed under the previous government is a good one. I would think that because I was a member of the Ministerial Council for Suicide Prevention, so I know the amount of work that went into developing that strategy. I note also that significant investment was made by the previous government in dealing with the issue of suicide prevention, and that has been carried on by this current government. The issue of suicide prevention has, fortunately, received a significant amount of increased attention, particularly over the last decade. This and what we have seen in the state is that successive governments have been prepared to put their money where their mouth is. I want to acknowledge that.

I also acknowledge that when that previous strategy was being developed, the issue of suicide among older Australians was not as obvious as it has become since that strategy was developed. Since then, it has become clear that there is a really disturbing trend with increased rates of suicide of older Australians. I would understand if the Mental Health Commission is being careful about sticking to a very well developed strategy and wanting to make sure that it is keeping on track. However, I also recognise that one of the things we have to always be aware of is the nature of trends around the issue of suicide. Older-adult suicide is a particular concern that as someone who is very passionate about the area of suicide prevention, I have become increasingly disturbed about. We know that data coming through shows a direct correlation between older Australians who are making a decision to take their lives, and issues of loneliness and isolation. I find that to be absolutely devastating and a heartbreaking indictment of where we are as a community and how we treat older people.

I also have heard anecdotal evidence of the correlation between increased risk around elder abuse and the subsequent desire of older Australians to take their lives, perhaps because they are feeling pressure from their families or because they are subject to abuse and feeling as though their lives no longer have any purpose. Whatever the reason, it is an area that we are clearly going to have to pay more attention to. I suspect that the next suicide prevention strategy will have to pay attention to the issue of older adult suicide because the trend is so disturbing and there is no way that we can ignore what is happening with this particular population. I wanted to at least respond to the question that had been put because it was a very long and comprehensive answer. When it came down to answering the specifics about the question I had asked, it took up only three lines. Members can feel 100 per cent confident that I will be raising this issue again in this chamber because I want to make sure that it is very firmly on the agenda for members. It is important that I at least had the opportunity to respond to the question that was put today. Like I said, a lot of information was given, but there was nothing that I did not already know. We will have to pay some very close attention to addressing this particular population group and this area of suicide prevention.

LANDSDALE FARM SCHOOL*Statement*

HON TJORN SIBMA (North Metropolitan) [5.36 pm]: I rise very briefly this evening to reflect on a petition I tabled in this house yesterday that contained 5 995 signatures, which, for the curiously minded, is a numerical palindrome. That petition called for the reinstatement of government funding to the Landsdale Farm School. The Landsdale Farm School was among many organisations that were on the chopping block when the Minister for Education and Training announced her education cuts two weeks before Christmas last year. The depth of community feeling on this issue is not going away. In fact, I make the observation that it has solidified because of where the government has chosen to spend its money. The \$40 million Local Projects, Local Jobs program is lost on nobody. People find it very difficult to understand why over \$100 000 can be found for a coffee van, why \$250 000 can be found to upgrade lighting for a soccer field and why \$175 000 can be used to replace a bowling green when government funding for a community resource that has been in place for many years needs to be removed. The decision of the McGowan government to cut funding to that facility is simply wrong. Although it is a local issue, it extends into the broader community. It calls into question the government's priorities when it comes to the expenditure of public money. It is also very difficult to reconcile when, at the same time, the government is determined to increase the cost-of-living pressures on all members of the community, particularly

those on a fixed income. An obvious assessment of today's budget is that a representative household is looking down the barrel of a \$300 increase in power and water charges that are difficult to reconcile with the level of cost recovery that is already in place. About 15 months ago, the Economic Regulation Authority suggested that water utilities were effectively overcharging. In annual report hearings, the head of the Water Corporation validated that assessment. She quibbled on a technicality, but agreed with the assessment that prices were being gouged and consumers were overpaying for the services provided. That was further validated by remarks made by the Premier subsequent to those hearings. That is unjustifiable, particularly when those corporations have already returned such large dividends to the government.

I return to this farm school. As a member for the North Metropolitan Region, I have been disappointed that partisan politics could not be put aside and that this facility has not received public support from the state Labor members for Joondalup and Kingsley. If they have been engaged in quiet diplomacy, that diplomacy has been exceptionally quiet and about as effective as that quiet diplomacy is likely to deliver. I am also disappointed that the federal member for Cowan has not, to the best of my knowledge, thrown her weight behind this facility and that community. I call on the Minister for Education and Training to do the right thing in this instance, reverse her decision and reinstate the funding for that farm school.

Statement

HON SUE ELLERY (South Metropolitan — Minister for Education and Training) [5.41 pm]: I need to respond to the comments made by Hon Tjorn Sibma. In the correspondence that I have provided to people who have contacted me about Landsdale Farm School, I have made the point that it is a valued community asset. There is no question about that. I have also made the point that the vast majority of people who use it are adults who use it on the weekend. The vast majority of people who use it are not schoolchildren. It provides an excellent service, particularly to students with a disability. So the question is: is it appropriately funded by the Department of Education when the vast majority of people who use it are adults who use it on the weekend? That is the proposition. We are now seeking expressions of interest and going through a process to identify other organisations that are interested—many have expressed an interest—in taking over responsibility for it. Part of the criteria will be that the organisation continues to allow it to be used by students with a disability. It is false narrative to suggest that I have ever said anything other than it is a valuable community asset. I recognise that. The question is: given the usage, is it appropriately funded by the Department of Education?

House adjourned at 5.42 pm

QUESTIONS ON NOTICE

Questions and answers are as supplied to Hansard.

REGIONAL DEVELOPMENT — LOCAL PROJECTS, LOCAL JOBS PROGRAM

1076. Hon Jacqui Boydell to the Minister for Regional Development:

I refer to the Local Project, Local Jobs projects, funded by Royalties for Regions, and I ask:

- (a) do any of the 176 projects funded through Royalties for Regions have a business case;
- (b) if yes to (a), will the Minister commit to tabling those business cases; and
- (c) if no to (a), does the Local Projects, Local Jobs program as a whole have a business case and, if so, will the Minister commit to tabling it?

Hon Alannah MacTiernan replied:

- (a)–(c) The Local Projects Local Jobs initiative was approved in its entirety by Cabinet as an election commitment. The average cost of projects was \$40,000 and so business cases were not required as part of the process. For all regional projects, Regional Development Commissions met with grantees, and undertook a risk assessment and due process that informed the development of individual funding agreements.

SALARIES AND ALLOWANCES TRIBUNAL — DETERMINATION TRANSPARENCY

1078. Hon Martin Aldridge to the Leader of the House representing the Premier:

I refer to the determination of the Salaries and Allowance Tribunal on 30 November 2017, with effect from 1 December 2017, with respect to Members of Parliament, and I ask:

- (a) what actions has the Government taken to ‘widely advertise’ and ‘make known’ the details of the determination to the public;
- (b) does the Premier support the determination of the tribunal; and
- (c) if no to (b), which aspects of the determination does the Premier not support and why?

Hon Sue Ellery replied:

- (a)–(c) Yes, the Premier supports the determination as it provided for no increase or change to allowances or remuneration. It is also in line with the Salaries and Allowances Amendment (Debt and Deficit Remediation) Bill 2017, which freezes the salaries of Minister’s, members of Parliament and other senior public servants.

As such, the determination is inherently uncontroversial.

This is in stark contrast with the determination of December 1 2016, which created the arrangements for an allowance for vehicles, regardless if the member was also a Minister and therefore already provided with a vehicle.

As the member is well aware, despite the now Oppositions outrage at that determination, when in Government they had exactly two months between the issuing of the determination and the commencement of the caretaker period to do something about it and failed to do so.

However, it should be noted that the Government has made every effort to widely publicise and make known the successful passage of the Salaries and Allowances Amendment (Debt and Deficit Remediation) Bill 2017 through various means. Given the determination was in line with the legislation, no further publication was required.
