

APPROPRIATION (CONSOLIDATED ACCOUNT) RECURRENT 2009-10 BILL 2009
APPROPRIATION (CONSOLIDATED ACCOUNT) CAPITAL 2009-10 BILL 2009

Cognate Debate — Motion

On motion by **Hon Norman Moore (Leader of the House)**, resolved —

That leave be granted for orders of the day 17 and 18, Appropriation (Consolidated Account) Recurrent 2009-10 Bill 2009 and Appropriation (Consolidated Account) Capital 2009-10 Bill 2009, to be dealt with cognately.

Second Reading — Cognate Debate

Resumed from 16 June.

HON SALLY TALBOT (South West) [10.13 am]: I point out from the start that I am not the opposition's lead speaker on these bills. That responsibility falls to my colleague Hon Ken Travers, who has been doing an absolutely sterling job in pointing out flaws in the budget in some forensic detail. It has been a truly spectacular demolition process to watch from our side of the house. Hon Ken Travers is our lead speaker on this bill. He will be participating in the debate later on today.

I rise with many, many concerns to lay before this house about these two bills and about the whole budget process in general. When it comes to the Department of Environment and Conservation, there was a big black hole in the budget before we even started. On the afternoon of 14 May, when the budget was brought into this place, what jumped out of the page was that there is a massive decrease in the appropriation to the Department of Environment and Conservation. In 2008-09 the appropriation was about \$238.5 million. In 2009-10 the appropriation has gone down to about \$184.7 million. That was our big black hole right from the beginning; a decrease of \$54.8 million in the appropriation to the department.

That was a very surprising and very distressing thing to find. Of course we immediately looked for what the black hole was hiding in this budget. When the Director General of the Department of Environment and Conservation was called to give evidence to the Standing Committee on Estimates and Financial Operations, he gave an excellent account of the department's processes for achieving the three per cent cuts that this government has put in place. During the course of his evidence, he pointed out that every service offered by DEC is a key service; every service is a front-line service. I do not disagree with him. There is no question that everybody who works for that department—which, this year, is close to 2 000 people—plays an important part in that service. I met a large number of people from that department when I was parliamentary secretary to the previous minister. Every single person I met—and that ranges from people who work in Kensington to people in the north west of the state, right down to the south west, in my electorate, the great southern—every single one of those DEC officers has an enormous part to play in environmental protection in this state. I do not dissent at all from the director general's statement that every service is a front-line service or a key service.

We are looking at a decrease in the appropriation to DEC that is way, way above the three per cent cut that the department has been forced to make by the Premier and Treasurer. It did not take us long to find that the government was planning some changes to the landfill levy. The landfill levy was increased by 300 per cent. I have pointed out in this house before that that is not necessarily a move that we on this side of the house would oppose. Indeed, we introduced legislation to put waste avoidance and resource recycling firmly at the front and centre of the Towards Zero waste policy by 2020. We had indeed factored in substantial increases to that waste levy over a period of years. We found that the government predicted an increase of \$39 million a year over the next four years. An amount of \$39 million a year was to come from the 300 per cent increase in the levy on waste going to landfill.

At the Legislative Council estimates hearing last week in this place, I put it to the minister that she must have contemplated a scenario whereby something went wrong with that plan to increase the levy. I asked that question because of the enormous community concern; the enormous concern that is being expressed by every single stakeholder with an interest in waste management in this state. Of course what we found when we started digging was that as well as the 300 per cent increase—which, under circumstances that existed before 14 May, would have meant that the waste levy account was boosted by about \$39 million a year, but the waste levy account was not going to get that extra money—the extra money was going to fund ordinary, routine core DEC functions. That is actually illegal under the current act, because the act specifies that all moneys raised from the waste levy must be paid into the waste levy account. The waste levy account is then disbursed on the recommendations of the Waste Authority of Western Australia, headed by Barry Carbon. The government had been proposing to go some way towards filling the black hole in the DEC budget by changing the act to allow it to claw back this extra revenue from the waste levy. We now know—and the government itself has conceded in

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its rhetoric on this matter—that this was just a naked grab for money. It was just a barefaced clawback of funds to enable DEC to deliver its core services.

During the estimates hearing, I put the following scenario to the Minister for Environment. I put it to the minister that if the government was not able to raise these moneys for DEC from the waste levy, the shortfall in the appropriation for DEC would not be the \$54.8 million that it is currently, but would be about \$90 million. I must admit that the answer that the minister gave me is technically correct. The minister told me that the scenario that I was putting was purely hypothetical. That is true. It was hypothetical. A hypothetical statement starts off with the word “If”. I put it to members that being a minister, being a member of Parliament and being involved in the political process is all about the skills that we bring to bear on the process. We need to consider all the contingencies. The one answer that we cannot give as a professional parliamentarian is, “Oh, I didn’t think of that.” That is not good enough. That is why the public service has been set up. That is why significant resources have been allocated to the staffing of ministerial offices. That is why departmental liaison officers are brought into ministers’ offices to provide advice and guidance. That is why we place very high professional expectations on our senior bureaucrats. As a minister and as a member of Parliament we cannot say to our electorate, “I’m really sorry, but I didn’t think of that.” Therefore, I say that the minister’s answer to me—that is, that she has not considered that scenario, because it is just hypothetical—was most unreasonable. The minister then tried to muddy the waters by suggesting that I was in some way engaging in fantasy scenarios and was trying to doom-say the department’s budget. The minister tried to cast all sorts of aspersions on what I had put to her. All I had asked the minister to do was consider what might happen if the government did not get that money from the waste levy.

On Tuesday, the Minister for Environment came into place, presumably under the instructions of the Premier, and probably also the leader of the government in this place, and said that the increase in the landfill levy, which was due to start on Wednesday of next week—1 July—has now been put off until 1 January next year. That announcement by the minister has been greeted with warm affirmation in certain circles. It was certainly an enormous relief to local governments to hear that they had been given some breathing space and time for more detailed consideration of this matter. However, the problem with this government—this is happening throughout the budget process—is that it is not listening to the stakeholders. Individual ministers are not listening to the stakeholders. One of the things that we are supposed to do as professional parliamentarians is get our heads around the contingencies—all the hypothetical scenarios that might arise. We are expected to be very good at mapping out different scenarios. If a government decides that it wants to take a certain course of action, it should workshop that with the community. That is why whiteboards were invented—although if we go back a couple of decades, some ministers probably wish that whiteboards had not ever been invented! That is why we have professional advice. It is to help us map out various scenarios. There were many different ways in which the government and the minister could have done what they are proposing for the waste levy. I am not suggesting that the government could have silenced all the opposition to the waste levy. No government can inflict upon a community a huge increase in costs of 300 per cent without some opposition. A 300 per cent increase in any cost is pretty high, but it has a particularly dramatic impact when the community is trying to cope with an economic downturn. There has been a lot of commentary about the fact that Western Australia has been shielded from some of the worst effects of the economic downturn, largely because we are coming off such a high base. Nevertheless, we know from the people who come into our electorate offices week after week that although there have always been people who cannot afford to support themselves and their families in the way they would like, that number has increased dramatically over the past 12 months. Many ordinary families in our community are facing the prospect of unemployment, or of having to look outside their usual areas of employment and find an extra job to support themselves. Ordinary families are tightening their belts and looking for ways to cut costs so that they can get through these difficult times. This is not the time to come in with a 300 per cent increase in the cost of anything.

However, putting that aside, I am suggesting that there are different ways in which the government could have done what it wanted to do with this landfill levy. Many attempts have been made to put alternative plans to the government. Some of the stakeholders involved in waste management have shared with me their thoughts on how things could have been done differently. I must say that every single one of the plans that have been put to me is better than the plan the government has come up with. As I said a couple of days ago when I spoke on this matter, the first thing the government should have done was increase the levy, but not make the legislative change to take that money away from the Waste Authority. That is a measure that no-one agrees with. Another issue is the magnitude of the increase in the landfill levy. Many local governments, including the one with which I am most closely associated in Mandurah, are very unhappy about the 300 per cent increase. However, I put it to members that if that money were to remain with the Waste Authority, that difficulty could be worked around. I will tell members how it could be worked around. When the Labor government drafted the Waste Avoidance and Resource Recovery Bill, we made the definition of “waste” very broad. That was not an oversight. We did not

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just say that it is a bit hard to come up with an accurate definition of waste, so we will make the definition very broad. We deliberately made the definition very broad. That is because one of the things that we have learnt in the last half century is that what we used to think was waste or rubbish is not waste or rubbish any more. That is the whole philosophical underpinning of the Towards Zero by 2020 strategy. The WARR act is supposed to take this state through the next couple of decades. It is supposed to revolutionise the way in which Western Australia treats its waste. Therefore, we deliberately made the definition of waste as broad as we could.

I put it to you, Mr President, and to honourable members that it would not have needed an enormous amount of intellectual capacity to work out a way to keep that money with the Waste Authority and to use it to fund a substantial proportion of the Department of Environment and Conservation's core functions, because DEC's core functions include monitoring air and soil pollution and a range of other functions to keep our environment healthy enough for humans to live in and be healthy in. That is what DEC's core functions are about. A substantial part of that is to do with making sure that the environment is not polluted. I can only think that there was some other reason why the government decided, when determining its appropriations, that it did not want to go down that track. I think there are a number of different explanations, some of which are more sinister than others. I suppose the least sinister explanation is that the government just does not get it. If that is the case—I am seriously beginning to think that it might be—all that I can do, and all that members of the Labor Party and the Greens (WA) and some members of the National Party can do, is to keep standing in this place day after day, go through the issues, analyse the consequences of some of these actions and hope that one day somebody on that side of the house will hear what we are saying and go, "Ah! Maybe we can do it differently." There are other explanations, but, frankly, I have become quite bewildered by the number of different spins that the government has tried to put on this issue. It is almost as though the whole issue is just spinning out of control; it is becoming a complete—I am trying desperately to think of a word that is suitable parliamentary language to describe the calamitous mess that the government is making of this issue.

One of the things that I find quite distressing in the perversion of this argument is what the minister said yesterday. I assume that this was a voice grab from, I think, the ABC radio news. I heard most of the minister's interview on 720 ABC in the morning, but I think this comment went out some time in the afternoon, so I do not know whether it was part of the interview or whether it was a grab that she gave separately. In relation to the delay of the legislation to amend the Waste Avoidance and Resource Recovery Act to claw back that money for the department, she said —

We wanted to obviously make sure that the 300 per cent increase in the levy was made validly and the decision to delay was really to avoid any argument that the levy could not be increased by 300 per cent before the legislation occurred

Even if the minister does not understand what is wrong with that sentence, I know that people in her office and senior people in her department will have heard that, put their heads in their hands and thought that this is going from bad to worse. It is simply not true. I will say that again. She said —

We wanted to obviously make sure that the 300 per cent increase in the levy was made validly and the decision to delay was really to avoid any argument that the levy could not be increased by 300 per cent before the legislation occurred

Not one person to whom I have spoken has suggested in any way, shape or form that the levy could not be increased by 300 per cent before the change in the legislation occurred. The change to the legislation is not about the increase in the levy; it is about what happens to the levy once it is collected. Not one person from the Western Australian Local Government Association or individual shires around the state, the Conservation Council of Western Australia or a number of smaller enterprises that are involved in waste management has suggested to me that the levy could not be increased by 300 per cent before the change in the legislation occurred. I do not know what this means. What can I do with a statement that is just wrong? Is it wrong because it is a mistake, or is it wrong because there is something else going on?

Let us look at a couple of other possible explanations. I have referred to the evidence that the Director General of the Department of Environment and Conservation gave to the Standing Committee on Estimates and Financial Operations. I will now refer to another standing committee inquiry. The inquiry into municipal waste management in Western Australia was conducted by the Standing Committee on Environment and Public Affairs. The committee's report, dated May 2009, has been tabled and is awaiting consideration in this house. One of the hearings that that committee conducted—this is all on the public record—was with the Waste Authority. The transcript of that hearing is very revealing. I think it is no exaggeration to say that when I read that transcript, I got a very clear indication that there is nothing short of a war between the Department of Environment and Conservation and the Waste Authority. I do not know Barry Carbon. I may have met him once or twice at functions, but I have never sat down and talked to him. I know about his reputation, however. I

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remember back in the 1980s, I think, when he was working for Alcoa and he was brought in to take a leadership role in environmental management in Western Australia. I think it is fair to say that Barry Carbon has an absolutely first-class reputation as somebody who has made a first-class contribution to all the debates about environmental management and, indeed, the policy settings of environmental management in this state. When Barry Carbon was appointed chair of the Waste Authority, it was an appointment that I and, I think, probably everybody in the Australian Labor Party applauded. He is a very capable man with vast experience and a demonstrated commitment to issues of environmental protection. What became evident during the evidence he gave to the committee was that there are massive problems at the heart of the management of the Waste Authority. They are caused by the fact that there is no working relationship between the Department of Environment and Conservation and the Waste Authority. I will quote from the transcript —

... when the Waste Authority came into existence on 1 July, we discovered there were 50 staff at the Department of Environment and Conservation who were paid for out of the waste levy ...

...

There is an estimate from the department, orally given, of about a \$5 million ticket for salaries for this year, but the Waste Authority six months ago, —

I interrupt the quote at this point to say that this hearing was conducted in March this year, so when Mr Carbon refers to “six months ago”, he is talking about September —

at its monthly meeting—and at every monthly meeting since—has asked the department for a statement of staff numbers and staff expenditure. To this date that has not been delivered.

I absolutely heartily recommend that all members read the transcript because it will give them an idea of the extent of the problem and another possible explanation of the government’s slip-sliding approach to waste management at the moment.

There was a very thorough and comprehensive article on this issue in *The West Australian* about a month ago written by Robert Taylor. It was Robert Taylor who brought together these two elements of the discussion—the evidence that Barry Carbon had given to the EPAC hearing and what the government is trying to do now. A couple of weeks later I asked the minister in this house to give me an idea of the staffing levels at the Waste Authority and the budget costs. In other words, I asked the Minister for Environment the question that Barry Carbon had been asking for six months. Barry Carbon said that when he began as the chairman of the Waste Authority on 1 July 2008, the Department of Environment and Conservation was being paid for 50 staff out of the waste levy, which amounted to about \$5 million for salaries. A couple of weeks ago in this place, the Minister for Environment confirmed that in fact only 28 full-time equivalents were providing direct support to the Waste Authority and that the staffing costs amounted to only \$2 209 007. That is less than half the back-of-the-envelope calculation that the chair of the Waste Authority had been provided with at that stage. I go into some detail about that to give some substance to my suspicion that there is a war going on between DEC and the Waste Authority.

More confusion developed yesterday. When we are presented in this house with statements that simply are not true, it is hard to know what to do with them other than to say that they are not true and inform members that the minister has got it wrong. Yesterday provided a curious moment. Remembering that we are considering the two appropriation bills, when trying to dig deeper into what the implications were for the Department of Environment and Conservation, I asked the minister a question. When I drafted the question, I thought to myself: although I need the information, the minister is almost certain to stand and thank me for the dorothy dixer. Nevertheless, I wanted the information to help me build my argument and so I asked it. It was the second question that I had asked the minister; it was not my priority question yesterday. I asked the minister —

Given that a majority of the funds generated by the waste levy are currently intended for activities that are essentially run by local government, can the minister advise the house how much of the funds collected by the Waste Authority actually go to local government, and what does local government use the money for?

As I said, if that question had been directed to me as the minister, I would have thanked the opposition for the dorothy dixer and taken the opportunity to talk about exactly what sort of brilliant work the Waste Authority was doing by allocating a substantial part of its funds to local government and about the great projects that local governments do because of the assistance they receive from the Waste Authority. I even took those words from the act itself. The act essentially says that the Waste Authority will fund activities that are run by local government. That is in the legislation and the regulations. It was not a trick question in any sense. In her response, the minister said —

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As the member is aware, levy funds currently go to the Waste Authority, and this will continue under the proposed legislation.

We know that. The Waste Avoidance and Resource Recovery Amendment Bill 2009 was introduced in the other place last week. We have all read the bill and the second reading speech. I must say that when the same question was asked of another minister in the other place, the answer was quite different. However, since the budget process has ground its way through the ensuing weeks since 14 May, I accept that there has been some tweaking and finessing and that these things change. I read somewhere that one of the other ministers had said that it would be up to the Minister for Environment to determine on an annual basis what proportion of the funds raised by the waste levy will go to the Waste Authority and what proportion will go to consolidated revenue. From the bill that was introduced last week, I believe that 25 per cent of the funds raised by the waste levy will go to the Waste Authority. Yes, I was aware of that. The Minister for Environment's response continued —

The Waste Authority has a business plan and within that business plan it undertakes a range of activities involving local government and other activities, including waste grants, public education campaigns and the like. Obviously, some of that involves local government, and it also provides policy support in that regard. There will be no change to that.

That is shorthand for “no” and “I don't know”. I asked the minister whether she could advise the house how much of the funds collected by the Waste Authority will go to local government. She could not. I asked her what local government will use the money for and she did not know. However, there is a much more serious problem with that answer. The third sentence in the minister's answer was that the Waste Authority “has a business plan”. The Waste Authority does not have a business plan. In his evidence to the Standing Committee on Environment and Public Affairs in March, Barry Carbon said that the Waste Authority did not have a business plan. When members click on the link on the Waste Authority website that says “Business Plan”, they will find a statement that says the Waste Authority does not have a business plan. Members can get the Waste Authority's business plan but it is under the link “Archived Business Plans”; they are the old business plans. Why does the Waste Authority not have a business plan? It says on the website that it does not have a business plan because it needs a waste management strategy. We do not have a waste management strategy. We cannot have a business plan until we have a waste management strategy. It says on the website that we might have a waste management strategy by the second half of this year. What is the date today? It is 25 June. We are nearly at the second half of the year. I do not know what is happening. For the minister in this place to base the whole of her answer—albeit a short answer—on the fact that the Waste Authority has a business plan and that within that business plan it does X, Y and Z when it does not have a business plan confounds me. All I can do is point out the errors that she has made and hope that there is an explanation for them. No-one would be more pleased than I if the minister, at the conclusion of her urgent parliamentary business that has once again taken her out of the house, says, “Hon Sally Talbot has got it wrong. The Waste Authority does have a business plan but we have not updated the website”, or, “Barry Carbon was wrong when he said that.” No-one would be happier to hear that than I. I shall wait and see whether that happens.

I will not take up too much more time of the house. As we all know, we have very limited time, and many other members on this side want to make a substantial contribution to this debate. I will make just a couple more general points about the budget. One of the things that was confirmed for me in the estimates hearings was that this government has complete contempt for the budget process. I have said many times in this house that the Liberal Party went into the election last September with no policies and no plans. I have also said that it had no team, and that has proved to be true. Nowhere is that more true than in the treatment that is being meted out to this environment minister by some of her colleagues. I have no reason to doubt that the minister is a very intelligent young woman who has some very sound political skills. However, in the nine months or so since she has been the minister, she has been backhanded by her colleagues in cabinet over and again. I plead with them that if they are also of the view that the minister potentially has a long, solid parliamentary career ahead of her in which to make a contribution to this state, they should give her a portfolio for which she is not constantly dogged by these conflict of interest questions and by her more senior cabinet members pulling the rug from under her feet. Many members on both sides of the house have noticed that the minister is often silenced in this place when motions are moved relating to her portfolio; Hon Norman Moore, Hon Peter Collier or Hon Simon O'Brien jump to their feet and the minister is left sitting in silence. It is an appalling thing to see not only from her personal point of view, but also—this is what I am more interested in—from the point of view of those of us who are concerned about the environmental conservation of this state. The point I make more generally is that the government has contempt for the processes of the budget—no policies, no plans. I recall that when government members were in opposition, they kept talking about openness, transparency and accountability. How many times have members opposite trashed that concept in the past nine months? We need look no further than this budget.

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The first thing I noticed when I opened the budget papers was that every section in it is much shorter than it used to be. Why are the sections shorter? I did a direct comparison. I put together a sheaf of papers that would be about two centimetres thick containing all the stuff that the previous government used to put in the budget papers that is no longer there. It is all the detail.

Hon Kate Doust interjected.

Hon SALLY TALBOT: As Hon Kate Doust said, the budget is totally devoid of detail.

The way that the previous government used to present its budget was to outline in it the major achievements, by looking back over the past 12 months, and the major initiatives, by looking forward over the next 12 months. What on earth was wrong with that process? It meant that the broad brush allocation of funding could still be done. As members would know, the Department of Environment and Conservation was broken down into seven core functions, and key performance indicators and efficiency measures were provided for each function. We could do that and still have line items, but there was also a commentary that went with the line items.

This year, once we got hold of the electronic version of the budget, we were able to use modern technology to word search. We word searched on some of those great programs that we know that DEC runs and, I might say, were introduced by the Labor government. We hoped that they would have been continued by this government. We word searched on programs such as Saving our Species, which is one of the important programs for protecting threatened species, and Western Shield. The result was nothing. We thought: what does that mean? Have the programs been defunded? We had no way of telling. I urge new members to look at the 2008-09 budget papers because they will see clearly, under the heading "Major Achievements For 2007-08", what programs such as Western Shield and Saving our Species had achieved in the past year and what the projected expectations of those programs were. I am sure other members on this side of the house would have had exactly the same frustrations as I had with finding some of the key programs and key functions of the departments that they are particularly interested in. That problem became immediately apparent, but it is not insurmountable.

Western Australia has a budget estimates process and it is a good process. I was very, very surprised, however, to see what were obviously pre-prepared questions being put to ministers by government members. The system that we now run is, I suppose, vulnerable to attack in that sense, but when we see government backbenchers actually reading questions off their laptop screens and ministers reaching down beside them and pulling out papers to read the answer, it may not breach the letter of the standing orders for the relatively new system of estimates hearings that we run in this place, but it certainly breaches the spirit of estimates hearings. I admired the way that the estimates committee chairs, including Hon Liz Behjat, who did a very good job stepping into the chair after having had only a few days in this place, chaired the proceedings. It is not an easy thing to do. Every member who chaired those sessions throughout the day did a good job of spotting when this was happening and asking for the answer to be tabled because of the limited time. It was a very worrying sign.

Abandoning the process of listing major achievements and initiatives is something that we will get used to. We will work around it. However, we might need a bit more time in estimates hearings. What is more profoundly serious than that is the total contempt and flicking aside of all questions relating to the out years. The budget is supposed to set out the state's finances for this year and the three out years. I refer honourable members to the relevant sections of the uncorrected *Hansard* for last Thursday, 18 June. I will give a specific example. I put to the Minister for Environment that all the rhetoric she had come up with in the past few weeks and the relatively limited narrative that remained in the budget papers about the landfill levy was about changing the behaviour of people who were currently producing waste, irrespective of whether they were individual households or commercial or private building contractors, so that less waste went to landfill. I said that if less waste went to landfill, less money would be raised from the levy; therefore, why did the out years show the levy remaining at \$39 million—or \$52 million if the money that went to the Waste Authority was included? Her answer was, "Well, that's just the out years; we'll change it." She said that it was expected to decrease. I asked whether the figures in the budget papers meant that the government was not expecting it to go down. I asked her, "Why would the number 39 be written in that box, if you are now telling me that we are expecting it to go down? If you expect it to go down, make it less than \$39 million." She said that it was one of the adjustments that would be made as we went along. I pressed the issue—I had a bit of assistance from Hon Robin Chapple—and, finally, she said that the government might have to fix it in the midyear review. That is one example. There were other examples in the DEC session.

The examples in the transport portfolio made the Minister for Environment's performance look like that of an Academy Award winner. What does it show? It shows that ministers either do not understand or are just prepared to come into this place and lie and obscure things. It is just as Hon Ken Travers said—he did not acknowledge that I was the one who first said it in this place—"What we are hearing from this mob opposite is:

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don't you worry about that." Well, we are more than worried about it. We are desperately worried about it, and so is the whole community of Western Australia.

Hon Norman Moore: If they are worried about it, they would be marching in the streets.

Hon Kate Doust: We can organise that, if you want.

Hon Norman Moore: You can organise that if you wish. You could get your rent-a-crowd mob.

Hon Kate Doust: Not a rent-a-crowd. We could get thousands of people there.

The PRESIDENT: Order! Let us have one speaker at a time.

Hon SALLY TALBOT: Thank you, Mr President. If Hon Norman Moore seriously doubts what I am saying, he needs to get out more and talk to people who walk into polling booths on election day and work out the degree of their disenchantment with him and the degree of their concern about him. They are saying, "Hang on, hang on, we didn't much like the old bunch and they'd been there eight years, but we never wanted this." The government's ministers should talk to real people instead of scurrying back to Dumas House or London House or wherever they have their eyries these days and the people who keep them absolutely plumb in the middle of their comfort zone. They should get out there and talk to real people and then they will hear some of the concern and distress that is being created by actions that this government has put in place with its budget.

HON KATE DOUST (South Metropolitan — Deputy Leader of the Opposition) [10.58 am]: I will continue on the theme of no plan, no detail for this budget. I am pleased to have the opportunity to speak on both the Appropriation (Consolidated Account) Recurrent 2009-10 Bill 2009 and the Appropriation (Consolidated Account) Capital 2009-10 Bill 2009. I must say that the speech I will give comes under a couple of guises. Originally it was to be my budget speech, last night it was going to be my speech on the Loan Bill and today it will be my appropriation speech. At the end of the day, the matters I will raise have not changed. I will talk about energy, which will not come as any surprise to the minister sitting across from me; science innovation; and some aspects of my electorate.

As I have been through the budget time and again I have been disappointed about what is not in there that should be there. As Hon Sally Talbot alluded to, within the budget there is a sheer lack of detail on or narrative about why changes have occurred or amounts have been allocated. That is disappointing. I know that in the estimates process last week, particularly for the energy portfolio, we were able to ask a series of questions. We put a number of questions on notice, because the hour this portfolio was allocated was, in the end, not long enough to deal with the matters that we wanted to raise. I look forward to the opportunity of calling back all those agencies one-by-one to ask for further detail. I think the minister would agree that we need to do that. I know he was very keen for us to raise the matters that we raised last week.

Hon Peter Collier: That is right. There was insufficient time; I agree with that.

Hon KATE DOUST: That is right.

Hon Norman Moore: Do you want to change the system again? I don't mind having a talk about it.

Hon KATE DOUST: Change the system, how?

Hon Norman Moore: The system of how we do estimates.

Hon KATE DOUST: What, go back to three days?

Hon Norman Moore: Whatever. I am happy to open the debate as to how we do it.

Hon KATE DOUST: I am sure the Leader of the House could have a discussion with our leader and other members of this chamber. I believe the Standing Committee on Estimates and Financial Operations is working exceptionally well, and in that environment we probably have more capacity to draw out information over an extended period rather than over just the hour that we were allocated last week. I therefore look forward to the opportunity to get further detail as the year progresses.

I will come back and talk about some matters that I have raised time and time again with the Minister for Energy. I think the one that is most prevalent and stood out very starkly in the budget was the construction of the 330-kilovolt line from Perth to Geraldton. I know from talking to industry members that this is a major concern for them. I have asked a series of questions in this place about the fact that, although the government talks about deferring the line, in reality it appears to have cancelled the line. Mr Aberle last week gave a very interesting response to questions on why the figure had increased substantially in such a short period. I think the minister will agree with me that Mr Aberle basically pinned the responsibility on Treasury, saying that Treasury had pared back the project to the bare bones; that is, even during the Labor government's time. If Treasury had done that, I am surprised even now that Western Power had presented it to the government of the day without letting

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the government know that that is what had happened. I know that the minister of the day genuinely thought that \$295 million—or whatever the figure was—would be the cost to build that power transmission line.

It was a concern to me to hear Mr Aberle the other evening basically say that ultimately Treasury compelled the project to be pared back to the bare bones. Taking into account all the other increases in labour, steel and copper, and the changing scope—which is another interesting area—I still do not understand why that information was not provided to the government of the day so that it could have made the appropriate adjustments. That will be a key transmission line for this state and its delay is having a major impact upon that part of our state now. I know the minister is fully aware of that. The delay in its construction is affecting not just companies that are in the process of either opening up new iron ore mining sites or expanding existing sites, but also companies that are considering establishing a renewable energy project, be it wind or solar. It is also affecting the Aviva coal project. That has another flow-on impact because that company was in line for federal funding for its carbon-capture storage project, which would have been a fantastic project for this state. Hon Philip Gardiner and the National Party would be very interested in what is happening in the mid-west and would have a very keen focus on that. I imagine the honourable member would be very concerned about the fact that these projects may or may not be able to proceed because the line is not proceeding. I understand that carbon-capture storage projects were being identified around Australia and that the Aviva project was pretty much at the top of the list. The cancellation of this line, therefore, has put that project in jeopardy. I note that it has also had an impact on the share prices of a number of those companies. It will cause them great difficulty in sourcing funds to continue. There is, therefore, that great issue.

This is an issue that affects not only the development of those companies, but also how they can deal with this financial crisis. Because of what has happened globally in the past 12 months, the situation in this state has gone from not being able to find enough people to fill jobs and of jobs being advertised everywhere, to people not being able to find work or even the jobs that were previously advertised. We are now, therefore, holding off on projects and cancelling the construction of this transmission line that could provide job opportunities in construction, in mining and in renewable energy. Having made the decision to can that line, the government has also put in jeopardy all those potential employment opportunities.

Leaving the mid-west aside, we then looked at Geraldton and what is happening in that city. We looked at what the government's proposals were for the Oakajee project and the impact the lack of the 330-kilovolt line will have on Oakajee. We looked at security of energy supply and improved supply to the city of Geraldton. What will happen there? The government has said that the line is too expensive. I think the phrase the government continually uses is "responsible government". It says that if it is a responsible government, it could not possibly go ahead and spend this kind of money. I believe a responsible government should work its way through that, otherwise it will have major problems down the track with security of supply, not just to those industries, but also to the city of Geraldton.

Opposition members were in Geraldton about two weeks ago meeting with a range of iron ore companies, members of the Geraldton District Chamber of Commerce and a number of local government bodies. All sent a very clear message to us about their concern that the 330-kilovolt line had been canned and about the implications for their business and for future employment opportunities in the region, and asked us to convey those concerns to the government. We are running a campaign in Geraldton and have sent out postcards to people. Unfortunately, I do not have one with me but I am happy to provide one to the minister if he would like to fill one in and send it in himself.

Hon Peter Collier: Okay.

Hon KATE DOUST: I do not know whether the minister has seen that postcard.

Hon Peter Collier: No.

Hon KATE DOUST: I will give him one, as I think it is very well done.

Hon Peter Collier: Thank you.

Hon KATE DOUST: I must say that in the past week we have been getting excellent responses from the people of Geraldton, and at some point I will be happy to table those responses. They have sent a clear message to us about their concerns at not having this transmission line.

Hon Norman Moore: I think you might find that some of these iron ore companies are more concerned about issues of approvals that arose during your term of government. I am sure they told you about that.

Hon KATE DOUST: That is another issue and that may very well be the case. However, they talked to us in Geraldton about this 330-kilovolt line not going through. They did not talk to us about approvals.

Hon Norman Moore: If you can't get an approval to mine a mine, you don't need a 330-kilovolt line.

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Hon KATE DOUST: They might not, but a range of other people do. I know the Leader of the House has had a long-term passion for building and developing this state, and if the government wants to build for the future of this state, I do not understand why it is not proceeding with this 330-kilovolt line.

Hon Norman Moore: We will make sure the energy that is required is provided.

Hon KATE DOUST: The idea now is that the government will delay it and have a review. I think the Minister for Energy said the other evening that the review would be done in a couple of weeks.

Hon Peter Collier: Two weeks—at the end of June.

Hon KATE DOUST: Okay. We found out that this line was not proceeding only when we started asking questions of the minister about two weeks before the budget. I wonder if we had not asked questions whether this would have come as a bigger shock to people when the budget came out and whether the minister would have even conducted a review. I even questioned Mr Aberle's evidence last week that Treasury had compelled Western Power to scale back the cost of building the line. I note with interest that Treasury is part of the review committee. Treasury is essential to the review committee, but what is Treasury going to contribute? If Treasury is the one that has said that it should be scaled back and trimmed to the bare bones, I think the answer we will get back is that the line will not proceed.

Hon Peter Collier: I think Treasury is concerned with the enormous inflation of the original estimated cost of \$295 million—to go from \$295 million to \$700 million is going to raise concerns.

Hon KATE DOUST: We are also concerned. However, until the election last year, the Labor government was going ahead with that project. In fact, \$75 million had been allocated in the previous budget. In a response from the minister to me some time ago about that amount of money, the minister said that some preconstruction work had already happened on the 330-kilovolt line.

Hon Peter Collier: Yes.

Hon KATE DOUST: My query then was what had happened to the rest of that money. Where has that gone? We still do not know the answer to that. Until the election, this line was proceeding. The government received no other advice that I am aware of that it should not proceed and that the costs were about to blow out—in fact, about to double. Those costs doubled somewhere between September and December. I heard the reasons that were given the other night but I still do not understand how it happened so quickly. I do not even think the minister understands that. I do not think he is getting the answers and the information from his own people.

Hon Peter Collier: I am. I'm not necessarily happy with the answers.

Hon KATE DOUST: If the minister has the answers, he should tell me what they are. How can something blow out so fast and to such a high amount in such a short period?

Hon Peter Collier: That's why I'm doing the review.

Hon KATE DOUST: Will the minister table that review? Will he make it public?

Hon Peter Collier: It will be under cabinet consideration.

Hon KATE DOUST: At some point I would be interested to know exactly what happened and what went wrong. In the planning of such a major piece of infrastructure in this state, which the 330-kilovolt line is, how can Western Power get it so wrong when the people working in Western Power have been doing that type of work for years? They know how to calculate and get these jobs up and running. It is all very well to have a review now. The minister told me that he was advised of the costings early this year. Did he seek a separate and independent report just on the costings? Did he get engineers or somebody separate to government to give independent advice as to why they thought the costs had escalated?

Hon Peter Collier: No. I sought advice from Western Power and Treasury. Essentially, I wanted to know in no uncertain terms why there had been such a cost blow-out. Had the former government proceeded with the line, it would have faced exactly the same situation—a \$400 million excess in the original cost estimate.

Hon KATE DOUST: I will give the minister a hint. Any time he is planning to do anything in the future, he should question the advice that Treasury gives the entity responsible for the project. If the entity is going to scale back everything to its bare bones, the government will never do anything in this state because by the time it starts to commence something, the same thing might happen again. As we go through the budget we see that all these things that were happening or are about to happen will not happen any more. If I were the minister, I would be very concerned about where we will be with energy and security of supply in the next couple of years.

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I met with some of the key players in the Chamber of Minerals and Energy of Western Australia about a week ago, and the 330-kilovolt line was a key issue for them. They are very concerned about the impact on their businesses, jobs and the future of the state. They do not understand why it cannot go through.

Hon Peter Collier: We will provide security supply to Midwest Corporation. It is just how we do it.

Hon KATE DOUST: Hon Norman Moore may have mentioned in his response last night the idea of setting up a new power station in Geraldton. I do not know whether that is the answer.

Hon Norman Moore: I said that was an option.

Hon KATE DOUST: It might be an option, but the government might have to look at a range of other options as well. It might have to reconsider building the 330-kilovolt line. The problem now is that because it left these decisions and the review so late, the time frames of when these things will be done are put out.

Hon Peter Collier: We're talking about a couple of weeks.

Hon KATE DOUST: It will take a few months for the minister to get the report, take it to cabinet and finally get a decision. Will that put him out for the next round of budgetary processes as bids normally have to be put in around November or December to see whether they get a call? We will not know until May next year whether any money will be available. All these things provide uncertainty for industry and for those organisations that want to invest in our state.

Hon Norman Moore: I'm glad you're taking an interest in time lines. Go and talk to Gindalbie about its project and the time lines that it experienced under your government.

Hon KATE DOUST: Yes, I know. The Leader of the House is talking about approvals again. I have some empathy with that. I know that the government is making changes to the approvals process. I am talking about the impact of the government's decision to cancel that line.

Hon Peter Collier: No, we haven't cancelled it.

Hon KATE DOUST: When something stops in the budget and there is nothing after it, not even zeros, just dashes, that looks to me as though it has been cancelled, unless there is something I have totally missed.

Hon Peter Collier: In two weeks I will have some very good options.

Hon KATE DOUST: I hope the minister has some options and I hope that he has some good news for industry because the message we get all the time is that it is concerned about the impact on business, the capacity to invest in this state and the flow-on effect of jobs.

Hon Peter Collier: The Premier was up in Geraldton last week. He reinforced exactly the same thing.

Hon KATE DOUST: I hope that the people we met with—the chamber, the council, the iron ore companies—gave him the same message. The message we are getting back is that they raise these matters but they are falling on deaf ears. The industry is concerned that it is not getting a fair hearing and that action is not being taken on the issues that it is raising, and that is a worry as well.

Coupled with the 330-kilovolt line heading north, which is an essential piece of infrastructure, in the budget we head south to find the Collie to East Perth line does not seem to be happening either. That is another important piece of infrastructure that has been delayed. I would be very worried if I were the minister. Last week I jokingly said that he should get a gold star for his three per cent efficiency cuts because he has basically given them everything; he has saved them heaps of dollars because none of his projects are happening.

Hon Norman Moore: Who's "them" by the way?

Hon KATE DOUST: I am talking about the government. I apologise.

Nothing is happening with infrastructure for energy from Collie all the way up to Geraldton. Is the minister conducting a review on the Collie line as well?

Hon Peter Collier: No, we've put it back. The advice that I've received is that it can be delayed for 12 months.

Hon KATE DOUST: I understand that there are concerns about that. The government recently entered into a partnership with Inalco Energy. I have met with some of the players from that part of the world. They talk about their concerns about infrastructure north and south of Collie. I must admit that I have not thought a lot about the south but I raised that matter the other night during estimates. There is a lot of concern about where things are going in this state.

We raised a series of issues in this place yesterday about Muja A and B. I think the minister said to me that the company is spending about \$100 million retrofitting Muja A and B. The reality is that in 2004 the board of

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Western Power decided to shut down Muja A and B because it was old, it was outdated, it was a museum piece, it was not up to speed, it was not best practice and it was not the latest technology. The only reason Muja A and B was recommissioned and started up again was because of the Varanus Island explosion and we needed to get something online quickly. That was an emergency situation. Now the government has decided to continue with that rather than build something new. I know that the minister explained it yesterday. There are concerns about the type of technology that will be built to retrofit Muja A and B and the environmental implications for the other players in the area. I understand that there are concerns about how Muja A and B deals with its containment of fly ash, nitrous oxide, sulfur oxide and its carbon dioxide emissions and how that impacts on environmental matters and its licence. I do not know what arrangements the government has put in place with its partner, Inalco, to deal with those issues. After talking to a number of the industry players, I gathered that they were very surprised that the government would retrofit such an old power station rather than develop a new site using the latest technology.

Hon Peter Collier: Like new coal, you mean?

Hon KATE DOUST: Since the member became the minister, he has been to the opening of a number of new types of facilities. A diverse range of power stations are being developed around Perth. Even with the peaking issue, the minister is going to the opening of the Perth energy facility in a few weeks. Lots of really great things are happening in the development of new technology in Western Australia for energy. Most people were surprised when the minister decided to retrofit what had previously been one of the most expensive power stations to be built in this state.

Hon Peter Collier: It commenced under your government.

Hon KATE DOUST: It might have commenced under the former Labor government, but I do not know whether it would have gone down the path of retrofitting, given that Western Power decided to shut it down in 2004.

Hon Peter Collier: In 2007, though, they called for tender processes; that's when you were in government—March 2007.

Hon KATE DOUST: It may have called for tenders, but at the end of the day I do not know whether the decision would have been made to open it up or to retrofit it. That is an academic question now, but at the end of the day, it was going to be shut down and it was only reopened because of an emergency. I want to put on record some of the concerns people have about the decision that the minister made to retrofit such an archaic power station.

The increase in the price of power has emerged as an issue in the media and there has been plenty of discussion about it. Although the opposition acknowledges that the prices had to increase, we have a divergent view about the method that the government should have employed to effect the increases. The Western Australian Council of Social Service yesterday released a report—I have not yet had an opportunity to read it—in which concerns are expressed about how people on low incomes and pensions are going to be able to pay for these increases. It is getting harder and harder for such people to deal with these price rises. I will be very interested to see what the government will do to provide further assistance; it has already provided some assistance to organisations that help such people, but it will become harder for people to meet these increases. Until such time as there is a turnaround in the economy and employment begins to rise again, families will find it more and more difficult to pay for increases in the price of electricity, gas and water. WACOSS has raised some very valid issues. I do not know whether the minister will respond to that report in due course and outline what the government will do to address this problem.

Another big ticket item that emerges all the time and causes great confusion and uncertainty across the energy industry is the proposal by the Premier for Verve and Synergy to re-merge. We touched very briefly on this matter during estimates last week. The minister is due to report on this matter later this year.

Hon Peter Collier: I'd like to think it will be next month or in six weeks.

Hon KATE DOUST: Will the minister make that report public?

Hon Peter Collier: I certainly will.

Hon KATE DOUST: Will the minister table the report?

Hon Peter Collier: I will table that report.

Hon KATE DOUST: I look forward to that.

Another issue that was raised at the Chamber of Minerals and Energy Western Australia meeting last week—it has also been raised by everyone I have met with in the energy industry—is the lack of understanding in the industry of why the government is going down this path. People acknowledge that there are issues, but re-

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merging the two entities will not solve the issues at all. There is concern that it will deter private investment in the energy market in this state and send a very clear message to private investors that they should look elsewhere. There is also concern about the government spending money on areas of the energy market that could be picked up by the private sector. Public money could be allocated into areas of need, such as housing, police, education and health—all those key areas that constantly need further assistance. There are great opportunities in this state for the private sector to play a greater role in the energy sector. The Premier came up with this thought bubble very early in the process; he seems to display a pattern of going back into his own comfort zone from the time when he was the minister responsible, about 10 years ago. He returns to all the situations and people that he feels comfortable with, which is reflected in his appointments to boards and committees. He strongly advocated against disaggregation, even though he ultimately supported it on the condition that a price freeze was put in place. One has only to look in *Hansard* to read his comments on that matter. It was therefore surprising that after the Liberal-National government came to power, one of the first things the Premier spoke about was re-merging these two entities. A lot of this comes back to the fact that he did not agree with the disaggregation of the two organisations in the first place.

We are now 10 months further down the track and no decisions or announcements have been made on this matter. The industry does not support the re-merger and does not understand why this discussion is even happening. During the estimates process in the other place, the Premier—Shirley In't Veld might have been sitting next to him at the time—acknowledged that people involved with Synergy and Verve did not support the re-merger. He knows that the people running those two organisations do not support the proposed re-merger. The advantages and benefits of the proposed re-merger are yet to be explained to the opposition and to the community; it certainly needs to be clarified with the industry. The government will drive investment away and undermine the potential for diversity of energy provision in this state.

Looking around the state, we are at a very interesting point in our history; there is a lot of enthusiasm and excitement about what can happen in Western Australia. There is the capacity for solar and wind power generation, and a lot of work is being done on integrating those two power sources. I spoke to somebody yesterday who is conducting some great research into harnessing different forms of energy to maximise the benefit, even at night. As we know, the sun shines only at certain times and the wind blows only at certain times. The key is to maximise the benefit and to keep things working. There is some very interesting work being done by the universities in that area.

I am not sure what the members opposite find so funny.

Hon Norman Moore: He was laughing at a joke I made.

Hon KATE DOUST: I am surprised that Hon Norman Moore would make a joke.

Hon Norman Moore: I was just asking why he couldn't keep the sun shining 24 hours a day; surely you would expect that of him as Minister for Energy.

Hon KATE DOUST: We will have that discussion later, I think.

Hon Norman Moore: And the wind should blow all the time!

Hon KATE DOUST: It does, when he gets to his feet; it really does blow! He has a lot of answers and there is a lot of hot air from that side!

Hon Ljiljanna Ravlich interjected.

Hon KATE DOUST: What I was going to say—if my colleague would let me get a word in edgeways—is that one has only to visit universities in Western Australia to see the diversity of research that is being conducted; there is a collaborative project between the University of Western Australia and Curtin University in the area of energy. A couple of weeks ago I had the opportunity to spend a bit of time at Curtin and I met with the group that is conducting the cold liquids project. It is fascinating stuff; it looks odd and seems quite cobbled-together, with tin foil adhered to pieces of equipment, but I am sure that these scientists know what they are doing. The end product is fantastic. The fellow running the project has come over from Monash University; I understand that Curtin University attracted him over. He essentially brought all his equipment with him, and I asked him whether he had loaded up a truck outside a back door at Monash one night, because Monash could not have been very pleased about losing such a valued scientist and his project. Nevertheless, the project is based here, and he has a purpose-built facility on site at Curtin University. The work that they are doing is very exciting and there are interesting ramifications for the future of recycling and creating new forms of energy. I know that a similar type of work is happening at the University of Western Australia, and that Hon Matt Benson-Lidholm has been dealing with people from Salmon Gums who are also doing some work in that area.

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A lot of exciting things are happening in Western Australia in the energy sector, but I have some real concerns about the Premier's proposal to remerge these two entities. There could be problems if it was to go ahead without any clear understanding or explanation being given to the public about the real benefits of doing it, other than what the Premier has in his own mind: it suits him because that is the point he came from. When this was debated, there were members in this chamber who sit on the government side now who supported the disaggregation. It must be interesting to have to discuss that matter now in their own party room. I do not know where the government will go with this, but I know that the Chamber of Minerals and Energy has given very clear advice to the Premier on why he should not go down the path of remerging. I know the Chamber of Commerce and Industry has made public statements, and I know that a range of other industry players have commented on why this should not happen. The feedback I have received is that, although they keep putting their views on why there should not be a remerging, they are not being listened to. Their views are not being taken into account, and that is a real concern. I would have thought that the people at the forefront of the industry who understand and can explain the implications of remerging would have been listened to keenly by the government. It has had a track record of always taking the needs of industry into account, especially on issues of state development and energy in the state. It is disappointing that that is not happening now.

Hon Peter Collier: Who hasn't Peter Oates spoken to that you're aware of? He's spoken to most players.

Hon KATE DOUST: I do not know whether he has or not.

Hon Peter Collier: But you've just said we're not listening to people.

Hon KATE DOUST: I am saying that when people have raised the matter directly with the Premier or Minister for Energy, they feel that they are not getting a fair hearing, that they are not being listened to and that their views are not being taken on board and dealt with appropriately. That is the feedback I have received, and I give the Minister for Energy that message because I know that he wants to do a good job in this area. If he is genuinely concerned about the future of this state, he will do everything he can as minister responsible for this portfolio to convey to the Premier that he is on the wrong track and that he should not be pursuing it. Every once in a while, when we think this issue has died down, he pulls it out of his pocket just to throw a curveball to the press; it seems to pop up every now and again.

I think the Premier has developed a series of thought bubbles that he voices, even though he has not actually developed the thought or the implications of it, or applied any detail to it or had enough research done to demonstrate why we should go down the path of a particular thought bubble. I really hope that the Minister for Energy does his job and convinces the Premier that he is going down the wrong path by taking the simplistic model of remerging these two entities, and talk to him about the potential impacts of this proposal.

I am pleased the Minister for Energy mentioned Mr Oates because his name comes up on a regular basis when I talk to people. In keeping with the comments I have just made, people say to me that the government has only a couple of people giving it advice about these matters, but it is not advice about which everyone has the same view. I really have grave concerns about the fact that both Mr Eiszele and Mr Oates have interests elsewhere—I think Mr Eiszele is with PearlStreet and Mr Oates with Eneabba Gas. I know that this government is blind to conflicts of interest and does not seem to understand when a conflict arises, but I am repeatedly hearing from industry that it has concerns about the fact that Mr Oates is giving the government advice, although the company he is a director of is a key player in the mid-west. Industry has real concerns about the degree of influence he has on the government, or the information that he is able to extract as part of his role and convey to his company. My office has been watching Eneabba's share prices go up, and I think Mr Oates is doing quite well out of Eneabba Gas. I think that maybe he should have stepped aside from that position whilst doing the work he is doing for the government.

On 22 May—just over a week after the budget, when we all discovered that the 330-kilovolt line was not going to proceed—Eneabba Gas circulated a press release headed “Eneabba welcomes \$4.0 Billion pledge for Oakajee Port”. At the bottom of the press release there are a series of dot points. The line above the dot points states —

Eneabba believes the Centauri 1 power station has now clearly shown the ability to ...

Continuing to the bottom of the page —

- Potential to defer the significant capital spend (up to \$690m +) on a 330kV line by State and Federal agencies as this project will have the capacity to provide local generation with lower carbon emissions than export of power from the South West.

The Minister for Energy needs to think about that if Mr Oates is providing advice to the government about gas.

Hon Peter Collier: Yes, but nothing on the 330-kilovolt line.

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Hon KATE DOUST: Yes, but he is positioned to hear things that are happening.

Hon Peter Collier: I've never had a discussion with Peter Oates about the 330-kilovolt line.

Hon KATE DOUST: Enneaba Gas is now touting itself—not just in its press release, but also in a large advertisement published in *WA Business News* last week—as the only holder of an Economic Regulation Authority generation licence in the mid-west. It also states that it is the only energy company in the region to have finalised all the technical aspects associated with Centauri 1 power station, and how it will not be up and running for another 14 months. I think that Mr Oates and Enneaba Gas see themselves as being in the jump seat. They see it as a great opportunity for them, and I would imagine that over the next few months their share prices will indeed go up; Mr Oates will benefit greatly from that. If the Minister for Energy does not see a conflict of interest between the work Mr Oates is doing for the government and his outside interests, then he has a real problem.

Hon Peter Collier: Where's the conflict?

Hon KATE DOUST: He is an active director of Enneaba Gas, which is purporting to be the only power company able to provide that service to the mid-west. The government has effectively shut down the 330-kilovolt line that was going to supply all those industries in the area—both present and future—and this is just very suspicious.

Hon Peter Collier: You misunderstand Mr Oates' role; you really do. Wait until you get the report; you'll see that what you're saying is wrong.

Hon KATE DOUST: I want to put on record that it is very interesting that a week after the announcement that the 330-kilovolt line to Geraldton would not proceed, it was almost as though Enneaba Gas was saying how great it was that it has stepped in. Did Mr Oates already know?

Hon Peter Collier: It's got nothing to do with the 330-kilovolt line.

Hon KATE DOUST: I think the minister needs to be more careful about the people he puts into those positions and the people from whom he takes advice, because I think it will set him up for real problems when dealing with industry. Industry is concerned about the people who are advising the minister on the decisions that he is making. Those decisions have put Enneaba in a prime spot, and it will benefit from Mr Oates' involvement in providing advice to the government.

I am awaiting answers to a series of questions related to pole maintenance. I know that pole maintenance, regardless of which government is in power, is a problem.

Hon Peter Collier: Are they questions on notice?

Hon KATE DOUST: There were a series of questions asked during the estimates committee that were put on notice. I flag that I look forward to the responses, and I might raise those issues again later.

Pole maintenance is an issue I raise specifically because when we talked about Western Power employee cutbacks a few weeks ago, I found it surprising that, although there is a major issue around ensuring that pole maintenance is up to speed to ensure safety and security of supply and safety to consumers, Western Power had decided to terminate pole maintenance staff. I do not really understand the logic there. Today, we see that Western Power workers are taking industrial action—particularly the pole maintenance section—because they have not been able to reach agreement with their employer about their enterprise bargaining agreement. Their employer has now put it upon them to vote today and tomorrow, I understand, to engage in a non-union agreement. I have real difficulty with that; it is denying workers who are members of the union the legitimate right to have their union represent them and negotiate on their behalf so that they can get the best deal possible. It will be interesting to see how that is managed over the next few weeks and to see the implications for Western Power's pole maintenance, so I certainly hope there are no emergencies over the next couple of days. I understand those workers will deal with emergencies but it certainly puts them in some very difficult situations.

I also raise the issue of Synergy and I know that the Minister for Energy has had problems with the workforce numbers. Although the minister tells me he did everything he possibly could to save those jobs and to stop them from going to India —

Hon Peter Collier: I did save those jobs—I did!

Hon KATE DOUST: I must tell the minister—I do not know if I have it with me—that a letter was sent to my electorate office last week from a fellow who had worked for Synergy for many, many years; more than 20 or 30 years. I am happy to bring the letter in later to show the minister. This fellow raised with me a matter about his superannuation scheme, which he tells me today has been resolved—that is great. It has taken two years to

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resolve that issue. However, in his letter he said that he had been made redundant—I think it might have been after 37 years—and that his job has gone to India.

Hon Peter Collier: No.

Hon KATE DOUST: That is in the letter, so I will show it to the minister because if that is the case, I want the minister to pursue that. If this man's job has indeed gone to India, then somebody is not telling the minister what is really going on.

Hon Peter Collier: That's right; if the member has an example, I will deal with it—no worries.

Hon KATE DOUST: I will indeed show the letter to the minister, and I think the man will be quite happy for me to take that up.

My concern is that when jobs were outsourced away from Synergy, I understand that one of the two companies—I would have to refer to my notes to see which one—was very well known for hiring subclass 457 workers. There is nothing wrong with hiring 457 workers unless, of course, they are taking the jobs of Western Australians that should have been transferred to people who lost jobs at Synergy. That was my concern; although the jobs may not have been actually going offshore as such, they were being taken by workers who were being brought in from India to take over those positions.

Hon Peter Collier: But the member cannot justify that in what she has just said. The member just said that she understands that this company does employ 457 workers.

Hon KATE DOUST: I will go back and find my notes on that.

Hon Peter Collier: If the member has examples, let me know; I will certainly follow up.

Hon KATE DOUST: Somebody emailed me specifically about one of those companies and I am not sure, but it might have dealt with the information technology side. This person went into great detail about what happens with that particular company and the fact that it may actually leave the state at some point, so I will go into that with the minister.

I will move on to talk about science and innovation. There are a lot of other things that I would like to say about energy because there are lots of other issues. I think the bottom line is that even though the minister has been in government for nine or 10 months, he is still in the process of trying to organise a plan, policy or framework for how energy will operate in this state now and in the future. I do not think the government has come up with a framework yet that has been enunciated to industry so that it understands where the government is going. Therefore, I think the government has a lot of work to do in that area and I think it is still creating a lot of confusion and uncertainty for private sector players in the energy sector that need to be very clear about where the government is going so that they can make decisions about their investments to enhance our energy systems in this state.

I want to talk a bit about science and innovation because as I scoured through the budget I really could not find anything. It is a shame that Hon Barry House is not able to speak on this because I know that he was passionate about what was happening in the science area and was quite engaged with that area. Some money had been allocated to the Chemistry Centre (WA) under Hon Norman Moore's portfolio. I must say that the new chemistry centre at Curtin University of Technology is absolutely fantastic —

Hon Norman Moore: It has been transferred to the Minister for Commerce now.

Hon KATE DOUST: Has it? Okay, I thought —

Hon Norman Moore: Most of its work is not to do with mining anymore.

Hon KATE DOUST: I thought I saw in the appropriations bill that it was still under the Minister for Mines and Petroleum's portfolio.

Hon Norman Moore: Originally it was; it has been a recent transfer.

Hon KATE DOUST: In the appropriations bill it still comes under the Minister for Mines and Petroleum's portfolio.

Hon Norman Moore: Yes, but that has since changed.

Hon KATE DOUST: Okay; we have really got to get our legislation up to speed, do we not?

Hon Norman Moore: It doesn't require legislation; it's simply a matter of which minister is responsible for it. Most of its work is not to do with mining at all; it's to do with other things. The member is right; it's a fantastic new facility.

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Hon KATE DOUST: Has the Leader of the House been out to the new facility?

Hon Norman Moore: Not yet, no.

Hon KATE DOUST: I encourage the Leader of the House to do so. The new chemistry centre is a couple of weeks away from being finished. I went through it about two weeks ago and, having been a humanities student and not a science student, I can tell members that I was almost enthusiastic about going back and studying a bit of chemistry. The facilities are state-of-the-art and the opportunity to engage with industry on site, to have industry housed within the building, I think is exciting. The centre has office and meeting room space allocated for a range of companies to work on site with academics and students, which provides opportunities not only for academics to expand their options and knowledge of how industry operates, but also for students to engage directly with industry. Therefore, if the Leader of the House has the chance, he should have a look at it.

Hon Norman Moore: I definitely will; in fact, it is in the diary. Has the member seen the old facility?

Hon KATE DOUST: Yes, I have.

Hon Norman Moore: Whoever made the decision to build the new facility made a very good decision.

Hon KATE DOUST: I think it was either Alan Carpenter or Fran Logan. I have seen the old facility; I went through it after I had been through the new facility, and it is chalk and cheese, even in terms of the layout. I know that all the staff and students are certainly looking forward to moving over to the new facility. I think that the first lot of students who will have access to the laboratories will be partway through the second semester. The centre has fantastic chemistry labs for the students on site, and the fact that industry is also engaged is very important.

There is a very interesting room in the basement that the Leader of the House should visit. The noise experiment room is totally separate from the rest of the building but still within the building. It is a bit like a padded cell. I have never been into a room like it, but I encourage the member to have a look. It is quite an unusual feeling —

Hon Giz Watson: You mean you have never been in a padded cell!

Hon KATE DOUST: I have never been in a padded cell; it was really quite unusual. If the Leader of the House is a tactile person, he has to run his hands over the wall; it is quite an interesting experience. Noise experiments are conducted in this room after midnight. Everything in the room is finely balanced; even the microscopes used are balanced on the tables in a particular way. The reason the experiments are done after midnight is to reduce any noise as much as possible because I was told that even a skateboard going past the building would set off the equipment. If members have the opportunity they should visit the chemistry centre; it is an amazing place and another example of all the great things that are happening in this state, particularly in the area of science and innovation. It is disappointing that only about half a page in the budget was allocated for that. It is disappointing that this government is not putting more effort into funding science and research in the state. I know that the previous Labor government did and it established a range of centres of excellence and provided funding for all these projects. The previous government also made the decision to support the chemistry centre's relocation and building of the new facility. The centre will make a fantastic entry statement into Curtin, too. I understand there are a lot of good facilities that community access is being organised for as well. It is in my electorate, so I am very pleased to see this type of facility go up in the area.

Hon Norman Moore: We put a lot of extra money into Merriwa, which has been starved for years, coming out of the royalties for regions under the exploration incentive scheme.

Hon KATE DOUST: That is great, but a lot of other things are already happening. The universities tell me that, because the funding is not in the current budget and they do not know what will happen in the future, they are already starting to lose some of these research centres. I understand they have already lost three research centres to the eastern states because the funding is not here to enable them to continue with their respective areas of research. That is a disappointment. Look at what is happening at Curtin with the chemistry centre, its water research or its coal to liquids research. The University of Western Australia has a fantastic piece of equipment that—the Leader of the House as the Minister for Mines and Petroleum should look at it—does gold mapping. I do not know whether the minister has seen that. I think it is a \$3 million piece of equipment and a fellow there does this amazing work to enable areas to be reworked to see whether more gold can be found through this gold mapping. It is just incredible work and the guy that does this looks like he is about 12 years old.

Hon Norman Moore: He probably is.

Hon KATE DOUST: He tells me he is not. Other work is being done in physics, aquaculture and marine science. The Square Kilometre Array is another important project for this state. The Labor government has put an enormous amount of effort and money into it and I am pleased to see that this government is also keen to

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support it. I think it will be a great challenge to get the SKA here. Although we might put all the infrastructure, dollars and support from state and federal government, and even the New Zealand government, into it, I think the decision will depend on how the Europeans are lobbied —

Hon Norman Moore: World politics.

Hon KATE DOUST: That is right, and some of it will be out of the government's hands, because it will depend upon whether the Europeans want to provide aid in another form to the Africans. I can have that discussion in a less polite way elsewhere, but that might end up being the stalling situation.

Hon Norman Moore: I think that is the biggest impediment.

Hon KATE DOUST: I think it is too. The area that has been chosen for the SKA is appropriate and fantastic, and a lot of work has gone into it. We can get everything else done, but that will be the key issue. It will be interesting to see how it gets dealt with. I hope that the government puts more resources into that because it is a major development area for the state.

Hon Norman Moore: If I might interrupt you there, I actually think that that is a challenge for the federal government. We are not part of the national negotiations. We need as much help from the Rudd government as possible.

Hon KATE DOUST: I am pretty sure that we will get it. The federal government has been very clear in its commitment to the SKA. I know that Senator Kim Carr, who has responsibility for that portfolio, has also been very clear in his level of support for the SKA. Many other good outcomes will flow on from the work that has been done there.

When I went to the Western Australian Information Technology and Telecommunications Awards dinner earlier this year, I was blown away by the types of research projects happening here in Perth, and the engagement and enthusiasm that people have in not only universities but also industry. I was impressed by the diversity of the projects, not just because they are being developed and run here, but because of the number of companies selling their products offshore and bringing in a return. These are areas that we should be encouraging. Science and innovation is an area that has great potential. I know Alan Carpenter used to talk about looking beyond the boom, and sadly we have now reached beyond the boom, and we must work out what to do. I know that resources will always be of primary importance in this area, but we should be looking at alternative opportunities. Science and innovation fits in with the other areas.

Hon Norman Moore: Nobody disagrees with that, but I don't know whether the boom is finished, quite frankly. This is hopefully a temporary aberration.

Hon KATE DOUST: I hope the boom has not finished, but perhaps things are settling down now. We are probably doing better here than some of the eastern states. If the government is really smart, it will start pumping dollars into this area, which not only is sustainable but also creates jobs and opportunities and will grow further into the future. We can see very interesting science precincts developing around the metropolitan area. The one closest to home for me is in Bentley, where the Commonwealth Scientific and Industrial Research Organisation and Curtin University are located, and the ChemCentre is coming on line. A range of other types of organisations are building up around that area, and synchronicity is happening. We can see these incredible projects coming on board, but they need money and support from the government. There is very little in the budget that has just been handed down to provide that degree of support to those organisations, and that is a disappointment. The Treasurer has carriage of science and innovation in the government. I know that he is the minister for almost everything in the government, and I am very concerned that science and innovation may be overlooked because he is too busy doing everything else. Maybe down the track the government will reallocate that portfolio to another minister.

A science review is currently being conducted, asking a series of questions about where people want science to go in the future in this state and how it should be assisted. It also seeks to ascertain how many scientists there are and what sort of work they do. It is quite a detailed survey. I understand it is due to be finalised and presented to the minister in the next few weeks. One of the key issues that have been raised by the review is the future of the Chief Scientist of Western Australia. Professor Lyn Beazley does an outstanding job in that capacity, and is absolutely passionate about all the components of the role, particularly in encouraging children in schools to engage in science. She is actively doing that work in schools, to get children excited about science, so that they will see that there is a role there and seek careers in the future. One of the issues is how that role looks in the future. It has been said to me that the role of the Chief Scientist should be independent, and independently staffed, so that the office can get on and promote science in this state as a viable and sustainable area for not only research but also job creation. There are many opportunities for science in Western Australia in mining and resources, health and medicine, and a range of other areas. I have talked about information technology and

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energy. I would be interested to see how the government deals with that area, and whether it makes the decision down the track to separately fund the role of the Chief Scientist, so that the Chief Scientist can actively promote science innovation as a viable industry for this state.

I find that science and innovation dovetails very neatly with energy because so much work is being done in the area of renewables and state-of-the-art technology. If the government is committed to moving forward and finding other avenues for the state to create jobs, establish solid research and produce returns, I believe that this area has been undervalued in the budget. I will not say that it was undervalued by the previous government, because it put a lot of money into this area, but it is undervalued on this occasion, and I ask that the government look to the future and invest more in this area. This is an alternative pathway for the state and I hope the government gives it due consideration.

I have only about a minute and a half to talk about a couple of other matters in my electorate. I am pleased to say that Brownlie Towers, in the lovely suburb of Bentley—a project I have been involved with for eight or nine years—is almost completed. I am not too sure whether there was any money in this budget for that project, but there is still a lot of work to be done in Brownlie Towers. It is essential that people who live in the estate have access to shops. Given that there are many seniors living there, they need to be able to access the doctor, the chemist and the deli. There is talk about either demolishing those shops or moving them away. That issue needs to be taken up. Stage 2 of the Bentley precinct plan is essential, and I hope the government continues with it. Unless that area is redeveloped, all the money that has been spent on redeveloping the towers may not have been to the real benefit of the community there. I quickly mention the fact that the train station in South Perth has been delayed yet again, and John McGrath, the member for South Perth, must be very disappointed. There was also no money for the Zoo this year. Tricia the elephant did not get a brass razoo from this government, and she used to be the only thing we used to get money for. I express my disappointment there, and say that this budget demonstrates no plan and no policy.

HON ADELE FARINA (South West) [11.59 am]: I am pleased to make a contribution to debate on the 2009-10 state budget, in particular the appropriation bills. The general reaction of the communities in my electorate of the South West Region to this budget is one of disappointment, as is evidenced by this article in the *Bunbury Herald*, headed “Budget disappointing”. All the south west projects that have been funded in this budget have been previously announced. There was absolutely nothing new in this budget for the south west. The projects funded in the budget are the completion of projects committed to and funded by the previous Labor government, projects that had been promised by the previous Labor government and matched by the Liberals at the last state election or projects funded by the federal Labor government through its very generous grants to this state.

When one looks closely at the budget—to the extent that one can delve into the detail of the budget, because there is not a lot of detail there—one quickly learns that “disappointing” is probably an inaccurate description for the budget. There are very real reasons to be concerned about the budget. The budget requires the Parliament to authorise borrowing in excess of \$8.3 billion up to 2013. This is the largest loan borrowing ever to come before the Parliament, and this is on top of loan borrowings that the government has already. The government has argued that this is due to the global financial and economic crisis. The truth, really, is that in the first eight months of this government we have seen expenditure growth of 13 per cent. The most recent figures we have show that expenditure is growing at 13.6 per cent while revenue is up by only 1.6 per cent. Clearly this is unsustainable. The budget projects a net state debt of \$19.1 billion by 2013. This is a debt burden of \$7 850 for every man, woman and child in Western Australia. I would not be so concerned about the borrowings and the projected net state debt if this money was being invested in infrastructure and economic stimulus packages to protect Western Australian jobs and to build a prosperous future for this state—but it is not. The money is needed to fund recurrent expenditure because the government has failed to rein in its spending. This is a concern. The other concern is that the government does not appear to have any strategy on how it will return the budget to surplus and how and when it will repay that debt. As I have said, the budget is not sustainable. It appears that the government is hoping for some economic recovery miracle to save it in the longer term.

Another issue I have with the budget is that it has not been a very honest budget. Over recent weeks, through questions asked by members of the opposition at parliamentary question time and estimates hearings, we have been able to discover a budget black hole of \$2 billion; that is, \$2 billion of projects the government has identified as priority projects to be delivered in this term of government are not funded in the budget or in the forward estimates, or not accurately costed in the budget. This is extraordinary. Perhaps “incompetent” would be a better word to describe it, or “deliberately dishonest” in an effort to at the very least on paper deliver a surplus budget for this financial year.

The Premier’s top priority projects of Oakajee and the Northbridge Link are not funded, the Esperance nickel loading facility is not funded and Midland, Albany and Royal Perth Hospitals have insufficient funds, to name just a few omissions from and errors within the budget. It is truly remarkable that the government would release

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a budget with so many inaccuracies and so many funding black holes and with assumptions that simply do not hold up, even under the most modest scrutiny.

In light of the \$2 billion budget black hole, we can expect that the net state debt that has been projected in the budget and the borrowings will not be enough, or many projects that have been identified as proceeding will not be delivered. The other extraordinary thing about this is that this government had eight months to put together this budget, which is a lot longer than most new governments have; and this is the best that it can do. There are numbers and assumptions that have been built into this budget with no indication of how they will be achieved. The budget is based on a number of assumptions that are simply unrealistic. For example, it relies on projected expenditure growth of 6.6 per cent, an interest revenue cap of five per cent, real gross state domestic product growth of eight per cent and three per cent efficiency dividends. The Standing Committee on Estimates and Financial Operations has clearly identified that many government departments and agencies will not be able to meet those dividends. The reality is there are a lot of risks in this budget; it is a very tight budget. If any of these assumptions is not realised, the ramifications for the budget and for the state will be significant.

The budget contains massive holes and, despite all the government's rhetoric, the budget does nothing to secure the financial and economic security of this state. At a time of global economic crisis, when all governments around the world are investing in infrastructure projects and economic stimulus to protect their economies, this budget fails to deliver on either count.

I turn to how the budget impacts on my region, the South West Region. The budget fails to acknowledge the continuing rate of population growth in the south west. That has been happening for a number of years now and it is projected to continue well into the future. It ignores the pressures that this population growth is placing on existing services and infrastructure and fails to acknowledge the need to address this. As I stated earlier, there is nothing new for the South West Region in this budget. All the projects are the completion of projects that were committed to and funded by Labor, projects that were announced by Labor and have been matched by the Liberals or projects that have been funded by the generosity of the Rudd Labor government. What is really disappointing about this budget is that a number of important south west projects have not been funded; for example, \$77 million of funds for a new Busselton hospital has been cut from the budget. The current Busselton hospital was built in 1979 to cater for a population of just 8 000 people. The population is currently 26 000, and it is projected that the population for the capes region will be 55 000 by 2016. The need for the new Busselton hospital has been identified and documented in a number of reports and documents that have been produced over the past decade and longer. In 2005, the then shire president of Busselton, who was seeking preselection for the seat of Vasse, said that the Busselton hospital was well past its use-by date and urgently needed upgrading. At the 2005 state election Labor promised to build a new Busselton hospital. The Liberals, and Troy Buswell, promised a \$500 000 bandaid solution for the Busselton hospital. In 2008 the previous Labor government committed nearly \$77 million to build a new hospital, and the work was to commence this year and be completed by the end of 2010. The money was allocated in the budget and in the forward estimates. At the last state election, the member for Vasse, and the Liberal Party, committed, if elected, to match the Labor government's commitment to build a new hospital in terms of funding and the time line. The community was very disappointed—many people were pretty outraged—to learn there is no funding for a new Busselton hospital in this year's budget. The member for Vasse tried to soften the blow for the community by saying that it had only been pushed back for two years; however, this was simply more spin and is not true. It illustrates the point about this budget not being honest, and the representation of this budget not being honest. For example, at page 179 of budget paper No 2, it is stated that the government will finalise planning and commence development of the Busselton hospital in 2009-10. Yet, when one looks at the line items in the budget, one finds no substantial funding for the new Busselton hospital until 2012-13. Clearly, the government will not be finalising, planning and commencing development this year, as is stated on page 179 of the *Budget Statements*. Based on the forward estimates, the building of the new Busselton hospital is at least three or four years away, not two years away as has been suggested by the member for Vasse. Also, the funding allocated in the forward estimates is nowhere near sufficient to build the new hospital; it is about half of what is required to build the hospital today. Now, with cost blow-outs over the next four years, the government will need to commit a lot more than \$77 million to build a new Busselton hospital with the same promised services, yet this has not been calculated into the forward estimates.

My other concern with this is that, with net state debt projected to rise to \$19.1 billion by 2013, requiring the government to find \$600 million a year to service it, unless some miracle recovery in the economy occurs, there is every likelihood that the government will not be able to proceed with new projects and will be unable to incur new debt at that time. That means that projects such as the Busselton hospital will not proceed on the current projected time lines. Of course, the government has blamed the global economic and financial crisis for its having to defer the construction of the new Busselton hospital, yet, interestingly enough, in response to questions I have asked in Parliament, the decision not to proceed with the new Busselton hospital was made within weeks,

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if not sooner, of the Liberals' taking government. This was before the real impact of the global economic crisis was known and understood. That suggests to me that the global economic crisis had very little to do with the decision to defer the construction of the Busselton hospital. It is also interesting that, while the Treasurer could not find the money to start building a new Busselton hospital, he was able to immediately find money to fund upgrades to the existing hospital. From my understanding, this appears to have been done before the Minister for Health made the decision that the new Busselton hospital would be built on the current site, which raises some questions about the decision-making processes in this government. It appears that all that community will get from this government is the \$500 000 bandaid fix for Busselton hospital it promised in 2005. I think that is a great concern.

That is not the only hospital in my electorate that will be impacted on. There is the Harvey hospital, which was promised and was allocated \$5 million in the forward estimates for upgrades, but those funds have disappeared. Health care services in the South West Region are struggling to cope with the rate of population growth and the ballooning demand for their services during the peak holiday period, when large influxes of tourists come into the region, yet the budget fails to address this. Not only has the funding for the new Busselton hospital been deferred for at least four years, but also the new Busselton hospital has been downgraded from a regional to a district hospital. No funding allocation has been made for upgrades to the Margaret River District Hospital or the Bunbury Health Campus in light of the downgrading of the Busselton hospital to just a district hospital and deferral of its reconstruction. This is very disappointing. It jeopardises the health care of the local community. I urge the government to look at this very carefully.

I refer now to the Bunbury intensive care unit. The Liberal plan for Bunbury, which was released during the 2008 state election, promised that, if elected to government, the Liberals would immediately fund and equip the Bunbury intensive care unit. At the time, the member for Bunbury said that this was an urgent project that could not withstand any further delays and was needed now to save lives and that the Minister for Health needed to be held to account. When the midyear financial statements were released last year, there was no line item for funding for the Bunbury ICU. I asked some questions about this, and the member for Bunbury and the Minister for Health assured me that the funding was in the budget and that the business case for the Bunbury ICU was being finalised. Subsequently, in answer to further questions, I learnt that the ICU would be addressed as part of the emergency department reform right across Western Australia, which is part of the introduction to the four-hour rule initiated by the government. Apparently, a substantial upgrade of the Bunbury emergency department is required before the ICU can be established, so the Bunbury ICU has been pushed back into the never-never. We have been told that the business case for the emergency department reform is being considered and developed. However, no time lines have been provided for when this will be finalised. We do not know where Bunbury sits on the priority list for the emergency department upgrades across Western Australia and how much longer the people of Bunbury and the south west will have to wait for an ICU at Bunbury. The government offers no time lines for the completion of both its business case estimates for the delivery of the upgrades to the emergency department or the delivery of the ICU. Interestingly, the 2009-10 budget provides no line item for funding upgrades to the Bunbury emergency department and none for the Bunbury ICU. However, again, the Minister for Health and the member for Bunbury keep assuring the community that the money is in the budget. We are expected to take this on trust. The money from which the Bunbury ICU is being funded has been slashed in the budget, yet we are still to take it on faith that the government will deliver on this election commitment. This simply is not good enough. It is unacceptable that patients requiring intensive care have to travel to Perth to obtain that care. Lives are being put at risk. Bunbury is a major regional centre and, given the population of the south west, it should have an intensive care unit. Using the member for Bunbury's own words in relation to the ICU, "It is needed now." He and the Minister for Health need to be held to account to deliver on the promise and the commitment they made to the electorate. Other Liberal health promises for Bunbury that have not yet been identified as line items in the budget are: funding for the breast cancer screening and assessment clinic and the linear accelerator. I am not sure whether they have been funded, but they certainly do not appear as line items in the budget and seem to be lining up as more broken Liberal promises for Bunbury.

In terms of education and schools in the region, the schools have generally done fairly well, courtesy of the Rudd Labor government's Building the Education Revolution program. Most of the schools in the region are receiving some funding for much needed upgrades. I also need to say that the election commitments made by the Liberal government to schools in Bunbury are all being honoured in the budget, and that is very good to see. I will talk specifically about the West Busselton Primary School because, just prior to and during the election campaign, the member for Vasse indicated that if he were re-elected, the West Busselton Primary School would get funding for much needed upgrades. At that time, he also tried to scaremonger by suggesting that there was a possibility that the West Busselton Primary School would be closed. I was able to put this question to the minister representing the Minister for Education and to the Director General of the Department of Education and Training at the recent estimates hearings, and I was pleased to hear from both the director general and the minister that

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there were no plans to close the West Busselton Primary School. I am sure the school community will be relieved to learn this.

In relation to other commitments that the government has failed to fund in this budget, it has broken its promise on the Coalfields highway and, with it, its commitment to support economic development in the south west region. During the last state election, Colin Barnett visited Collie and told the people there that the Coalfields highway was the most important industrial road in the south west and required urgent funding for upgrades. He said that decent transport infrastructure was essential to Collie-Preston's long-term economic and social viability and, for that reason, a Liberal government would spend \$20 million to upgrade the Coalfields highway. No surprises: there is no funding for the Coalfields highway in the 2009-10 state budget. It has not been delayed; it has been scrapped altogether, because there is no funding in the forward estimates. Of course, the explanation for that is "the impact of the global economic and financial crisis". I and the people of Collie suspect it has more to do with the fact that the community voted Labor than with the economic crisis. I will come back later with supporting evidence for this statement. The issue is that the Coalfields highway sustains a lot of traffic and most of it is heavy-vehicle traffic. The road is in poor condition and in need of urgent upgrade. There have been a number of fatal accidents on this highway, and the speed limit has had to be reduced to 100 kilometres an hour due to its poor state of repair. The need to upgrade this road has never been more pressing. A number of new projects and project expansions are in the pipeline—specifically coal exports, the proposed urea plant, the Worsley expansion, the Bluewaters power station project, the Muja A and B revitalisation and bauxite exports—yet this very important industrial road, as it was identified by the Liberal Party before the state election, has not received any funding in the budget. Consequently, the urgent upgrades for this road will need to wait indefinitely because there is no indication in the forward estimates that any money is forthcoming.

I will read a letter that I received from the Shire of Collie about this matter and the state budget. I am happy to table the letter. The letter is obviously addressed to me and states —

I write on behalf of the Shire of Collie to express our extreme disappointment at a number of omissions from the State Government 2009/10 State Budget and forward estimates.

Having read through the budget documents it is apparent that there are a number of Election commitments relating to Collie which appear to have been removed from the current State Governments agenda, none more so important that the \$20m upgrade of Coalfields Highway.

The Coalfields Highway is an extremely important asset in the context of the South West, a fact acknowledged by the Liberal Party during the 2008 Election. The following is an excerpt from the Liberal Party Election Papers for the seat of Collie-Preston:

"Collie-Preston, just like the rest of rural and regional Western Australia, has been long ignored and taken for granted by city-centric Labor government for eight long years.

A Liberal Government will focus on the people of Collie-Preston and their needs. Labor has failed the Collie-Preston region and its thriving industrial base over the last eight years. Labor doesn't deserve another four years of government. The residents of Collie-Preston don't deserve another four years of government.

I think that should read "of Labor government" —

The residents of Collie-Preston deserve better than more broken promises from Labor.

A Liberal Government will improve transport, education, child care facilities and enhance community life in Collie-Preston.

The previous Liberal Government had committed to major upgrades to the Coalfields Highway, only for the plans to be shelved by the incoming Labor Government.

The Coalfields Road is the main highway running through Collie. It is now perhaps the most important industrial road in the South West. Under the previous Liberal State Government, the highway was upgraded between Roelands Hill and the Wellington Weir turn-off. Since Labor came to office, no further work on the second section of the road between the Wellington Weir Road turn-off and Collie has occurred.

Decent transport infrastructure is essential to Collie-Preston's long term economic and social viability. That is why the Liberal Government will spend \$20 million to upgrade the Coalfields Highway...

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These upgrades are essential to improve Collie-Preston's major commercial transport corridor.'

As a road identified as '*perhaps the most important industrial road in the South West*' in 2008, a little less than 12 months ago, it defies any logic that it is now not important enough to be identified as a project in the next four years.

Adding to the confusion of the Council is the recent visit by the Premier to Collie to announce the Shotts Industrial Estate and Perdaman Fertiliser project—significant industrial developments for the South West. These announcements will contribute to the pressures on the Coalfields Highway, consequently in the mind of the community the importance of the Coalfields Highway should increase as a result of the announcement, rather than diminish.

The Shire of Collie is respectfully requesting that you raise this issue with the State Government as a matter of urgency. Collie is a thriving community and the Coalfields Highway continues to play an important role in our development, it cannot simply be ignored.

The letter is signed by the chief executive officer of the Shire of Collie.

I seek leave to table the document.

THE DEPUTY PRESIDENT (Hon Matt Benson-Lidholm): Hon Adele Farina seeks leave to table the letter and have it incorporated into *Hansard*.

Point of Order

Hon NORMAN MOORE: I do not think it is a request to have it incorporated into *Hansard*; the member has already read the document out. As a matter of course I would not necessarily support incorporating material in *Hansard* that we have not necessarily seen. I think this is a question of tabling the document.

Hon ADELE FARINA: I am happy with that.

Debate Resumed

Leave granted. [See paper 912.]

Hon ADELE FARINA: The budget also fails to provide much-needed funding to critical rail upgrades in the south west. There is no funding in the budget for rail works on the Collie-Brunswick or Brunswick-Bunbury rail lines. These lines require work as a matter of urgency to provide increased capacity for the new projects and expansions that have been identified.

The Brunswick Junction-Bunbury line is nearly at capacity. The line from Collie to Brunswick needs to be upgraded to accommodate increased rate tonnage of the amount envisaged by these projects. Without an upgrade to the rail network, there is no capacity to cater for the proposed projects, much less any new industries in the south west. If the capacity of the rail network is not increased, local industries will be forced, by necessity, to use road. The potential for urea and coal exports would involve one million tonnes of coal and up to two million tonnes of urea coming down the hill from Collie to Bunbury. A huge number of loaded trucks will travel along Coalfields highway and enter the local road network. Despite knowing this, this government has not funded any rail line upgrade. This is going to force industry to use a road—a road that the government has failed to fund upgrades for. With increased heavy vehicle capacity, we are looking at very real road safety issues. This government needs to understand the consequences of the decision that it has made to neither fund upgrades to the rail network nor fund upgrades to Coalfields highway.

I now refer to the Bunbury waterfront project. Funding for the Bunbury waterfront project has been cut in this budget. During the election campaign, the Liberal Party promised, if elected, that it would match the Labor government's \$48 million commitment to stage 1 of this project. However, less than that amount has actually been funded in the state budget. A figure of \$3 million has been cut from this promise. I am not overly worried about that at this point because the project has basically gone back to the drawing board. It will take some time before it is ready to proceed. I expect by that time that the amount committed of \$48 million will not be sufficient to proceed with the project in any event. The government is going to need to find more money to fund this project. My concern, though, is that the government honours its commitment to fully fund stage 1 of this important development for Bunbury.

Infill sewerage has received a fair bit of press since the budget was brought down. Members know that the government made a decision to cut infill sewerage programs. This has caused a lot of concern in the south west region. A number of towns in the south west have aged septic tank systems that were earmarked for infill sewerage works this financial year. Not proceeding with these works raises very important health and

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environmental concerns. Cuts to the infill sewerage program will also impact on critical residential and industrial lot creation and development in a number of towns, and therefore impact on the local economies of those towns.

A number of civil construction companies in Bunbury that provide infill sewerage programs have also been impacted upon by this government decision to cut the program. A number of companies have had to let staff go. One such company was Correct Line Contracting in Bunbury. I met with James Carroll, the general manager, earlier this month. He had made repeated requests, over a period of four to six weeks, to meet Hon Troy Buswell in his capacity as Treasurer, and his local member, the member for Bunbury. He wanted to tell them firsthand the impact this government decision will have on the company and its employees. He had no success in securing a meeting with either gentleman, which is very disappointing. He wanted to be heard. He wanted an opportunity to put to government the consequences of the decision that it had made. He could not even get a hearing from this government; a government that purports to support business. Correct Line Contracting in Bunbury relies heavily, although not exclusively, on the Water Corporation for its primary source of income. That company does mainly infill sewerage and drainage work. Correct Line Contracting had a contract with the Water Corporation to undertake a number of infill sewerage projects in the South West Region over the next five years. That contract included 64 lots at Mt Barker, 193 lots at Waroona, 30 lots at Harvey, 307 lots at Bridgetown, 87 lots at Collie, 357 lots at Denmark, 372 lots at Boyup Brook and 463 lots at Bullsbrook. Under this contractual arrangement with the Water Corporation, the company assumes all the risks. That includes employing and training people, providing all the equipment, and ensuring that it complies with all the requirements laid down by the Water Corporation. The government's decision to cut the infill sewerage program has had a severe impact on Correct Line Contracting and its employees, subcontractors and suppliers. This company has already had to lay off 24 employees, and it is likely to have to let more employees go. These employees are not highly skilled, and many of them will struggle to find other work in the current economic and employment climate. It is unreasonable for the government to outsource work and require companies to assume all the risks, and then cut that work from under their feet.

The other point that must be made is that in five years, or whenever the government decides to again invest in the infill sewerage program, there will not be enough experienced workers available to do this work. Those workers will need to be found and trained. This will create a lag time before the sewerage program will be able to get up to speed again. The health and environment risks, and the impacts on companies and their employees, of this decision are disproportionate to the financial savings that will be made by cutting this program. I urge the government to reconsider this decision. I also ask the Leader of the House to ask the Treasurer to meet with Mr Carroll so that he can hear from Mr Carroll firsthand the impact that this decision is having on him and his employees, subcontractors and suppliers.

If that were not enough, there are even more cuts in this budget for the South West Region. Bunbury Water Board's asset reinvestment program has been slashed by \$7.16 million. Busselton Water Board's expenditure program has been cut by \$1.4 million. The high-voltage transmission line between Perth and Collie is yet another project that has been deferred. The \$48 million that had been allocated for a transformer and transmission line between Busselton and Margaret River has been cut. These projects have been cut despite increased demand for electricity in the South West Region. Without these important infrastructure projects, the residential, business and industrial development critical to the continued growth of the economy of the South West Region will be severely hindered.

Despite the economic crisis, the widely reported risk of job losses in the South West Region and the widely acknowledged need for economic stimulus, this budget fails to deliver for Bunbury and the South West Region any new infrastructure projects to protect jobs and the south west economy. That is very disappointing for those people who have lost their jobs and are struggling to find work. In addition, these same people are about to be hit with increases in a number of household expenses. Water rates, the landfill levy, electricity charges, licence fees, vehicle transfer fees and third party insurance fees are all set to go up under this budget. As a result of these increases in household expenses, households will need to find an extra \$334 a year. That will hit many south west households very hard. It will have a huge impact on those people who are already under financial pressure. That includes pensioners and self-funded retirees at the lower end of the scale—the ones who are just scraping by. In this environment, the government has failed to provide any additional funding for welfare agencies in the region. Welfare agencies in the South West Region are struggling to cope with increased demand for their services and support. The impact of the global economic crisis is likely to result in more job losses and more people needing welfare assistance. The increases in household expenses delivered in the state budget are likely to cause the number of families needing welfare to increase significantly, yet the state budget has failed to provide any additional funding assistance for welfare agencies to deal with the increase in demand. The ramifications of this are frightening. There are families that are really doing it tough, and they are going to be doing it a lot tougher because this budget has forgotten them.

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I could raise a lot more concerns, issues and projects in the South West Region and how this budget has impacted on my electorate, and I certainly have not yet covered the impacts at the top or bottom end of my electorate. However, time is running on, so I do not intend to hold up matters for any longer by going through more projects and issues. I think that members will have got a flavour of the negative impact that this budget has had on the South West Region.

Before I conclude, I will touch on the issue of royalties for regions. The Minister for Regional Development, in a speech about royalties for regions to the University of Western Australia on 16 December 2008, said —

Under royalties for regions, people living in rural, regional and remote locations can be assured that they are very much a part of the priorities of the state government. Because as of today people living in the regions will begin to benefit as a result of the government “putting it back” by investing royalties for regions funds in their future.

The royalties for regions program is a great initiative. It has been warmly welcomed by the regions. I congratulate Hon Brendon Grylls and Hon Wendy Duncan for their vision in developing this policy. Electorally, it has been a great success; there is no question about it. The delivery of this policy in a manner that is fair and equitable, however, is another matter. Its delivery and implementation requires some work. I am not sure that the South West Region is getting its fair share of the royalties for regions funding, and I will continue to closely monitor this program to ensure that it does. I am also concerned that the moneys committed to the royalties for regions program have not been over and above funding already committed to the region and that some projects and services that are being funded under the royalties for regions program should be funded from elsewhere by the government. I am also concerned that there has been some shifting of moneys allocated to the regions to fund the royalties for regions program, which falls short of the promises made and the expectations that the electorate had. For example, in the electorate of Vasse, before the royalties for regions program was in place, the area had funding of \$77 million for a new Busselton hospital and \$48 million for a new transmission line from Busselton to Margaret River. Now, with the royalties for regions program in place, Vasse has lost \$125 million in funding that has been directed elsewhere. This is despite the fact that the budget is delivering a projected \$600 million surplus and despite the fact that the Minister for Regional Development is sitting on \$281 million of unallocated royalties for regions funding.

A similar argument can be mounted for a number of other areas in my electorate and the south west as a whole. The Vasse community wants to know why, with royalties for regions in place, it is worse off funding-wise than it would have been before the program was in place. The south west community has the same question. It is a legitimate question, and a question that the government and Hon Brendon Grylls in particular need to answer. Hon Brendon Grylls needs to explain to the region why he is sitting on \$281 million of unallocated royalties for regions funding when important regional projects have been cut or deferred. I think many people in the regions are starting to wonder whether they really are better off under royalties for regions, and whether some regions are being favoured under royalties for regions to the detriment of other regions that are actually providing and generating a greater share of the royalties money.

In conclusion, the bottom line is that this budget falls short of its rhetoric on protecting Western Australian jobs and supporting the state’s economy during this global economic downturn. At a time when the Rudd government and governments all over the world are injecting funds into infrastructure projects to stimulate the economy, the Barnett government is doing the exact opposite. The Barnett government is sitting on a slush fund at a time when an economic stimulus is needed. This serves to nullify the Rudd government’s stimulus package and is economically irresponsible and inept. The Barnett government is not acting in the interests of either the people of the South West Region or the people of the state. The government’s lack of fiscal strategy about how and when it will repay the state’s projected net debt means it is unlikely that the projects that have not yet been identified and funded for in either this budget or the forward estimates will get funding during this term of government. It is also likely that a number of the projects that have been funded in the forward estimates will need to be deferred. This presents a very bleak future for Western Australians at a time when our economy needs stimulating. This budget has failed to deliver.

HON GIZ WATSON (North Metropolitan) [12.41 pm]: I will make a contribution to this year’s budget on behalf of the Greens (WA). I note firstly that the context of the budget is probably unlike any other budget because it has been framed at a time when the global economy has suffered a significant shake-up and downturn that is unlike anything, I believe, that has been seen in about 70 years. It is not an easy climate in which to design a budget or to try to anticipate the trends in the global markets that very much influence businesses in WA. Our state is largely dependent on the export of iron ore, other minerals and wheat, and that type of economy is very much linked to what is happening elsewhere. In the past 12 months we have seen catastrophic events in the financial sector as a consequence, in our view, of unrestrained corporate greed. That has fundamentally

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challenged the structure of the way economics operate internationally and in Western Australia. We are still experiencing the repercussions from the domino-effect of this huge collapse. The budget of any state or nation must keep an eye on what is happening internationally. It is a very turbulent and uncertain time in which to plan the state budget.

It is worth looking at the context of some of the emerging issues. I will refer to a useful document from the Western Australian Council of Social Services titled "Emerging Issues", which was presented at the inaugural community sector leaders' forum on 29 May 2009, which was at about the time of the budget. This presentation gives some interesting information, such as —

Revenue growth for 2008-09 is only 1.7%, down from 10.1% last financial year. Expenses in the current financial year have grown 13%, mainly public sector wages growth, and are expected to overtake revenue for 2011-2013.

WA's share of national GST revenue was, in 2006-07, roughly in line with its share of population at 10%. In 2008-09 this had fallen to 8.7%.

By 2011-12 it is projected to fall to 5.7%, meaning for every dollar West Australians pay in GST, the WA Government will receive only 57 cents, with the balance transferred to other States and territories.

That prospect has a significant bearing on any budget that we are contemplating. It is a bigger question. The question that has challenged governments of both persuasions in this state is: what portion of our revenue is actually retained and what portion is ultimately re-apportioned to other states that do not generate enormous mineral revenue? The bigger philosophical question is: how much should be retained in this state, and what is the appropriate balance? Just because Western Australia happens to have a lot of iron ore and other minerals that earn a lot in royalties, does it mean that those minerals are not, ultimately, owned by all Australians? If the iron ore happened to be in Tasmania, we would probably want a cut from it. The question of the relationship between state-federal finances and how that balance is struck is interesting. Over the years we have argued that this state is probably contributing out of the state more than its share and, perhaps, the nature of the financial relations between the state and commonwealth need to be reviewed.

The "Emerging Issues" paper states —

The number of unemployed people in WA has already nearly doubled, increasing from 28 000 to 55 200. Unemployment is forecast to rise by a similar amount again between now and 2010-11, increasing by a further 27 170 for a total of 82 370 unemployed West Australians. We estimate that there will also be an additional 356 731 unemployed people in Australia by 2010-11.

It is a hard thing to make estimates on the trend in employment. In most recent times there have been some suggestions that the unemployment figures are levelling out, rather than heading in this direction. This was certainly the thinking that was presented as recently as May this year.

The paper goes on to state —

There are disturbing trends in welfare provision, with Governments increasingly favouring politically powerful or sympathetic groups such as seniors and disability pensioners while ignoring unemployed people and students.

Further on it states —

The inadequacy of Newstart Allowance, coupled with the rising number of unemployed people, means that the level of disadvantage in the community is likely to rise considerably.

It then refers to a chart that demonstrates these trends. I indicate that I will seek leave at the end of my presentation to table this document so that members can see the chart, which is very useful. It is in small print—about 10 point—but it is available on WACOSS's website.

In the area of finance the paper goes on to say —

The lack of access to finance, which has caused the economic downturn, is affecting the sector's capacity to do its work.

That is the community services sector. To continue —

How?

Diminishing value of investments

Reducing funding from government

Hon Norman Moore; Hon Dr Sally Talbot; Hon Kate Doust; Hon Adele Farina; Deputy President; Hon Giz Watson; Hon Max Trenorden; President; Hon Wendy Duncan; Hon Ken Travers

Making it more difficult to solve fundamental problems like housing and service

Further on the paper states under “Opportunity” —

Both State and Federal Governments are prioritising infrastructure spending to stimulate the economy. The emerging opportunity for the sector is to present initiatives that have a short term stimulus effect, at the same time as providing longer term sustainable benefits for our clients and organisations.

About issues facing people living on lower and fixed incomes, which is the major client base of the sector that provides community services, the paper states —

At the 2006 Census, 92,541 households in the Perth-Mandurah area received gross weekly income less than \$500. This was 19.8% per cent of all households.

I must say that when I read that statistic I was quite shocked that approximately 20 per cent of households in the greater metropolitan area are receiving a gross weekly income of less than \$500.

Hon Peter Collier: Did you say that was Mandurah?

Hon GIZ WATSON: The Perth-Mandurah region. It is the greater metropolitan region, I think, as people would see it now. That is quite a significant portion of our community who are living right on the borderline. I will go on to talk a little more about that in a minute. On income distribution, the paper states —

The incomes of households considered to have the lowest levels of economic wellbeing (i.e. those people with household income between the bottom 10% and bottom 30% of incomes) grew by 8% (\$24 per week) from 2003-04 to 2005-06, an 8% growth was also recorded for middle income people compared to 13% for high income people

On the effect on the cost of living of the recent economic changes and the slow down and recession, the impact in the estimation of this paper is that food has gone up by 8.6 per cent, household costs up by 8.1 per cent, health costs up by 11.9 per cent and education up by 15 per cent. Those are significant increases, especially when we consider that 20 per cent of the population are trying to live on \$500 a week.

Housing, of course, is a determinant of wellbeing. If people do not have adequate housing, a whole lot of other things just will not work for them. The paper continues —

The number of public rental dwellings in WA has now fallen to 1993 levels, despite an 18% increase in WA’s population over the last 15 years.

More dwellings were built under the public housing rental program in the 1950s (an average of 1254 dwellings per year) than have been built this decade —

There is therefore no commitment—I have to say there was no commitment from the previous government either—to provide adequate social housing —

(an average of 913 dwellings per year), —

That is, compared with the 1950s when it was 1 254 a year —

despite a 278% increase in WA’s population since 1950.

...

Social housing represents approximately 4% of the total housing stock in WA, lower than any other Australian State, and than most comparable OECD nations.

20,000 people are currently waiting for a home in WA, many of whom have been waiting for 5 years or more.

Most of them, I think, are probably giving up. On homelessness, the paper states —

Despite the economic prosperity of recent years, the number of homeless people in Western Australia has risen. The rate of homelessness in WA is the second worst of any State (64 per 10 000 people), and is significantly worse than the national average (53 per 10 000 people).

The paper states —

Mental health ...issues —

Represent a significant cost to the Australian economy (about \$20 billion for mental health, approx \$56.1 million for licit and illicit drugs ...

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Interestingly enough, that breaks down to 27 per cent for alcohol and only 15 per cent for illicit drugs. The paper continues —

Lack of access to supported accommodation and other services mean that many people with a mental illness or with drug and alcohol issues end up being misdiagnosed, homeless or detained.

... Only 9.4% of health spending in WA is allocated to mental health, with only 6.6% of that going to NGOs who provide 88.5% of the services.

I will acknowledge later in my contribution that this budget has made a significant additional contribution to address issues of mental health, and we applaud this government for doing that. On mental health and the state budget, the paper states —

No money to mental health and drug and alcohol in corrective services. Mental health facilities being planned, built, and completed at major hospitals across the State (Joondalup, Broome, Sir Charles Gardiner, Osborne Park).

Although there is a recognition that additional money is going towards mental health, it is noted that one of the significant areas of need in mental health spending and drug and alcohol issues under the mental health banner—corrective services—will not get any increase. There will be a review of the Mental Health Act 1996 and a mental health bill will be prepared, a mental health and wellbeing commissioner will be appointed and a state mental health policy and a strategic plan will be developed. Also, a commitment has been made to develop a state suicide prevention strategy and establish a peak body for mental health consumers and advocates for mental health services. Those commitments are welcome and needed.

The paper states about children's wellbeing and child protection —

Western Australia is falling further behind on having a clear direction for early childhood development with little forward planning to ensure that basic services can keep pace with the population birthrates.

WA is currently 94 maternal health nurses short of the basic health needs of newborn children.

A Victorian child will have seen a child health nurse five times at four months old. A Western Australian child will not have seen a child health nurse five times until the age of 18 months.

There is a significant shortfall in service provision in this area. Increasing numbers of children are in care in Western Australia. A total of 2 546 children were in out-of-home care in 2008. There are increased numbers of foster carers and an increased funding allocation to foster carers. Again, that is welcome, but we note that it is barely keeping up with demand.

The paper goes on to refer to interventionist policy and, in particular, mandatory sentencing. It states —

Increase in prisoner numbers—4,100 currently in a system designed for 3,462, recently modified to 4,217. Tougher sentencing laws mean an increase in prisoner numbers, and the need to invest more heavily in the prison system rather than preventative programs that help to break the cycle of offending.

Prisons and police spending vs prison rehab services and programs spending to reduce re-offending—corrective services.

\$665 million across forward estimates has been allocated the build or install 1,675 prisoner beds across WA prisons.

That is an enormous amount of money for the most dead-end approach to dealing with offending behaviour in this state. In the same budget, grants to non-government organisations have decreased from \$87 000 in 2008-09 to \$45 000 in 2009-10. That is NGOs that work in this area, not across the board. The paper rightly mentions the rate of imprisonment of Aboriginal people and notes that the current statistics are that 41 per cent of WA's prison population is Aboriginal compared with 23 per cent in South Australia, 21 per cent in Queensland, 20 per cent in New South Wales and six per cent in Victoria. Aboriginal people are 21 times more likely than non-Aboriginal people to be imprisoned in Western Australia.

The next area that the paper addresses is spending on energy and water consumption. It states —

Domestic fuel and power costs the lowest gross household income quintile ... more as a percentage of total income than any other income group.

The DEPUTY PRESIDENT (Hon Matt Benson-Lidholm): I am mindful of the fact that another member is due to deliver his inaugural speech at 2.00 pm.

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[Leave granted for the member's speech to be continued at a later stage of the sitting.]

[Continued on page 5458.]

Sitting suspended from 1.00 to 2.00 pm

The PRESIDENT: I give the call to Hon Max Trenorden. I ask members to observe the usual courtesies in this place for a member's inaugural speech—it is hardly his maiden speech!

HON MAX TRENORDEN (Agricultural) [2.01 pm]: Thank you, Mr President. I start by congratulating you on reaching your high office. I also congratulate all members, particularly those who have entered this chamber for the first time. I heartily and warmly welcome them into the realm of politics. I look forward to watching with great interest what we do in this house, working together, over the next four years.

Harry Walter “Mick” Gayfer is the person on whom I have modelled my parliamentary life; he is a mentor of mine. He was elected to Parliament in 1962 as a member of the then Country Party of Western Australia. Like me, Hon Mick Gayfer began his parliamentary career as the member for Avon in the Legislative Assembly and later served in the Legislative Council. He played an important dual role; he was also chairman of Co-operative Bulk Handling Ltd, a role in which he excelled. I was the last member for Avon, and I express my admiration for the previous members for Avon, Hon Ken McIver and Hon Mick Gayfer. They were both outstanding men who represented the electorate of Avon with distinction.

I also take this opportunity to thank the people who have believed in me and supported me during my parliamentary career. At times things have been wonderful, but at other times I have been left wondering. My children, my new wife, Veronica, and my staff have always been and still are my greatest fans. They give me not only advice but also abuse whenever I need it, to keep me working hard and keep me focused. I also recognise the people who have put their faith in me to represent them.

I am told that in Chinese culture, if one says to another person, “May you live in interesting times”, it is regarded as a curse. Why that might be so is something that we might reflect upon. The implication is that in a society in which stability is prized above all else, change can blow that stability apart by placing demands that cannot be tolerated or endured upon everyone in that society. Whether or not invited, we live in interesting times. As a member of the party that represents rural Australia—in my case, regional Western Australia—I must try to bring the things that we know and have learnt into Western Australian society, for the good of all: the people, the land, the sea and all living things. That is our primary mandate.

We were always greenies; sometimes very good, sometimes not. We have always known that our prosperity is dependent upon sustainability, and that means finding good farming practices, good mining practices and good fishing practices, and this applies to all other endeavours. For us, this was not just a sea change or a tree change; it was life change itself—a life that needed to flourish if we were to be, and remain, prosperous. Nothing has changed, and if we forget these things, we do so at our peril.

The National Party has changed. The election result was evidence of that change. Maybe the criticisms of our direction in the past were right; we have been confronted on so many fronts by new realities that we had to evolve. We can bring many skills to cope with the changes shaking our country and the world—I alluded to them earlier—but above all I want to suggest that the greatest skill we bring to our country is the ability to make something happen—good, renewable, profitable things. However, our dreams must be based on reality. We must all dream, but for a dream to come true it must be anchored in reality.

We in the regions are part of the circle of life. We are part of the wind, the heat, the dust, the cold and the rain. These are the sorts of things we live through. We accept that change is happening. This seems, at first sight, a simple thing, but it is not. Anyone who has farmed or run a business of any size knows these things. Thousands of failed businesses every year are proof of just how hard it is to get things right, to make something happen sustainably and profitably. The skill to make something happen is a skill upon which we all utterly depend. Our party, and those who support our principles, need to reassure themselves that the primacy and life and productivity of our nation in not an optional extra. In the years to come we will have the opportunity to reinvent rural life. Much will be old and tested; much will be new. The new will grow, in large measure, from the policies and ideas that we talk about during our term of office. We have to be bold, imaginative, courageous and resolute, and have the tenacity of purpose that comes from being people who know how hard it is to make good things happen.

I would like to suggest some of the things that need to be thought about and done to create a bright future in a world full of adversity. Let us think about agriculture and climate realities, and new economic circumstances—things that seem certain. Our responsibility is to plan, not just react, but our plans and actions must always be grounded in reality. Only from this realistic base can we make sustainable change.

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Firstly, we must look exhaustively at the means by which we generate and use energy for productive purposes. Nothing could be more important, and in our state nothing has been more neglected. It is decision time. There can be no more hoping things will be okay; they will not unless the government seizes the day, and it must. What kind of far-seeing energy policy would it have to be to give us energy security? Energy will have to be locally generated and controlled, be it coal generated, gas generated, wind generated, marine generated, biomass generated, or solar or thermal generated. From these technologies very important industries can, must and will emerge, such as plasto-chemical, hydrogen, desalinated water and many others. They will drive the marine, geothermal and solar power futures. Regional businesses and essential services will need to have technologies and infrastructure in place that will enable them to do this, plus a tax regime that can accelerate them.

We must not ever be caught unprepared and waiting for the boat to come in. The stratospheric oil prices of a year or so ago showed just how vulnerable we are, and how destabilising on our productivity they were and remain. These oil prices had an extremely debilitating effect on industry and the business sector in Western Australia. We need to concentrate on and recognise the importance of gas exploration; a single pipeline in Western Australia is extremely vulnerable. The stakes are absolutely the highest—not just high—because without affordable energy for all, we cannot make a living; we cannot live. Our policies must bring us energy independence as soon as possible. The trade and technical skills and planning and infrastructure we need to enhance or acquire to reach that goal of energy independence should be planned for and acted on now. There is no time to procrastinate; we need a policy framework that recognises the major challenges we face.

Secondly, we have an enormous challenge to add much more consumer value than cost in our ever-increasing competitive global food industry environment. With a population of fewer than 80 000, the wheatbelt punches way above its weight with an estimated \$5 billion contribution to the state of Western Australia in 2006 and much more in 2008. We need to meet newly developing international consumer tastes and demands, which have the overall description of “slow food”, while retaining mass export markets. Western Australia’s agriculture industry will be a world leader if it focuses on slow food. Slow food is an ideal that is about not only health but also wealth. Fresh top-quality local produce commands a far higher price for much less volume whether it is sold in our communities, interstate or overseas. It is now time for us to be involved in future health and economic prosperity.

As research compiled by Dr David Hughes, Emeritus Professor of Food Marketing at the Imperial College in London, attests, the reason behind the slow food movement is that a health-conscious ageing global population is fully aware that almost 60 per cent of the population of western nations suffers from obesity and related serious health problems and that 15 per cent are glucose intolerant. In the future, the demand will be for fresher, healthier, seasonal, natural, traditional foods that contain chemicals and vitamins that are anti-ageing and disease inhibiting. Slow food is top-quality in-season produce that is prepared traditionally. The slow food philosophy is to consume fresh, quality produce that is in season and, whenever possible, is delivered almost directly from the paddock to the plate. Fresh food markets and high-quality food outlets are rapidly expanding. That can be seen occurring in Perth today. High-quality high-cost outlets and high-quality low-cost outlets are attracting people in their thousands. Businesses and governments that consider slow food to simply be a passing fad will rue the day they made that mistake. The Department of Agriculture and Food needs to move into this century. Quality products are the future for Western Australia. Obesity, diabetes and cardiovascular problems caused by poor dietary decisions are a potential massive multibillion-dollar market for Western Australia. Again, I refer to Dr David Hughes whose research refers to the migration to the poles, which outlines significant changes to the world food markets. Some of these food changes are from new and improved to traditional; from ready-to-eat to natural and unprocessed; from fast food to slow food; from just me to friends and family; from low price to premium price; from all year to seasonal; and from open supply to closed supply chains.

Thirdly, I move on to climate change. We are all painfully aware that climate change has become a new reality for the world, and for Western Australia in particular. This is impacting on the state every day. We hear constantly of the dire predictions that climate modelling is throwing out. Modelling has its benefits, but in the past it has shown that the predictions will be substantially wrong. Early modelling of the present pandemic of swine flu showed that tens of thousands of people would die. The reality has kicked in, and that has been found not to be the case. A magnificent library is in place that has recorded climate change for tens of thousands of years. The trees, ocean sediments, ice, stalactites, written history, seas, fossils and many other sources tell us exactly what we can expect in Western Australia in the future. Research in Western Australia needs to be based on these realities, so that our decisions are sustainable.

What is to be done? In Western Australia we need to bring as many farmers to the expanded Ord River scheme as quickly and as prudently as we can. We cannot make it rain, but we can take our skills and our knowledge base—the farmers—to where it does rain. This will have to be done with the utmost care and sensitivity, so that all stakeholders are happy with the outcomes. Our traditional landholders may well become the landlords of

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substantial new areas of food and fibre production that breathe new commercial life into vast areas of our north. We need a comprehensive strategy for potential new arable areas created by climate change. We need to expedite the farming of all those areas known to us already where good soil and reliable rainfall exist. The Western Australian Land Information System—WALIS—has been around for a long time, and has the capacity to identify land for future uses. We need to mandate increased funding of our fine research institutions to grow the knowledge of tropical agriculture and all its risks in such a way that our footprint on the land and the rivers is light and sustainable. We must avoid the mistakes of the past, which means that we have to face them. In our rural schools we need to examine the curriculum very carefully. Although the known core skills remain essential, the emerging generation may have needs in science and technology, plant and animal husbandry, and in the built environment that must be addressed in entirely new ways. Again, change.

I will mention some examples. There are many more that could be given, but I will just give a couple. Firstly, there is the growing of fibre for paper: in Australia we have used our cool-climate, slow-growing forests as the principal source of fibre for paper. It has always been controversial. As a matter of some urgency, we should look at a very large number of plants that could easily substitute for slow-growing trees and grow quickly and well in our tropical, mid-west and agricultural regions. Furthermore, the technology exists to turn many long-fibre plants—rattan, bamboo and the like—into substitute wood. The results are astounding, and the practice needs to be introduced here. Our information base is entirely inadequate and this must be remedied. On one of my celebrated fact-finding tours, I visited Alberta in Canada and saw a farmer-owned plant turning wheat straw into fine-quality, widely used building products. A simple process of steam, resin and pressing produces floorboards, internal and external wall panelling and specified stress-tested roof trusses. The central wheatbelt, on several occasions, has been tested for the availability of wheat straw, and there is as much available product as there is in Alberta. This product is cheaper, more sustainable and more environmentally friendly than chopping down our precious trees. Grain straw and sugar cane are proven sources of building products and are a solution in the construction of houses and buildings in our tropical north. For too many years our tropical north has, at huge expense, imported the materials, style and construction methods that are best suited to our cities. In all candour, I have some doubts that style is even suited there. Nevertheless, it is folly that we have not mandated interested parties to modernise the construction of fine homes from local materials, and done so on an industrial scale. Missionaries built fine buildings with none of the technology or advantages that we have today, whether it was from stone, rammed earth, poured concrete or whatever the source. We can visit towns like Broome today and see buildings that do not take into account the locality and the needs that that climate creates.

We must create a level playing field for Australian food producers and processors. We produce the best and safest food in the world. That costs! Yet we allow imports that do not have the same standards for food safety and, therefore, those on-costs. That is unfair competition, and it also works against the interests of consumers. The Australian food safety watchdogs should be funded to do a proper job in assessing imports for pesticide residues, contaminants et cetera, and the results published so that consumers can make an informed choice. Many foods from overseas are grossly substandard and are cheaper because of not only low labour costs, but also farming and processing practices that would be illegal here.

By failing to take this issue seriously the federal government is helping importers to take market share from Australians, and in that process has exposed Australian consumers to greater food safety risks. If we cannot be profitable in our own domestic market, it will be even more difficult to provide capital to create an international market. The solution lies in Biosecurity Australia or Food Standards Australia New Zealand allowing in only those foods that meet the needs and standards that Australian producers must meet. The current situation in which our producers have to meet higher, and therefore costlier, standards than foreign competition is un-Australian.

Finally—members will be pleased—I raise the issue of electoral reform in reference to the process of the one vote, one value bill of 2005. Hon Jim McGinty, while promoting this bill, had discussions with the Liberal Party and the Greens (WA), who had input into the final effect of the bill. The Greens established a system for this house, and a section of the Liberal Party gave passage to the bill. The Nationals were never consulted, but we were briefed. The bill was designed to give preference to the Labor Party in forming government. This was ill-conceived. The result of the legislation—I stated this at the time during debates in the other place—was that the Liberal Party was the major benefactor.

A paper on “Bruce Topperwien’s Legal Page” on the World Wide Web discusses three issues. The second issue relates to electoral equality and cites the cases of *McKinlay v The Commonwealth*, and also *McGinty v Western Australia*. The paper debates whether the constitutional requirement that members of the House of Representatives be directly chosen by the people of the commonwealth meant that equal numbers of electors are required within electoral divisions. All judges of the High Court except Murphy, J. held that the Constitution did not require equal numbers of electors in electoral divisions. The Supreme Court of the United States also held

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that, as nearly as practical, one man's vote in a congressional election is to be worth as much as another. The Supreme Court of Canada has a finding of its own, and it settled on a definition of "effective representation", which allows up to 25 per cent variation between ridings. In the United Kingdom several ridings have insisted on a single seat, whether it be a perceived advantage or disadvantage on the number of voters based on the community of interest. The mother of our Constitution does not use equality of voters as described by the American Constitution. I will quote the Australian High Court judges involved in this decision. Chief Justice Barwick stated —

Unlike the case in the American Constitution, the Australian Constitution is built upon confidence in a system of parliamentary government with ministerial responsibility.

He and other judges rejected the use of American cases to assist in deciding the matter. Justice Toohey declined to rely on American cases for guidance in this matter, instead, relying on Canadian cases for that purpose because Canada adopted and was built on the British tradition. Justice McHugh stated —

the Australian people do not regard one vote one value as an essential requirement of representative democracy.

He, too, rejected the American cases as they would produce inaccurate results. Justice Gummow stated that the Canadian situation was far more applicable to Australian society.

The one vote, one value bill is based on the American Constitution and the premise of the bill has twice been found in our High Court to be against the intent of the Australian Constitution. The American Constitution speaks of equality. The Australian Constitution speaks of effective representation. The legislation requires amendment. Other matters worthy of a rewrite are: having people automatically registered for voting upon reaching voting age, based on their birth certificate and state records; an opt-out clause for voters based on the issues that are current practice—for example, religious beliefs; and a redistribution of seats based on population and not on registered voters.

I finish as I started: we live in interesting times.

[Applause.]

Inaugural Speeches — Statement by President

THE PRESIDENT (Hon Barry House): Members, as this was the final inaugural speech, I would like to make a few brief comments. We have heard from 15 new members, which is an extraordinarily high proportion of this chamber—nearly half the number of members in the chamber. I congratulate all the new members on the quality of their speeches. They have given us, and, through the Parliament, the community of Western Australia, an insight into a fascinating and interesting range of backgrounds; a refreshing range of skills, beliefs, interests and abilities; and a wide range of views, political issues and agendas to be pursued in this Parliament. It is worth reflecting on the 15 speeches that we have heard from the new members. They represent many things to be admired about our system of representative parliamentary democracy. Where else in the world would a nation embrace and welcome such diversity into its primary institution, the Parliament? Our system of governance may have some critics, but I suggest that the calibre of our new members' inaugural speeches reflects many strengths of our systems that far outweigh the weaknesses.

Once again, congratulations to all new members. Welcome to the Legislative Council, and I wish you all the very best for the thirty-eighth Parliament.

Members: Hear, hear!

Second Reading — Cognate Debate Resumed

HON GIZ WATSON (North Metropolitan) [2.28 pm]: I will try to take up from where I left off. Before lunch, I was referring to a paper dated 29 May 2009, provided to me by the WA Council of Social Service, entitled "Emerging Issues". I was talking about essential services and utility spending for households. Under the heading "Spending on energy and water consumption" the paper states —

Domestic fuel and power costs the lowest gross household income quintile (LGHIQ) more as a percentage of total income than any other income group.

Therefore, the increases in energy, water and sewerage charges affect poor families most in terms of the proportion of their budget. The recent state budget outlined increased essential services charges. Electricity tariffs have gone up 15 per cent, gas tariffs nine per cent, water consumption and annual supply charges 10 per cent, sewerage 4.2 per cent and drainage 6.66 per cent. That is a significant further impost on low-income households. The paper also talks about spending in the community services sector. It states —

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... non-government organisations are forced to allocate significant resources to preventing the disconnection of essential services or ensuring reconnection.

This is in relation to those utility supplies. It continues —

The Financial Counsellors Association of WA recently indicated that in the 2006/07 financial year, financial counselling organisations spent almost 30% of their emergency relief funding on assisting Synergy Energy customers facing, or having recently experienced disconnection.

This particular NGO was spending 30 per cent of its emergency relief funds on customers who had been disconnected from their power supply. This was estimated to have cost approximately \$1.359 million. A significant proportion of the population is at crisis point when dealing with increased utility supply costs.

I refer now to the budget and what was outlined in the budget speech. That speech obviously provides Parliament and the community an overview of the significant objectives of the budget. In the budget speech, it was claimed that the government is making hard decisions today to secure our future tomorrow. It also goes on to talk about protecting Western Australian jobs, which is something we all support, and supporting the state's economy.

If we look at the big picture, the key response from this government is infrastructure investment—major building and development projects—and the budget outlines these key spends, including Ord stage 2.

I was particularly interested to hear Hon Max Trenorden's recent contribution about the need to invest in agriculture in that part of Western Australia. Clearly, this is a priority for this government. We must invest in a sustainable way this time because Ord stage 1 had significant environmental problems; for example, salinity, waterlogging and the use of pesticides. We can do a lot better and we can do it in a way that produces the sort of food that the honourable member was talking about: food that is not only a good quality product, but also receives a premium price. We want healthy and sustainable food production rather than the massive problems that we have had with, for example, the sugar and cotton experiments in the Ord, all of which have a fairly disastrous history. Ord stage 2 is a significant amount of investment.

The Kimberley LNG hub is also highlighted. I will not speak on that at length. I am sure there will be time, particularly when Hon Robin Chapple who represents that region speaks about the proposal for the LNG hub in the Kimberley, to discuss the significant challenges of whether it is appropriate to have an LNG plant based in the Kimberley. As I have said, I will not go into that now, but it is certainly an issue the constituents that we deal with in the Kimberley are very concerned about. Not the least of their concerns is that the process is imposing a final site for an LNG hub rather than honouring the more consultative and inclusive process in train under the previous government to determine, if there was to be an LNG hub in the Kimberley, where that hub would actually be sited.

The next major infrastructure spend is the Oakajee port. Why we would invest public money in another major port in this state when the previous government had already secured private investment to build that port has been the subject of comment in the public arena and in this place. We have our own theories about why that might be. It is an inappropriate use of public funds to invest in a port. Having said that, we are not great fans of private ports either given what can be done to control the flow of goods through private ports. We can all think back to the fight between Patrick and the Maritime Union of Australia, which was not that long ago. If a private port can be built, I do not know why we are expending precious public dollars on looking into such a development.

The infrastructure spend of \$8.3 billion in the 2009-10 financial year is, according to the budget speech, the highest ever. I note that the budget provides \$316 million for new housing. This is welcomed. It is approximately 1 000 new homes; however, it barely keeps up with the backlog. Of course we welcome any additional spending on new social public housing, but this is still inadequate to meet the shortfall. There are 20 000 people on the waiting list for public housing, a significant number of whom have been on the list for more than five years. This rate of spending will slow a worsening situation but it does nothing to cover the demand. There is a target of 2 600 new public houses over four years. Again, that is welcome but it is not enough.

We welcome the investment in schools. I compliment the new government for its emphasis on education and training and the fact that it rapidly came to an agreement with the State School Teachers' Union on its pay requests. I think the government should be acknowledged for that.

There is \$572 million in the budget for health infrastructure. I will have more to say on that later. There is \$654 million for roads. This is a huge amount of money. A significant chunk of that is going to Roe Highway stage 8 or the proposed extension of Roe Highway. Hon Lynn MacLaren has already spoken about the impact that will have on the Beeliar wetlands. If we are to look to the future and at sustainable living in Perth, the last thing we need is more highways, particularly a highway that goes through an internationally significant wetland.

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During the estimates hearings I listened with interest to the department's response to questions about Roe Highway stage 8. It beggars belief that anybody, even a road engineer, can suggest that a freeway can be constructed through a wetland in a "sensitive" way. I nearly fell over, except I was in the chair and I thought I should keep quiet! It beggars belief that we could even contemplate putting a freeway through a wetland of such significance.

The other big spend in the budget is the proposed so-called tourist road between Hopetoun and Bremer Bay. We vehemently oppose the construction of that road. It was a knee-jerk reaction to the anticipated growth in the communities of Ravensthorpe and Hopetoun. The government responded by saying, "We'll pump some more money into that area by building a road." Those communities expanded greatly in anticipation of Ravensthorpe becoming a mineral producer. The whole development down there fell in a hole. It was an ill-conceived and very foolish knee-jerk reaction. To build a road through, again, one of the most significant refuges of biodiversity in this state is absolutely appalling. We will be opposing that with everything we have got, as will many people on the south coast. It is a ridiculous response. There are other ways in which the government could assist that community and provide jobs and truly sustainable opportunities. It beggars belief that anyone would propose putting a chunk of bitumen through an A-class reserve. That reserve has incredible significance for its biodiversity and as a linkage to ensure that the biology of that south coast region remains intact. That reserve is already under stress from dieback. If this proposal does progress, I assure the house that the Greens will do everything we can to keep the bulldozers out of Fitzgerald River National Park.

The government has also made a \$2.2 billion commitment in the next financial year to so-called law and order measures. As I understand it from the budget papers, this will represent a \$68 million increase in spending in this area. This commitment includes \$490 million for an additional 500 police personnel and an additional 200 civilian staff. I read that with interest, because the Commissioner for Police, Karl O'Callaghan, said at the time of the last election that he does not need any more police officers. I understand that he has not changed his view on that matter. This is, therefore, just a blatant attempt by the government to win votes. The government is suggesting, in a very simplistic way, that if people see more police officers driving around and standing on street corners, they will feel safer. The government is suggesting that if it can just increase the number of police officers, that will solve the much more complex problem of why members of our community offend and find themselves in conflict with the justice system. There is a lot more that we can do to ensure that there is less offending and greater community safety. This is nothing but a big con that successive governments—the previous government was no better—have perpetrated on the community. I will continue to pursue that matter in this place, because I believe this money is being misdirected. I say that because even though this may be done with good intentions, none of the steady escalation that we have seen in spending on law and order has led to the results that are claimed will flow from it. We are not investing in the right solutions. We are not investing in providing people with education and with homes and with the security that they need to prevent them from offending against the community. That is where this money should be invested—not in putting more police officers on the streets, but in finding the solutions to why people commit crimes.

What is even more worrying is the \$655 million that the government will be investing up to 2012-13 to provide 1 657 additional prison beds. It is interesting that page 6 of budget paper No 1, *Budget Speech*, states that \$655 million will be invested in additional prison beds, but page 6 of budget paper No 3, *Economic and Fiscal Outlook*, quotes a figure of \$71 million for that same four-year period. I am not sure which of those figures is correct, but there is a large discrepancy. At question time today, I will be awaiting with interest an answer from the minister representing the Minister for Corrective Services to a question that I have put to the Minister for Corrective Services as to which of those figures is correct.

In the area of health, there is \$5.1 billion in the budget, which is an increase of 5.9 per cent for health services over the previous budget. We support an increase in funding in this area and recognise the emphasis on suicide prevention and mental health. As I mentioned earlier, we think that those are significant areas of need and that the government has rightly adjusted the budget to put money in this direction.

In the area of education and training, there is \$4.1 billion in the budget, or an additional \$419 million. Again, we recognise that this is probably a suitable increase in the area of education and training. I have mentioned the Western Australian Council of Social Service document, and I gave an overall statistic in the area of utilities or essential services. I quoted the actual amounts for electricity, gas, water et cetera, but as an overall figure, since 2003, there has been a 27 per cent increase in the costs of those essential services. It is estimated that by 2013-14 there will be a further 32 per cent increase on the 2009 amount. That is a significant impost. Again, I emphasise that this is an impost on the families that can least afford to pay it. As members of Parliament what we need to do, and to send a message to the government, is to look at ways of assisting those who are really struggling to cope with these significant increases in costs that cannot be avoided. As I say, the costs of water and power and other basic services are a huge impost on those on fixed incomes.

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Hon Robyn McSweeney interjected.

Hon GIZ WATSON: Perhaps I would need a little more information about that to see whether it would cover it. My concern is that people from the social service sector are saying that the system is not coping and that in the area of financial counselling a significant proportion of their work is dealing with people who have had their power cut off.

We also have to look at what is not in the budget. It is no surprise to me that the *Budget Statements*, the *Budget Overview* and the budget speech make absolutely no mention of the environment at all, which is really handy because, of course, none of us lives in an environment and the environment actually has no bearing on anything that we do!

Hon Robyn McSweeney: Where do you live?

Hon GIZ WATSON: Sorry; perhaps my sarcasm should have been clearer. Funnily enough, we all do live in the environment, and therefore some sort of emphasis on sustainability and other matters would have been most welcome. I look forward to the next budget; I am sure it is just around the corner.

Hon Ken Travers: What we need is for *Hansard* to record sarcasm in italics so that we know when it is sarcasm.

Hon GIZ WATSON: That is true. I should try to craft my comments so that they do not rely on inflection.

Several members interjected.

Hon GIZ WATSON: No, I do not. I try to avoid sarcasm; it is not usually my style.

I will return to environmental issues shortly, but first I want to talk particularly about social services. The area that I am focusing on is what the government is doing to recognise that the boom left behind many Western Australians, and that now there is a recession, or a slowing down of the economy, those people who were doing it tough are now doing it even tougher. This budget is designed on the principle that if the government invests in big projects and infrastructure, that will flow on to jobs and everything will pick up and be okay again. To an extent, there is some logic in that, but if there is not enough assistance put in place to see people through these difficult times, a large chunk of the community will be left out. That is what I am hearing from the people who work in the service-provision sector. The Western Australian Council of Social Service state budget submission identified six priorities for the community: housing, community data, drug and alcohol services, community services, mental health, and essential services. I will reflect on some of those. The request from the community service sector was for —

A 30% increase on current funding to contracted service providers in the community sector to provide an immediate increase in wages for staff, and maintain the current policy on indexation for future years.

The result was no increase above indexation. I worked in the non-government environmental sector before I was elected to this place. I saw the people who were doing the work on the ground by trying to assist the members of the community who were struggling to pay their bills or get services for disabilities or whatever. Those people worked for ridiculously low wages under poor conditions. We must adequately fund that sector because its proportion of output and service to the community is over and above what they get paid for. If we undervalue and under-resource them, they will simply collapse and burn out. I am hearing from the people in that sector that they are at that point. These people are totally dedicated to community service. The last thing they want to do is leave the sector. It was said recently that they are now applying for the services that they provide. That is how bad the situation is in that sector. As a wealthy and affluent community, it beggars belief that we do not value the community services sector.

Hon Robyn McSweeney: We do value them.

Hon GIZ WATSON: We value them but we do not pay them very much, and that is the problem. The WACOSS state budget submission also states —

There are over 20,000 households on the public housing waiting list with more added every month.

The Public housing stock fell from 6% of total housing stock in 1996 to 4% in 2008. The total number of public housing units has remained steady, between 37,000 and 39,000 despite the increases in demand.

In 2006 more than 38,000 low and moderate income households in WA were experiencing rental stress.

I repeat: 38 000 low and moderate income households. The WACOSS submission continues —

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This number is likely to be significantly higher in 2009 due to significant increases in rental prices since 2006.

Demand for social housing is set to increase significantly in the coming decade as the population of WA grows and ages.

WACOSS recommended that to rebuild public housing stock, the government should —

Increase funding to restore public and community housing stock to 6% of the total housing stock in WA by 2020.

The WACOSS state budget submission lists the budget outcomes for housing, which are —

Fiscal Stimulus measure: \$316m for new housing. Of this, \$116m to be spent on social housing (609 houses) and the remainder on Government Regional Officers Housing (GROH)

Increase in funding for housing in remote indigenous communities: \$496m over 5 years. \$81.7m in the first year.

The WACOSS submission notes that there was an increase in funding for the A Place to Call Home initiative. However, the average waiting time for public housing is set to increase from 83 weeks to 93 weeks.

For health, WACOSS's overview of the 2009-10 state budget states —

... WACOSS outlined a number of priorities in reforming the delivery of health services, for a range of vulnerable groups in WA.

These included services for Aboriginal people; additional mental health and drug and alcohol services; improving dental health services and a comprehensive program for seniors for active ageing.

Approximately \$400 million dollars has been allocated to the State for new hospitals, including renovations and redevelopments. This represents 14% of the national allocation.

At this point I will refer members to this government's election commitment for Royal Perth Hospital. I will repeat the evidence that was provided to the Standing Committee on Estimates and Financial Operations just this week by the Under Treasurer about the hole in the budget that this commitment has left. Mr Marney, in his comments to that public hearing, said —

I do not believe we have adequate funding in place for the retention of Royal Perth Hospital.

Further on he said —

It is a serious issue because, to be quite blunt, I do not know where the money is going to come from.

It is a significant comment and it is recognised that this is a problem because the Minister for Health has stated publicly that this is achievable without additional money, but the Department of Health has not provided such assurances. From what I can glean from the health sector, I understand that people are seriously concerned that with this departure from the plan that was devised from the Reid report over a significant period of time, there is a huge hole in the budget. Therefore, it will not be possible to meet the commitment to the new Fiona Stanley Hospital and, at the same time, retain RPH as a tertiary hospital. It has been suggested that RPH be kept, but have its bed numbers reduced, and Fiona Stanley Hospital become the major trauma centre. The area encompassing RPH, Sir Charles Gairdner Hospital and Fiona Stanley Hospital does not need three high-level tertiary hospitals. The point has been made to me that to have three tertiary hospitals in an area that is the same size as one area health service in Sydney is about empire building; not best practice patient care. That is also my view. We will have serious problems supporting proposed legislation to ensure that RPH remains open, and not because we do not like RPH or we think that it has not done a fantastic job. Unless we can get an assurance from the government that the money is there to do this, we cannot in all conscience support enshrining something like that in legislation. The government must provide the answers to how it will be funded. It is unusual to have a piece of legislation that basically says this hospital will continue to exist.

Hon Ken Travers: Would you support an amendment that we should have a tertiary hospital at Joondalup in accordance with the Reid review and the clinical framework review within the time line they outlined?

Hon GIZ WATSON: We will have to wait and see. I thought I had lots of time remaining for my contribution, but I realise I have only 10 minutes.

I will turn my attention to the area that the budget did not cover; that is, the environment. On the positive side there are new budget allocations for important environment and sustainable initiatives committed to by the Liberal government before the election. The solar feed-in tariff to assist households is a welcome contribution. Members would be aware that we have been arguing for a gross feed-in tariff, not a net feed-in tariff, and that

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debate will continue. It is a better model and will provide a much better outcome for the conversion of people's household energy opportunities than would be achieved with the net tariff.

There is a contribution in the budget of \$0.8 million for a management plan for the Great Western Woodlands. Again we acknowledge that the government made an election commitment to fund this plan, and we are fully supportive of it, as it is an important project. I just wonder whether \$0.8 million will go very far; however, it is better than nothing.

The Kimberley Science and Conservation Strategy has been funded. We wait with interest to see how that will be constructed, how much community and Aboriginal involvement there will be and whether it will be a genuine process.

There have been community conservation grants for environmental restoration work by volunteers, which amount to \$1.5 million a year. The amount of \$1.5 million a year is, of course, welcome. It is nothing compared with the amount the government is spending on roads, which is \$654 million; but I guess we get what we get.

The increase to the landfill levy included in this budget is strongly supported in principle. However, it appears that the Treasury allocation to the Department of Environment and Conservation has been reduced by an amount greater than the \$39 million that will be raised by the levy each year, assuming that we can sort out the legal conundrums that seem to be going around this levy. The increase in the levy is simply being used to help plug a \$50 million hole in the Department of Environment and Conservation budget; therefore, we are going backwards there, rather than forwards, plus we are tying it into a revenue-raising approach that has already struck significant problems, not the least of which is the lack of support from the Western Australian Local Government Association and local governments.

However, probably the worst area is in energy and sustainability. On balance the budget misses an enormous opportunity to deliver a sustainable stimulus package in the form of a renewable energy revolution for Western Australia. Basically, this budget delivers a 99 per cent contribution to the dirty fossil fuel industry and about a one per cent contribution to any shift towards truly renewable energy sources. Of the funding allocated to Verve Energy for a new energy-generation capacity, less than one per cent—that is, \$3.5 million—will be spent on renewables and 99 per cent on polluting fossil fuel energy generation that will contribute to greenhouse emissions and dangerous climate change. Back to the 1950s! Although the federal budget has increased funding available for renewable energy, this will have to be matched by state government contributions. However, in Western Australia there is no money left in the pot to match the federal budget; therefore, we will probably miss out there as well.

Significantly, the decision to totally scrap the liquefied petroleum gas rebate for gas conversion on family cars is a hugely retrograde step. We know that LPG is an important transition fuel for the transport sector. It makes no sense to scrap this LPG conversion subsidy, which was helping families reduce pollution and transport costs as petrol prices were rising. It was not even a particularly huge amount of money.

Other programs to combat river pollution that have been scrapped in this budget include the sewerage infill program and the fertiliser action plan. Whatever the minister is saying about revisiting the issue of fertiliser pollution, we read it as the initiative—a good initiative from the previous government—having been scrapped. The state has a major problem with nutrient pollution entering our waterways, including the Swan River, and one of the sources of that pollution is domestic septic tanks. The infill sewerage program was an important part of the solution that has been discontinued in this budget after only half the job has been done. As other members have said in their contributions, it is not just a lose situation for eutrophication of the waterways, but also a health issue. It is very short-sighted, to say the least, to discontinue this program when it is only halfway through achieving the target to take households off domestic septic systems and onto mainline sewerage. Similarly, there appears to be no funding at all in this budget for the fertiliser action plan, which would force fertiliser manufacturers to phase out river-polluting fertilisers and provide alternative products for use in sensitive areas. This is the single most cost-effective and important action that can be taken to save the Swan River. However, it appears to have been totally overlooked in this budget.

The road budget also has a significant environmental impact, as the budget has an increased emphasis on road building. I have mentioned the issues associated with the roads that would go through Fitzgerald National Park and the Beeliar wetlands. The budget also confirms that the government will meet its election commitment of a new rail link to the Perth hills. Western Australia was the only state not to apply for commonwealth government funding for public transport. This is a huge loss that will make Perth even less sustainable.

In the few minutes I have left to conclude my speech, I point out again that this budget is a missed opportunity to use the stimulus investment that has been invested in large infrastructure projects such as Oakajee, the Ord River and the Kimberley liquefied natural gas plant. Significant amounts of money are needed for those three

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infrastructure projects. The dollars that are going into building more prison beds could have been used to invest in genuinely sustainable options for the state. This budget is so much like a budget that would have come out in the 1970s when Sir Charles Court was around that it almost took my breath away. It has exactly the same sort of formula. We should not ignore the fact that the world has shifted in the 30 years since then. Things such as climate change are real and a dollar price on carbon will happen whether we like it or not. If we do not position this state to deal with that, be ready for that and be at the forefront of that, we are seriously not only not being part of the solution but we are also wasting the opportunity to invest for future generations of Western Australians. We know that the state's carbon dioxide emissions are on track to increase almost 90 per cent in the next few years over 1990 levels. Western Australia is one of the worst places in the world for accelerating our contribution to greenhouse gas emissions. We already have the highest per capita output of carbon dioxide emissions. By restarting the dirty coal industry in the south west and investing in areas that produce more carbon dioxide than reduce it, we have a 1970s approach to what is the twenty-first century. We need investment in renewables, we need investment in sustainable solutions and we need investment in public transport, not more roads. We need to make the city genuinely liveable with outcomes that not only provide more healthy living environments and better physical activity, but also are low carbon producing, moving to zero carbon producing. Nothing in this budget is heading in that direction.

I will just pan back to the big picture and look at the huge fault lines running through the financial systems and the economic models globally. Here in Western Australia it is business as usual; everything is going to be just as it has always been—"Don't you worry, we're just going to keep on churning out more of the same." I say that we have missed an enormous opportunity in this budget to be forward looking by looking at providing truly sustainable long-term jobs and a truly sustainable environment, and by ensuring that our social systems support all members of our community, not just those who manage to make lots of money in the mining industry. That is what we are doing wrong in this state. That is what we need to put money into. We cannot ignore the chunk of the community that is losing out in this kind of funding formula, because it fills the jails. What do we do then? We build more jails. That is where we are heading.

HON WENDY DUNCAN (Mining and Pastoral — Parliamentary Secretary) [3.10 pm]: I take the opportunity to congratulate Hon Barry House on his election as President of the house. I am sure that he will provide many years of wise leadership and I look forward to working with him. I also congratulate Hon Matt Benson-Lidholm on his election as Chairman of Committees.

Firstly, I acknowledge congratulations from both sides of the house on the election result for the National Party. It was certainly no stroke of luck that we found ourselves in government. Personally, I do not believe in luck; it is always a combination of opportunity and planning. Under the leadership of Brendon Grylls, the National Party went to the last election with the pundits predicting that we would be decimated and reduced to a party of one. However, we had a vision for regional Western Australia and we put it to the people to make their judgement. They judged the Nationals on the basis of the royalties for regions policy and the proposition that the only way that the regions could have a voice in Parliament under the one vote, one value regime was for the National Party to hold the balance of power. The royalties for regions policy came from the people of regional Western Australia. The Nationals team travelled the length and breadth of regional Western Australia and constantly heard about the wilful neglect and consistent underfunding of regional communities. This was taking place against a backdrop of unprecedented wealth being generated by the state's resource industries.

Our state encompasses one-third of Australia's land mass. The 500 000 people living in the regions represent only 2.7 per cent of Australia's population, and only 27 per cent of the state's population, yet the regions of Western Australia generate 82 per cent of the value of Western Australia's exports, and 22 per cent of the nation's export revenue. Regional Western Australians had had enough of working so hard to contribute to the state's wealth only to be ignored when it came to distributing the profits. That is how the royalties for regions policy was born; it was a promise to return the equivalent of 25 per cent of royalties to regional projects, infrastructure and community services. The state election result clearly showed a mandate for this policy, and subsequent polling in the media indicated that around 80 per cent of Western Australians, including city dwellers, supported this policy. I must say that I am immensely proud to have been part of the team that delivered this policy to Western Australia, and I recommend that it be implemented Australia-wide.

I am also immensely proud of our new National Party members in this house and I congratulate them on their inaugural speeches. In fact, I congratulate all new members on their inaugural speeches; it has been a very interesting time, as Mr President noted earlier. The speeches of the new National Party members really meld together to give members a picture of where the party is now. They are people with a broad view of the role of Parliament and government in enacting law for the good of all Western Australians. They are people with social consciences, concern for the environment and a broad range of backgrounds and interests. Although many of us come from the land, our career paths have taken us to all walks of life—marketing, advertising, merchant

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banking, community development and facilitation and small business; a microcosm of the community in regional Western Australia.

Gone are the days when the National Party was the farmer's party; we are now a broad-based political party representing the needs of the whole spectrum of Western Australians who choose to live, work and invest in regional Western Australia. The royalties for regions program now forms the basis of the government's regional development policy, which will lay down future directions for all regional Western Australians. The amount to be contributed to the royalties for regions program is projected at \$644 million for 2009-10. This equates to approximately four per cent of the state's total budget. The amount for royalties for regions was reduced in the budget by \$25 million per annum to support the government in achieving its financial targets.

When one sees and hears all the media debate about royalties for regions, one would think the National Party was grabbing half the budget; in fact, the total annual amount of royalties for regions funding is little different from the annual subsidy provided without question or debate to the metropolitan public transport system, not taking into account free parking at train stations. For the first time, a substantial amount of the state's royalties will be invested into the future of regional communities. It aims to put royalties back into the regions and make sure that the benefits will be shared by all people living in regional Western Australia. The royalties for regions policy provides a framework to support and maintain strong, vibrant regions through improved infrastructure and headworks, across-government strategic, regional and community service projects, building capacity in regional communities, and the provision of contestable grant funding. It will also assist in attracting additional investment and funding from other sources into our state.

An example of this is the announcement of funding of \$180 million in 2009-10 to construct an additional 400 government employee homes in regional areas, which will generate jobs, stimulate investment and improve amenities in regional communities. A total of \$609.7 million has been committed to regional housing over the period through to 2012-13. The \$220 million committed to Ord stage 2 will more than double the irrigated area and advance agriculture in this state so that we can better capitalise on the opportunities presented by the global demand for quality food and other agricultural produce, once again generating jobs, stimulating investment, improving amenities in regional communities and providing unique opportunities for Indigenous engagement and advancement.

Critical decisions affecting service delivery and infrastructure in the regions have tended to be made in Perth, where there was not necessarily a thorough understanding of local issues. Royalties for regions is designed to bring balance to this situation. It explicitly establishes processes for local priority setting and decision making. That is why proportions of royalties for regions funds are allocated directly to local governments and regional development commissions to make decisions about where the expenditure should occur. Concern has been expressed that mistakes will be made in deciding on the most efficient allocation of these resources if it is made at the local level. This may well be the case in some instances, but none will be as serious as the mistakes made when expenditure allocation for regional projects was predominantly made from the metropolitan area. We need only to consider the tragic death of Mr Ward whilst being transported from Laverton to Kalgoorlie in a substandard prison van. The decision not to replace that fleet of totally inadequate vehicles was made in Perth. We can consider the decision to not adjust the funding for the Royal Flying Doctor Service to take into account the amount of government inter-hospital work it was being asked to undertake. That decision, made by the former Minister for Health, Hon Jim McGinty, brought a great deal of suffering and grief to regional families before the shortfall was rectified. Decisions made in Perth by the same gentleman saw the WA Country Health Service deteriorate to the point of being "blatantly bloody unsafe"—a description given by Christine O'Farrell, its retiring chief executive officer. The decision made in Perth to not upgrade government employee housing in a timely and systematic manner meant that government agencies were finding it more and more difficult to provide adequate staffing levels in the regions. I can assure members that the Department of Local Government and Regional Development has undertaken a detailed risk-management analysis in the delivery of royalties for regions, and there will be a very strong focus on governance in the new department of regional development and lands, which will come into being on 1 July.

In the short time since the Liberal-National alliance took over government in this state, the people of the regions of Western Australia have seen a dramatic improvement in the government's response to their needs. There is a now a new Royal Flying Doctor Service plane based in Port Hedland, which is one of three planes that will boost the RFDS fleet in Western Australia to 14 planes, thanks to support from the royalties for regions program. An additional \$9.16 million has been allocated to support the RFDS in 2009-10 as part of a total \$29.9 million funding injection from the royalties for regions program over the five years to 2012-13. This is part of a wider government commitment to replace five of the RFDS's ageing aircraft and buy new planes.

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The royalties for regions program is distributing benefits to regional communities through three supporting funds—namely, the country local government fund, the regional community services fund and the regional infrastructure and headworks fund. Projects will be based on local priorities identified in regional strategic plans. An amount of \$100 million has been allocated to support the country local government fund in 2009-10. The country local government fund will support local governments in the nine regions defined by the Regional Development Commissions Act. A total of \$500 million is being distributed in allocations of \$100 million a year to country local governments and regional groupings of councils out to 2012-13. The funds will be directed towards improving the financial sustainability of regional local governments through providing funds to address infrastructure requirements, improve asset management and to support capacity building. Local governments that receive funding will be required to meet reporting requirements. The fund will be managed in conjunction with other funding programs, and local governments will be encouraged to consider the potential for leveraging funds from other sources. There has been some debate in the other house relating to the allocation of the country local government fund and accusations that it favours one region over another. I take this opportunity to show members a chart that indicates that the allocation of funds very closely matches the relative amounts provided to local governments by the Labor federal government in this financial year under its local government infrastructure fund. Members can see from the graph I am holding that state and federal government funding to local governments closely match each other. If the Department of Local Government and Regional Development got the formula wrong, then so did the federal government.

Hon Helen Morton: Which colour is which?

Hon WENDY DUNCAN: Red is the federal government and blue is the state government. I seek leave to table the document.

Leave granted. [See paper 913.]

Hon WENDY DUNCAN: I turn to the regional community services fund, one of the key items of which is the Country Age Pension Fuel Card. An amount of \$12.5 million has been allocated in 2009-10 as part of an \$80 million commitment to the Country Age Pension Fuel Card, which provides age pensioners in country Western Australia with \$500 worth of fuel and taxi travel a year to help cover the cost of their travel. Up to 40 000 age pensioners will benefit from this fuel card. The Country Age Pension Fuel Card was a National Party election promise to match the promise made by both major political parties for free public transport for pensioners in the metropolitan area. The fuel card has been highly welcomed by country age pensioners and by last week nearly 20 000 cards had been issued. I was in the office at lunchtime and I noticed a thank you card in the mail that in quite spidery handwriting said: Dear Mr Grylls, thank you for my fuel card. A little old lady in Beverley had actually gone out and bought a thank you card and sent it to Hon Brendon Grylls. Apart from the support for the Royal Flying Doctor Service, which has already been mentioned, other major initiatives under the regional community services fund include an additional \$8.686 million allocated to support PATS—for the benefit of new members, that is the patient assisted travel scheme—in 2009-10. In the years out to 2012-13, an additional amount of \$35.9 million will go towards PATS.

Hon Alyssa Hayden: A great program.

Hon WENDY DUNCAN: It certainly is, but for a country member of Parliament it rated nearly top of the list for constituent complaints before this election commitment. It was problematic in its implementation, red tape and poor recovery of expenses for country patients. Now, country patients are no longer required to make any upfront payment towards their travel, and will receive an increase in the level of accommodation subsidies provided. All eligible country residents travelling more than 100 kilometres to access specialist medical treatment will still receive a subsidy regardless of financial circumstances. Cancer patients will have to travel only four hours rather than 16 to be eligible for air travel subsidies to access radiotherapy and chemotherapy services, and cancer patients will be eligible for accommodation subsidy for recovery on the night following treatment. Health professionals other than solely general practitioners will be able to authorise applications and paperwork, simplifying the application and reimbursement process. This is great news for people in the country who are forced to leave their families and support bases to receive essential medical treatment. Other key projects under the regional community services fund are the very welcome increase in the boarding away from home allowance, and \$54 million towards the expansion and development of the community resource centre network throughout regional Western Australia.

Of course, with our whole policy based on the use of royalties from mineral and petroleum production, it makes sense to look after the goose that is producing the golden egg for us. The resources industries are very important to the Nationals and to the state government, and many of the projects under royalties for regions are focused on making life more attractive for those who live, work and invest in the mineral rich parts of our state. The Pilbara

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revitalisation plan is a \$300 million commitment over four years to provide significant stimulus in that vital and strategic region. The focus will be on town centre enhancement, cultural amenities, upgrading housing, health and education facilities, and cyclone-proofing power supplies in Pilbara coastal towns by placing overhead cables underground. Funds will also be allocated to a feasibility study into using the product from mine dewatering to develop alternative industries like horticulture and tree cropping.

A report by Synergies Economic Consulting last month noted the resource life duration for various commodities in Australia, based on current known reserves. For gold, it is 25 years, based on current rates of production; for zinc and lead it is 30 and 35 years respectively; and for diamonds, about 10 years. We need significant discoveries to maintain production at the current levels beyond the next 25 years, and the Nationals have a vested interest in this, if we are to see the royalties for regions policy continue into the future. That is why the Nationals adopted the exploration incentive scheme as a key plank backing its royalties for regions policy in the last election, and took the policy to the negotiating table on the formation of government. The exploration incentive scheme is a five-year \$80 million program funded out of the royalties for regions regional infrastructure and headworks funds. The objective of the exploration incentive scheme is to encourage exploration in Western Australia, particularly in greenfields areas and frontier petroleum basins, and maintain the levels needed for the long-term sustainability of the state's resources sector. The investment in the exploration incentive scheme will significantly increase the knowledge of the state's geology and resources and raise employment opportunities at a time when the stimulus is very welcome. The response to the exploration incentive scheme has been enthusiastic and strong. In fact, the only complaint that I have received so far is that a foreign-owned drilling company is pictured on the brochures. The co-funded exploration drilling program has received 168 applications for co-funding from the \$3 million available for the 2009-10 program. The total value of drilling proposed in those applications is \$15.3 million, and according to the Hon Norman Moore, the minister, they amount to 800 000 metres of drilling, that is, 800 kilometres—almost through to China, I would have thought! The Nationals are strong supporters of the mining and resources industry. We are pro development. We want to see projects improved in a timely and efficient manner. We commend the government on its commitment to reduce red, green and black tape on the approvals process. If the representations I am receiving from mining companies at the moment are anything to go by, we still have a lot of work to do to achieve this goal.

The exploration incentive scheme is part of the infrastructure and headworks fund. Other major projects that have caused a great deal of optimism and hope under this fund are the \$220 million Ord-East Kimberley expansion project, which I have already touched upon, and \$76.3 million for the Albany and Kalgoorlie hospitals, as well as a contribution to the regional airport development scheme. A total of \$22 million has been committed until 2012-13 to RADS, with \$5.5 million allocated in the forthcoming financial year. There is no doubt that regional airports and airline services are the lifeblood of our vast state. I can assure members that the one-and-a-half-hour flight from Esperance to Perth for me on Skywest is far preferable to the eight-hour drive that I have done on many occasions.

Of great interest to the people of Western Australia is the funding under the regional grants scheme. An amount of \$63 million is allocated in 2009-10 to the regional grants scheme, which will be administered by the nine regional development commissions. Assistance will be targeted towards regional infrastructure and service delivery through publicly advertised rounds of contestable funding. This will assist in attracting investment, increasing jobs and helping to improve the quality of life for people living in the regions. The first round of successful applicants under this scheme will be made public next week.

The interest in this funding has been enormous, with community organisations, local governments and regional businesses putting forward some amazing projects. Many of these have been in the bottom drawer gathering dust because the proponents rightfully surmised that they would never see the light of day under previous governments. There were 836 applications worth \$179 million for the first round of \$40 million. This is a very real measure of the pent-up demand for funding of community projects in regional Western Australia. There is a further \$63 million in the budget under this scheme in 2009-10 and then \$90 million each year in the out years. The leverage gained by the regional grants scheme is well illustrated by the fact that \$179 million in applications in the first round was for projects with a total value of \$688 million.

In recent weeks we have heard calls from various sectors of the community—and from honourable members in this house—that royalties for regions funding should be directed to perceived holes in the budget. We have been asked to fund the Pinjar to Geraldton power line, the grain rail network, the backlog in regional road maintenance, and the upgrades of courthouses and police stations in regional Western Australia. While we acknowledge that these projects need funding, royalties for regions was always for projects and community infrastructure over and above those which one would normally expect the state government to fund. If we were tempted to acquiesce to these calls, then the royalties for regions fund would be gone in a flash. I reiterate that

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the royalties for regions fund is only about four per cent of the state budget. It is not the fundamental cause of the deferral and reduction of expenditure in certain areas. As was mentioned by my colleague Hon Phil Gardiner yesterday, the budget was framed in very difficult economic circumstances and there are inevitable deferrals and redirections of funding not only to suit the current economic times but also to reflect the priorities of the new government. Royalties for regions is not immune to these budgetary constraints. As I mentioned before, this budget includes \$25 million in savings contributions per annum. That is \$100 million over four years to support the achievement of the government's financial targets.

There are inevitable disappointments in the budget. I was very disappointed to see that the upgrade of the Esperance residential college had been deferred yet again, even though that facility was built to house 80-odd students and is currently providing accommodation for 100 students who attend the Esperance Senior High School. I will continue to work for the people of the goldfields and south east region to ensure that student accommodation of a high standard is available for those kids who have to leave home to further their education. I agree with Hon Mia Davies who, in her remarks to the house earlier, cited education as the great leveller—the key means for people to better themselves, serve their communities and improve their circumstances. For regional students, accommodation is a critical factor in facilitating this access to education. The problem relates not only to students wanting to access accommodation to attend secondary school—the shift of year 7s into high school will make this even worse—but also to tertiary students wishing to study in places such as the WA School of Mines in Kalgoorlie. I believe the government must pay urgent attention to the needs of regional and remote students for affordable, safe and quality accommodation close to their places of learning.

I would like to touch on a couple of other matters in concluding my remarks. As does Hon Alison Xamon, I look forward to fixed-term elections. The farce we just experienced with our members-elect waiting in the wings for nine months, severely restricted in the employment they could undertake while doing so, must not occur again. I add also that, while on the job, we should legislate to prohibit the handing out of election material at polling booths. This practice on election day in Australia is confronting to voters and a huge burden on political parties when people have better things to do on their Saturday than stand in the hot sun handing out voting material. Not only is it a total waste of resources, both human and material, but it is also incredibly expensive and discriminates against small, less wealthy political parties. The trend these days is for people to vote early to avoid the melee on election day. For the life of me, I cannot understand why we cannot vote electronically. If they can do it in India, surely we should be able to do it in Australia. This would prevent people in remote areas being disenfranchised when an election is called unexpectedly and has a short lead time. Thousands of voters were denied the opportunity to vote in the last election, not only the residents of Eucla and remote minesites, but also those travelling interstate and overseas. Surely we can do better than that.

In the short 10 months since the election, the magnitude of work that has emanated from the office of Hon Brendon Grylls and his small band of workers within the Department of Local Government and Regional Development has been nothing short of mind-blowing. I congratulate him and his team for the number of election promises he has been able to implement in that short time. It has taken real dedication and commitment to the task, and it has not been without challenges and distractions along the way, such as the premature inquiry into royalties for regions and the avalanche of freedom of information requests and questions designed to do nothing more than clog the system. I look forward to the continuing roll-out of royalties for regions that has underpinned a new optimism, enthusiasm and confidence in the future for those who live, work and invest in regional Western Australia.

HON KEN TRAVERS (North Metropolitan) [3.38 pm]: I always find it interesting when governments complain about oppositions holding them to account. As we debate the Appropriation (Consolidated Account) Recurrent 2009-10 Bill 2009 and the Appropriation (Consolidated Account) Capital 2009-10 Bill 2009 before passing them, it is worth reflecting on the fact that the debate we need to have to day is not so much about what is in the budget papers that were presented to this Parliament but what is not in them. Over the past couple of days members on this side of the house have very clearly pointed out that there are a range of figures and expenditures that are not included in the budget.

I accept that this budget was cast in difficult times, but that is even more reason for a degree of caution and for a greater degree of accuracy than ever before so that we truly understand the state Western Australia's finances are in at that snapshot in time the Leader of the House referred to yesterday. In being asked to agree to the passing of the appropriation bills and the Loan Bill, we are being asked, in terms of this budget, to take a gamble and to trust the emperor in his gamble with the state's finances. I accept that framing a budget is about determining priorities, that that will always be a question for governments, and that new governments will have different priorities to old governments. However, when a government puts a new set of priorities in place, it needs to be prepared to strip away the old priorities. The Leader of the House said that that was the job of the opposition. It is not our job. Stripping away priorities is the job of the government. It has made new commitments, so it has to

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identify the areas it intends to strip away to fund the new priorities. This government has not done that! Governments will always face challenges in choosing what they do first. The other day the government chose to fund Roe Highway stage 8 and to defer funding the Leach Highway extension that will connect that highway to Stirling Highway in Fremantle. That is the government's choice. I would have thought that in prioritising, the government would have gone with the place that is most congested first, but the government has made its decision and it will be our job as the opposition to get on and challenge that decision.

The fact is that I do not know that I can recall a time when we were faced with the need to pass an appropriation bill in these circumstances. We all know, even before passing the bill, that the government will need to draw down the automatic three per cent that is allowable to it for the next year's finances under a Treasurer's advance authorisation. I cannot recall a time that that has ever occurred in this Parliament. Even though we deal with a snapshot in time, the government did not put all the facts and figures—figures that should have been known and that I suspect were known to cabinet if not to all government members—to Treasury when the budget decisions were taken. One can only make the assessment that that was done deliberately to try to create the illusion of a better financial state than is actually the case.

We have seen, and I think it has been demonstrated over the past couple of days by members on this side, the glaring errors contained in this budget; errors that mean we do not actually have a true picture of the state's finances, although we are being asked to pass this legislation. I want to emphasise that this is not an attack on officers of the Treasury but an attack on the government, because it did not provide that information to Treasury officers. I am sure that if the government had provided that information, those officers would have done a diligent job—as they always have. That is why it is important also to recognise the important role that the Under Treasurer and his staff play in the financial management of the state. They are public servants, but they almost have a role as officers of the Parliament in ensuring the integrity of the budget process and I think that they have demonstrated integrity time and again.

We have heard the argument about “a moment in time” or “a snapshot in time”, but this is about knowing which of the many well-known issues the government chose to leave out of the process when that snapshot was taken. I will quickly run through those issues so that we are under no illusion as to what they are. There was the Oakajee project. The Premier had been saying that Oakajee was the government's number one project and that he was going to the federal government for money to help fund it. The federal government had the capacity to budget for \$339 million. Let us not forget that at that time we had the Premier out there saying that this project would go ahead regardless of federal funding. Therefore we could have expected the total amount of that project to appear in the budget or at the very least the \$339 million, which was the best guesstimate at the time for that project. We have since found out that the cost may actually be higher than that. Funding for the Esperance port is another. The Minister for Transport received the document that gave the figure of \$38 million well before the cut-off date. Why was that project not included in the budget, given that the minister had the independent consultant's report before the cut-off date? There is a total expenditure involved of \$100 million. We have the 330-kilovolt powerline. The Minister for Energy says that it has not been cancelled; it has just been deferred. Hon Wendy Duncan tells us that we have been calling from this side for the government to build the powerline. What we have been calling for is for the minister to be honest with his answers to the people. If that powerline has not been cancelled, it should be in the budget. If that powerline is going to be replaced by a power station in Geraldton, the government should at the very least have left the original estimated \$250 million powerline cost in the budget because it will need at least that amount to build a power station in Geraldton.

Debate interrupted, pursuant to standing orders.

[Continued on page 5477.]

Sitting suspended from 4.45 pm to 5.00 pm