

ESTIMATES OF REVENUE AND EXPENDITURE

Consideration of Tabled Papers

Resumed from 30 June on the following motion moved by Hon Helen Morton (Parliamentary Secretary) —

That pursuant to standing order 49(1)(c), the Legislative Council take note of tabled papers 2044A–H (budget papers 2010–11) laid upon the table of the house on 20 May 2010.

HON SALLY TALBOT (South West) [11.33 am]: I am speaking today on the budget bill. I will not make a long contribution to this debate. As members know, this is the last day of sitting for this parliamentary session and we have some other business that we need to get through speedily this afternoon. I am happy to keep my comments very brief. I will put on the record a couple of points about what the government has done or not done, more precisely, in its 2010–11 budget.

Before I make those substantive comments, I note that Hon Peter Collier did a fine job in three minutes to give us information about what the government is doing on climate change. I had some comments to make on climate change at the top of my budget speech, but I will not expand too much on those, as I have just spoken in the debate on greenhouse gas emissions. The point about needing leadership on this issue was never better exemplified than by the contribution of Hon Donna Faragher, the Minister for Environment. Effectively, the minister's response to the motion moved by Hon Robin Chapple, which has some real substance to it, was to read out the home pages of the relevant government websites. She could have made a much shorter contribution and covered exactly the same ground by simply giving Hon Robin Chapple the name of three or four website addresses. I am sure that he is quite capable of doing that without any help from the minister. What did we learn from Hon Donna Faragher? Precisely nothing. It is just another example of how the Barnett government treats the issue of climate change with absolute contempt and disinterest.

My substantive comments on the budget relate to what are becoming regular themes in this house because they are the tips of three or four icebergs that indicate that the government is clearly failing the people of Western Australia. The first comment I will make relates to marine parks. I would have thought that the opposition had put the minister and the government absolutely and thoroughly on notice about our interest in these things. The Labor Party and the Greens (WA) have asked a whole series of questions about the government's approach to marine protection and planning. I would have thought that if the government were working in a way that was remotely effective, it would have equipped its ministers with a better set of lines than the ones they are using in this chamber. My series of questions about the plans for the Camden Sound, cape to cape and Dampier archipelago marine parks was nowhere better summarised than the question asked in this place yesterday by Hon Matt Benson-Lidholm. He asked the minister to explain some comments she had made in the estimates hearings about having asked for more information about the proposed cape to cape marine park. Hon Matt Benson-Lidholm simply asked the minister what the additional information was that the minister had asked for. What we got from the minister was a non-answer. Again, it was the most straightforward question. There is nothing tricky about the questions we have been asking; we are simply seeking more information. The minister is showing over and over again either that she is not equipped to answer the questions because she does not understand the questions and the issues that we are raising, or, a more sinister explanation would be that she is simply trying to tread water on these issues in the hope that they will go away. Perhaps she simply has no answers. Perhaps the reality is that the government has effectively shelved the plans for the cape to cape and Dampier archipelago marine parks. I strongly suspect that is the case. If I am wrong, no-one would be happier than I —

Hon Norman Moore: You are wrong. How many years did your government spend going through these processes? They are very extensive processes. You know that.

Hon SALLY TALBOT: Hon Norman Moore is falling right back into that trap. I remind the house that we have only one Minister for Environment.

Hon Norman Moore: No; marine parks are also the interest of the Minister for Fisheries, just as your previous fisheries ministers took an interest in them.

Hon SALLY TALBOT: The Minister for Environment sits in that seat over there. She has had responsibility for that portfolio for more than 18 months and in the blink of an eye it will be two years. She has done precisely nothing.

Hon Norman Moore: It is a very long and complex process.

Hon SALLY TALBOT: If it is a very long and complex process, Hon Norman Moore —

Hon Norman Moore: That is why your government did the Dampier archipelago for about 10 years and never came to a conclusion.

Hon SALLY TALBOT: The Leader of the House has just proved my point about the government's rhetoric on the Camden Sound marine park.

Hon Norman Moore: I beg your pardon?

Hon SALLY TALBOT: The Leader of the House has just proved my point about the government's rhetoric on the Camden Sound marine park. He is hoist on his own petard. He has been too clever by half. It will come back to bite the member in a place where it will hurt. Hon Norman Moore knows as well as I do that the plans for the cape to cape marine park and the Dampier Archipelago marine park are ready to be signed off. His government has scrapped those plans and has put them in the too-hard basket, otherwise known as the bin. It is fast-tracking Camden Sound to try to take a bit of the heat off it because of the mess that it is making of industrial development in the Kimberley. I have suggested before in this house that that is the case. Nobody on the government side has come into this place and said that Hon Sally Talbot is wrong, this is the process we are going through and this is what we are considering. The reason the government has not done that is because I am right and it is wrong. It has been told to do something green in the Kimberley to try to take some of the heat off it because of the mess it is making of negotiating industrial development in the Kimberley. It is prepared to fast-track a development in Camden Sound. I remind the government that expectations are running very, very high. If the government does not come in with an exclusion zone that at least satisfies world's best practice —

Hon Norman Moore: Satisfies who?

Hon SALLY TALBOT: The member knows what world's best practice is when it comes to no-take zones.

Hon Norman Moore: Which area should be a no-take zone?

Hon SALLY TALBOT: This is fascinating. All of a sudden Hon Norman Moore becomes very eloquent on the question of marine park planning but he is only willing to do it by interjection in this place. I invite Hon Norman Moore to take every opportunity that is given to him to stand up and make a full and expansive contribution to the debate about marine parks. Nobody would be happier than me if he was able to do that. That would be a great contribution to this debate. While he is only willing to do it by way of interjection, it is just not good enough because it does not satisfy the very real concerns of me and the many groups out there—the stakeholder groups in the conservation movement and many individuals throughout the length and breadth of this state. They wake up every day to have their concerns reaffirmed by the fact that Hon Norman Moore is willing to contribute to this debate only by way of interjection.

I will summarise the problem that the government has created for itself, in light of the fact that I said that my remarks would be reasonably brief.

Hon Donna Faragher: The font of all knowledge over there!

Hon SALLY TALBOT: I am glad the minister is listening. I am very gratified to see that she has come back into the chamber because she wants to hear what I am going to say. I am happy to contribute in any way and in any form to any debate that will help the government get back on track, having dropped the ball so seriously.

Hon Donna Faragher: What did you do in eight years? Absolutely nothing.

Hon SALLY TALBOT: Now the minister is just copying her leader.

Hon Donna Faragher: I am not; I am just stating a fact.

Hon SALLY TALBOT: He was actually. He has already tried that. I made the point that there is only one Minister for Environment in this state and she sits in this house. She has done nothing about marine parks in 18 months, despite the fact that she has plans on her desk ready to be signed off. She has just put them in the bin and she is sailing on blindly, trying to cover the government's back by producing something green for the Kimberley. It had better be spectacular. The expectations are very high.

Several members interjected.

Hon SALLY TALBOT: Mr Deputy President, if I am allowed to continue, I will move on to another subject.

The DEPUTY PRESIDENT (Hon Max Trenorden): Of course you can. The floor is yours, member.

Hon SALLY TALBOT: I will give government members a chance to calm down and collect themselves so they can focus on the other things that I have to say during the next few minutes.

I want to make a couple of points about the whole budget process. Yesterday my colleague Hon Sue Ellery made some comments, with which I wholeheartedly concur, about the way the budget documents are being presented these days. It is not an insuperable problem for us because we are happy to use the estimates process to get more information. That is what I did in this place a few weeks ago. I did not get a chance to ask the question during the estimates hearing. By way of seeking supplementary information, I put a question on notice about the royalties for regions funding that has been made available to DEC. If anybody wants to follow this, it relates to

page 824 of the budget documents. It shows that DEC is taking \$20 million from the royalties for regions fund over the next four years—\$5 million a year—to pay for conservation parks, infrastructure and roads. I asked a series of questions about that funding. I asked how this money was allocated to DEC. My question was: did the people who control the purse strings for royalties for regions toddle over to DEC, put a bag of money on the director general's desk and say, "Mr McNamara, we have \$20 million here. Let us know what you want to do with it." Was it part of a process? I do not know how this government's budget processes work. In our day we would have had an expenditure review committee, to which ministers make submissions. I assume the government has something similar. Did the minister go in, perhaps with the director general, and say, "We have this conservation, parks, infrastructure and roads program and we could really do with some extra money; can we have it from royalties for regions?" I asked a series of questions around that. Again, I make the point that none of these questions was a trick question.

I know the minister gets upset when I lodge FOI requests with her office because she finds it hard to gather the resources to respond to some of those questions. I thought we will do this absolutely above board. We will ask a question and see what answer we get. I also wanted to know whether the projects that the minister earmarked for receipt of \$20 million were devised over and above the ongoing programs in that section of the budget allocations or whether the government was going to use that money to fund projects that it already had plans for. They were not trick questions. They were not hard questions. The answer I got back was absolutely jaw-droppingly staggering. The minister's office said it would not give me the information because any applications for funding are confidential.

Hon Donna Faragher: Surprisingly enough, we don't actually tell you what happens in cabinet or through a budget process.

Hon SALLY TALBOT: Was I asking —

Hon Donna Faragher: That is exactly what you were asking.

Hon SALLY TALBOT: What in that question made the minister think that I was asking for information about a cabinet process?

Hon Donna Faragher: That is exactly what you were asking.

Hon SALLY TALBOT: Let us go over the question again. I asked: in reference to the funding details on page 824 of the budget papers showing that DEC will be taking \$20 million from the royalties for regions fund to pay for the conservation, parks, infrastructure and roads program, how was this money allocated to DEC? Was it allocated specifically to this program? Did DEC make any submissions to any other government departments in relation to the funding? The answer I got back was: any applications for funding are confidential. Perhaps I should try again. Perhaps I should resubmit the question, saying, "Please note that I am not asking questions about cabinet deliberations." If we have come to this stage, the government is asking us to do a bit more than hold its hand to walk it through this process.

I can see that the way the minister has answered this question is of concern, even to her own colleagues. It will be evident why an answer like that is of such grave concern to this house. This government has talked about open and transparent government. When I ask a question about how certain decisions were made about very substantial amounts of money to very significant projects, a major strand of the work that is undertaken by the Department of Environment and Conservation, I get an answer back saying that any applications for funding are confidential. That is an appalling state of affairs to find ourselves in. Hon Sue Ellery already made the point that the government has done a very effective job of obfuscating some crucial details that used to be available as line items in budget documents. They have now been taken out; they have been removed.

The opposition is happy to keep digging to get answers to these questions, but the answers given are that some sort of confidentiality is being claimed, or that the minister—as she has just indicated—does not understand the difference between a straightforward question asked in the context of an estimates process on the budget documents and a question about the content of cabinet deliberations. It is just a joke! I have remarked before that we are dealing with third-rate policies coming out of a third-rate government that are being administered by a third-rate minister. I think I might have overstated the case!

Hon Robyn McSweeney: I think she's a first-class minister.

Hon Donna Faragher: If I'm third rate, you're fifth rate!

Hon SALLY TALBOT: I am not actually terribly interested in what Hon Robyn McSweeney thinks is a first-rate minister. I am sorry to tell Hon Robyn McSweeney that the bar has been set pretty low this week, so good-o!

Hon Donna Faragher: You're fifth rate! If you were so good, why didn't you become a minister?

Hon SALLY TALBOT: I hope that Hon Donna Faragher will leave the chamber today and put a line into her curriculum vitae that states that Hon Robyn McSweeney thinks she is a first-rate minister! Well good-o!

Hon Robyn McSweeney: Yes, she works really, really hard! I'm very proud of my colleague—she works really, really hard!

Hon SALLY TALBOT: I would not put Hon Robyn McSweeney anywhere near my CV, I can tell members that! I will wind up my remarks now so that other members can make their contributions to this debate.

Hon Robyn McSweeney: I actually think it was really, really rude of you to say that!

Hon SALLY TALBOT: I will finish on the topic of the Swan River, which is the other iceberg that pokes itself up into public consciousness very regularly these days since the Liberal and National Parties have been driving the government in this state, and it is related to the budget process. This really picks up on a point I made in the previous debate.

Hon Robyn McSweeney: Why should we listen when you're being so rude?

Hon SALLY TALBOT: I do not really expect honourable members opposite to listen—it actually does not worry me.

Hon Robyn McSweeney: I listen to people when they're not rude!

Hon SALLY TALBOT: I am actually not interested in talking to them, if the truth be known. I am much more interested in talking to stakeholders and members of the community up there who speak with a helluva lot more knowledge, authority and passion about and understanding of the environment than anyone I have ever heard on that side of the house in this place.

Hon Robyn McSweeney: They'd be disgusted at the way you're speaking to us.

Hon SALLY TALBOT: I wish to continue the remarks I made in response to Hon Robin Chapple's motion about some of the great work that local government is doing around climate change. I will conclude by drawing honourable members' attention to a group that has been set up by the Western Australian Local Government Association—namely, the Swan Canning Rivers Local Government Policy Forum—and chaired by the Mayor of South Perth, James Best. I look forward to having some close contact with that policy forum over the next few years. I think it is an excellent forum to have established, and it picks up on one of the points that I have come to understand as former Parliamentary Secretary to the Minister for the Environment and the current shadow Minister for Environment, which is the enormous disconnect between the substantial amounts of money spent on the Swan–Canning catchment areas and rivers. Significant amounts of money are spent by state government departments and equally significant amounts of money are spent by local councils. It is becoming increasingly apparent to me that there is an enormous disconnect between how these two substantial buckets of money are spent. I think that if this group being chaired by the Mayor of South Perth can go some way to even beginning to put that problem on the agenda, then that will indeed play a very significant part in making substantial improvements to the way that we manage our river system. On that point, I conclude my remarks on the budget.

HON ADELE FARINA (South West) [11.54 am]: The 2010–11 state budget presents a set of contradictions that are very difficult to reconcile. The second Barnett budget delivered another massive blow to Western Australian families in increased household costs, on top of the massive increase in household costs delivered in the last budget. The bad news does not end there—more increases in household costs have been projected in the forward estimates.

Since the election of the Barnett government, most Western Australians have experienced a marked decline in their living standards. More and more families have been suffering financial stress; more and more families have been pushed to the brink; and more and more families have had to turn to welfare services for assistance. This is especially so in the South West region, with welfare agencies really struggling to meet the increasing demand. The growing number of homeless people in our community and families in financial crisis is beyond imagination. This should not be happening in the lucky country, and it certainly should not be happening in the state that is the economic powerhouse of our nation.

The government has managed to deliver a surplus budget, as the Premier said he would, but it has done so on the backs of struggling working families. The Barnett government is doing nothing to protect the living standards of Western Australians, and it continues its massive assault on living standards with increases in household costs. What is most obscene about how this government is slugging Western Australians is that the government did not need to hit Western Australians with another round of massive increases in household costs. The budget clearly shows that revenue has not collapsed; in fact, in the 2010–11 budget year royalty income will increase by more than \$1 billion, with a further \$350 million in royalties to be generated through the recently renegotiated royalty payment contracts. Also this budget will bring increased income from stamp duties and projected increased goods and services tax revenue to the state. There is simply no justification for the Barnett government hitting households with further massive increases in household costs, yet it has done so anyway.

In addition, the budget papers show that over the next four years, \$400 million will go into the government coffers from increased dividends from utilities entities such as Water Corporation and Synergy. To meet the government's demand for increased dividends, the utilities companies are hitting Western Australians with increased water and electricity bills, which clearly illustrates that the increase in water and electricity prices is not a case of cost-reflective tariffs, as the government would have us believe. The truth is that the increase in household costs is because the Barnett government has failed to rein in its spending and shows no sign of doing so any time soon.

If this news is not bad enough, we have a longer term economic problem looming very large—that is, the net debt level. When the Barnett government was elected it inherited a net debt level of less than \$4 billion. At the end of one term in government—based on the forward estimates—the Barnett government will have lumbered the state with a projected net debt of a massive \$20 billion. By 2013–14 that will be a massive cost of \$8 200 for every Western Australian to meet the interest repayments on this debt. With a lot of promised projects not yet in the budget and forward estimates, these projects—when they are eventually added to the budget—will blow out that debt even further, which will mean greater than projected interest repayments in future years. The government's failure to accurately and fully account for priority or promised projects in the forward estimates makes this a dishonest budget and a cause for grave concern.

Based on the *Budget Statements*, the Barnett government does not have a plan to repay the projected net debt of in excess of \$20 billion, which is unsustainable. The projected debt level and interest payments will cripple the state and future generations; it is reckless and irresponsible. A good government that is interested in delivering better living standards for all Western Australians would have sought to remove or reduce the financial stress faced by so many Western Australians; it would not have hit Western Australians with massive price increases for water and electricity.

The budget does nothing to address housing concerns. I heard some housing concerns raised again on the radio this morning. On the current settings, increasing numbers of Western Australians will never realise the dream of owning their own homes. Many will lose the struggle to make mortgage repayments and will lose their homes. This, in turn, places pressure on the rental market. Insufficient rental properties will see rentals further increase. The budget delivers nothing to address this problem. This will place strain on government service agencies and the community generally. This problem will manifest itself in ways that will add further pressure on future budgets and the community generally.

The budget also fails to continue Labor's investment in public transport. Liberal governments have never invested in public transport, in particular passenger rail transport, and this government is no different despite promises to the contrary during the last state election. An extensive and accessible transport system is critical for the sustainable growth of a city and a state. In this state our public transport system is lagging behind demand. Due to a lack of investment in public transport over the past 100 years in this state, particularly during the years of Liberal governments, we are constantly playing catch-up. The state cannot afford to fall behind in the provision of public transport. This budget delivers nothing for investment in public transport; in particular passenger rail. Although not at all surprising, this head-in-the-sand attitude of Liberal governments to public transport is to the detriment of the advancement of this state. It is clear that Labor's vision of a passenger fast train from Perth to Bunbury will never be realised under a Liberal government. However, I welcome the minister's efforts to keep open the Koombana North option to get passenger rail into the Bunbury CBD, even if the minister has no short to middle-term commitment to deliver a fast train to Bunbury.

The Barnett government's second budget is, like its first, neither honest nor sustainable. Time does not permit me to make any detailed comments on the impact of the budget on the South West region, so I will restrict myself to a few key issues. The Barnett government's second budget fails to deliver to the South West region. There is nothing new in the budget for the South West region. All South West projects funded in the budget have been previously announced. The budget provides no new infrastructure projects for the South West region. In fact the Barnett government owes great thanks to the federal government. The substantial stimulus funding provided by the federal government to the South West, in particular the massive investment in our schools, has largely masked the lack of funding provided by the state to the South West. The federal Labor government has also made a significant investment in social housing in the South West by providing funds for Bunbury Regional Hospital's emergency department expansion and the intensive care unit, the port access road stage 2 and the Bunbury outer ring road stage 1. I do, however, acknowledge the benefits to the region delivered by the regional grants scheme administered by the South West Development Commission for small infrastructure and community projects, and the provision of services and community events. This funding makes a significant difference to South West communities at a small project level. I note that a number of worthy projects were not successful in the last round, such as the establishment of a community midwifery program and birthing centre in the South West—projects that I have been a strong proponent of—and the replacement of King Cottage's shingle

roof, to name just two; however, I am especially pleased that Bunbury's Dolphin Discovery Centre application was successful.

The South West region makes a significant contribution to the state's economy and has experienced sustained, high population growth rates for a number of years. This is projected to continue into the future. Gross regional product for the South West has increased by 81 per cent over the past five years and climbed to \$11.3 billion for the 2008–09 financial year. Economic productivity per capita is over \$71 000 and exceeds the national average by over \$16 000. The population in the South West is expected to grow by 23 000 by 2021. In my view that is a conservative estimate. The population growth rate will require an estimated 10 000 jobs to maintain economic and social strength and stability. Maintaining the South West's positive productivity trends and delivering on the estimated 10 000 jobs required in the South West region over the next 10 years is not without challenge; a challenge, based on the state budget, that appears to have been ignored by the Barnett government.

The promise that the royalties for regions funding program would deliver much-needed critical infrastructure to the regions has not eventuated in the South West region. Business and community leaders in the South West are disappointed that the budget did not deliver on that promise despite a coordinated and joint submission to government on critical infrastructure projects needed in the South West. After the disappointment of the first Barnett state budget, greater Bunbury region business and community leaders met with Hon Brendon Grylls to express concerns that the South West was not getting its share of royalties for regions funding, despite the fact the South West contributes to the state's royalties income. Hon Brendon Grylls advised that if the community and business sectors spoke with one voice on what infrastructure projects were needed, it would be very difficult for government to ignore them. Community and business leaders took Hon Brendon Grylls at his word. The South West Development Commission, the Bunbury Wellington Economic Alliance, the Bunbury Port Authority, the Chamber of Minerals and Energy of Western Australia, the Bunbury Chamber of Commerce and Industry and local governments in the area all got together and identified eight critical road and rail infrastructure projects that need urgent government funding to support current and projected resource and industry projects in the South West.

Transport infrastructure in the Bunbury–Wellington area is operating at capacity. Without a significant upgrade to transport infrastructure, significant project investments will be lost and expansion plans of existing operations will be constrained. A number of new resource and industry projects and project expansions are in the pipeline in the South West that are at risk if the transport infrastructure problems are not addressed within a critical five-year time frame. These projects include coal exports from the Bunbury port; the proposed urea plant; the Worsley expansion; mineral sands, bauxite and alumina exports; Collie's Bluewaters power station stages 3 and 4; upgrade and recommission of Muja power station stages A and B; an additional power station at Kemerton; and container shipping from the Bunbury port, to name just a few. The eight critical and interconnected infrastructure projects are, in no particular order: the port access road stage 2; the Bunbury outer ring road; the Eelup rotary upgrade; Coalfields Highway; refurbishment of the Greenbushes–Bunbury rail line; developing container handling capacity at Bunbury port; improvement of rail lines to the Bunbury port including the rail line from Brunswick Junction to Picton, the rail line from Wagerup to Brunswick Junction, the rail line from Picton to the Bunbury port, and a spur line to Kemerton; and the diversion of the Preston River at the Bunbury port.

Despite making a joint submission to government, as was advised by Hon Brendon Grylls, this joint submission has been ignored by the Barnett government in its 2010–11 budget. Much to the frustration and disappointment of our local business and community leaders, not one additional cent is allocated in the 2010–11 budget towards these critical South West projects. The only projects from that list that are included in the 2010–11 budget are, with the exception of one project, projects that were committed to by the former Labor government. Two projects have had funding commitments drastically reduced and another project has lost its funding altogether. The funded projects are the port access road stage 2 and the Bunbury outer ring road stage 1 only, with \$136 million of the total cost of \$170 million in funding provided by the federal government. The other two projects to receive some funding in the budget are Coalfields highway and Eelup rotary. The Barnett government axed \$25 million committed by the former Labor government to the Coalfields Highway shortly after winning government. This year's budget sees only \$14 million allocated to the Coalfields Highway upgrade. What is not appreciated is that it has been funded by deducting this amount from Eelup rotary. Also, \$14 million falls far short of the \$40 million needed.

At the last state election Colin Barnett and the member for Bunbury promised the people of Bunbury that if elected they would commit \$30 million to construct a flyover at the Eelup rotary in its first term of government. We all knew at the time of the announcement it would take a lot more than \$30 million to construct a flyover. Main Roads Western Australia has recently confirmed that \$110 million is needed to construct a flyover and reduce the size of the roundabout. Despite promising \$30 million, and initially committing \$30 million, this year's budget has slashed the funding committed to the Eelup rotary upgrade to only \$16 million. Interestingly, the budget identifies the \$16 million as the total cost of the project, which illustrates the dishonesty of this

budget in that it does not accurately cost projects. The Greenbushes to Bunbury rail line did not fare as well. The Liberals promised, if elected, to commit \$20 million towards the upgrade of the Greenbushes to Bunbury railway. While initially committed, this funding has since been diverted and spent; it has gone. Most recent estimates indicate that the upgrades will now cost \$47 million.

The Barnett government and royalties for regions have failed to deliver the critical infrastructure projects to the South West region. It is difficult to understand why the listed projects have failed to attract royalties for regions funding when they are the very types of projects that royalties for regions should be funding. There is a growing view in the South West that we have been conned; that royalties for regions should be rebadged “royalties for the North West”, because the only big-ticket projects that are funded through royalties for regions are in the North West of the state, despite the fact that the South West contributes to the state’s royalty income.

To add insult to injury, Infrastructure Australia representatives and the federal Parliamentary Secretary for Western and Northern Australia, Gary Gray, told the community in no uncertain terms that the federal government would look to fund only projects that had state government backing. We do not know whether the critical infrastructure projects for the South West region have state government backing. The Barnett government will not release the state’s submission to Infrastructure Australia. Looking at the budget papers, the federal government could, for good reason, form the view that these projects do not have state government backing. This means that these infrastructure projects, which are critical to current and projected resource and industry projects vital to the South West economy, may well miss out on Infrastructure Australia funding too because of a lack of support from the state government.

Out of frustration with the Barnett government’s failure to commit funding to these critical infrastructure projects, local business and community leaders and the groups that they represent sponsored the South West Development Commission to produce a written submission to the state government, titled “Roads to Export: Bunbury Infrastructure Investment Plan”. The plan was released last week and provides a critical five-year timeframe for funding the listed projects. The plan states that the projects are interconnected and must all be delivered within a five-year plan, otherwise resource and industry projects will be lost to the South West.

There is nothing new in the plan. It is information that we have all known for a number of years now. However, with no action over the past two years, the situation has become dire, and it is hoped that the plan will focus the Barnett government’s attention on the needs in the South West region, and the implications for the South West economy and the Western Australian economy if these projects are not funded. I trust the plan will deliver the desired results in the third Barnett government budget, if not sooner, because funding for these infrastructure projects is needed now.

Of interest, the plan raises a number of interesting inconsistencies with the 2010–11 budget papers, which further highlights the dishonesty in the budget papers. Project costs are not correctly or fully accounted in the forward estimates in what I assume is an effort by the government to hide the full extent of the blow-out in the net debt levels. Of particular interest, the plan states that the construction of the Eelup flyover and the reduction of the roundabout, and the full upgrade of the Coalfields highway are currently programmed for completion in 2013. If this is true, there is a \$120 million black hole in the budget and the forward estimates. Based on the information contained in the plan, the expected cost of the port access road stage 2 is \$40 million, and the Bunbury outer ring road stage 1 is \$130 million. That is a total cost of \$170 million, of which the federal government is funding \$136 million, which leaves just \$34 million for the state government to fund. Yet the budget papers state that the total cost of the two projects is \$125 million only. Clearly, there is a significant discrepancy in these figures, and I would be interested in hearing from the government its explanation for this discrepancy.

I have touched briefly on how the Barnett government should count itself very lucky that the Rudd government’s Building the Education Revolution stimulus funding came in when it did, as it masked the lack of state government funding over the past two years to critical school maintenance, upgrades and new schools in the South West region. The higher-than-national-average population growth in the South West coastal towns has placed huge pressures on school infrastructure. Dalyellup College was built as a middle school to cater for 900 students. Its current student numbers are about 1 200 students. A decision was made by the former Labor government to upgrade Dalyellup College from a middle school to a senior high school, with a stage 2 development to provide the classrooms and facilities required for years 11 and 12. The college will receive its first intake of year 11 students in 2012. In order for the stage 2 works to be completed in time for the start of the 2012 school year, work needs to start immediately; funding was needed in this year’s budget. The government has failed to provide funding for stage 2, and this failure to fund stage 2 will impact on the learning environment for the first intake of years 11 and 12 students. In addition, with the rate of expansion of the Dalyellup estate, a second primary school is urgently needed at Dalyellup. Dalyellup College is already 300 students over capacity. The government has failed to fund a second primary school at Dalyellup in this year’s budget. This failure will place even further pressure on the existing facilities at Dalyellup College.

In a letter from the Minister for Education received by my office on 21 June, the minister refused to commit to fund Dalyellup College stage 2, saying only that temporary facilities will be provided to accommodate year 11 students—a less than satisfactory response. There are no plans for funding stage 2. In relation to building a new primary school, the minister said that planning is proceeding for a new primary school in east Dalyellup to open in 2013, yet there is no funding for the planning, design and construction of this new primary school in the budget or the forward estimates. How is a new primary school to be built with no funding commitment in the budget? I now understand why the Premier referred to the forward estimates as never-never land. Under this government, the forward estimates are a complete fantasy. They do not accurately reflect forward planning by the government.

The situation with Dalyellup College is not unique. Cape Naturaliste College and Eaton Community College were also built as middle schools, and, subsequent to the colleges being built, a decision was made to extend them to senior high schools. Yet the government has failed to fund the upgrades needed to cater for years 11 and 12 at these colleges. This is a significant problem that will impact on the learning environment in the most critical years for years 11 and 12 students at these colleges.

When the royalties for regions program was first proposed, Hon Brendon Grylls said that royalties for regions would not fund projects that would ordinarily be funded by departments. However, this commitment to regional WA was very short-lived. It lasted as long as it took the government to get the Royalties for Regions Bill into the Parliament. The second reading speech placed a significant focus on the royalties for regions fund being used to fund schools and hospitals in the regions. With this change in focus of the royalties for regions fund, I was hopeful that these colleges and other South West schools in need of maintenance and upgrades would be able to secure funds from the royalties for regions program, but not one cent has been made available to these schools in the South West.

This is in stark contrast with Hon Brendon Grylls' pet project of co-locating two primary schools and a high school in his electorate of Merredin. The first the community learned of the project—indeed, the first time that the education department was made aware of the project—was from an interview given by Hon Brendon Grylls on ABC radio. There is strong community opposition to the project. Many in the Merredin community feel the project is being forced on them. They do not want primary school students being co-located with high school students. However, the community has been told that the project is going ahead, so there is no use protesting against it. For Hon Brendon Grylls, the state government has managed to amalgamate the BER funding secured by the two primary schools and redirect this funding towards his co-location project. The balance of the funds—approximately \$12 million—is being funded in part from the education department budget and in part from royalties for regions.

It is interesting that funding can be found by the Barnett government for a school project that was not planned and that a significant number in the community do not want, yet the needs of Dalyellup College, Eaton Community College, Cape Naturaliste College and other schools in the South West region have been ignored. Why is it that the funds for critical facilities for years 11 and 12 students in the South West cannot be found, yet the funds can be found to co-locate two primary schools and a high school in Merredin that a significant number of people in the community do not want?

The government needs to put on the public record how decisions are made about which projects are funded by the royalties for regions program, and about how the royalties for regions fund is distributed across the regions. There are strong indicators that the decisions are not being made on a needs basis or on an objective basis. Community scepticism about royalties for regions is growing. It seems that not all regions are getting an equal look in.

Before concluding my comments on education, I place on the record that this government's decision to axe the \$100 subsidy to high schools and its decisions to cease funding year 11 and year 12 courses at district high schools in the regions and to bill regional high schools for Schools of Isolated and Distance Education courses is having a huge impact on the quality of education available to regional students. If this government were really committed to providing better outcomes for those living in the regions, it would not have made these decisions. I call on Hon Brendon Grylls and the Nationals to honour their commitments to regional WA, and to use the royalties for regions funds to reverse these decisions. Students should not receive a second-class education just because they live and study in regional WA. They should not have to endure hardship to get an education. These government decisions represent a grave retrograde step for students studying in regional Western Australia.

Turning to health, the Barnett government has failed to deliver improved healthcare services to the South West region. The Busselton Hospital and the Harvey District Hospital projects remain in the never-never land of the forward estimates. With projected net debt levels and increased funding now needed for these projects due to building cost increases, these projects are at risk of remaining in never-never land.

The expansion of the Bunbury emergency department and the building of an intensive care unit have been funded, with the exception of only about \$1 million, by the federal Labor government. There is no additional funding in the budgets of child health community nurses or school dental nurses. There is no funding for a birthing centre or expansion of the community midwifery program. There is no funding for much-needed child mental health services or child specialist health services in the South West.

Turning to the Bunbury waterfront development, the Liberals promised, if elected, to match Labor's \$48.5 million in funding towards the redevelopment of the Bunbury waterfront. Within months of being elected, the Barnett government broke this promise when it committed only \$45 million to the project. The Barnett government also broke its promise to redraw the concept plans for the Bunbury waterfront redevelopment through a community driven process, and its promise to back the vision of the local community. Instead, the community got a ministerial task force that met behind closed doors and did not consult the community. The City of Bunbury, in response to community concerns, voted not to support the Koombana South component of the project. Hon Brendon Grylls, in very poor form in my view, criticised the City of Bunbury for supporting the community's views. He has publicly stated that there will be no waterfront project if Koombana South is not approved. So much for backing the community's vision for the waterfront and for backing local decision making!

The aspect that the community has most difficulty with is the government's insistence that the Bunbury waterfront project will proceed only if it is cost neutral. The Barnett government has committed \$970 million to the Pilbara revitalisation plan, \$40 million to the northern towns development fund, \$385 million to the Pilbara Cities initiative, \$23 million to the South Hedland town centre revitalisation project, \$131 million to the Gascoyne revitalisation plan, and \$270 million to the Kimberley revitalisation plan. Not one of these funding commitments has been made on the basis that the project must be cost neutral to government. Why then is it that the Bunbury waterfront development will proceed only if it is cost neutral to government? A double standard is at play here. It appears that all regions in WA are equal, but that some are more equal than others under the Barnett-Grylls government.

The Premier has publicly stated his support for Bunbury as Western Australia's second city. However, while the Barnett government is actively investing over \$1 billion revitalising towns in the north west, including, as most recently announced yesterday, transforming Karratha into a world-class city of the north with a population of 50 000, it is only paying lip-service to developing Bunbury into the state's second city. The Barnett government has failed to invest in transforming Bunbury into a world-class city of the south and into Western Australia's second city. The Barnett government told the community at the last state election that it had a plan for Bunbury. What is evident is that the Barnett government does not have a plan for Bunbury and it does not have a vision for Bunbury. The government needs to remove the cost-neutral condition on the Bunbury waterfront development and deliver what it promised, and that is a \$48.5 million investment in revitalising the Bunbury waterfront, based on the community's vision of what it wants on the waterfront, which is not necessarily more buildings. In my view, the Bunbury waterfront area, or at least a substantial portion of it, should be transformed into a central park, like that in New York, or at least an active space for families, similar to the Mandurah foreshore. We also need to protect Koombana North from development, to keep open the only remaining option of getting passenger rail into the Bunbury CBD. It is this sort of visionary project that will transform Bunbury into the state's second city. The bottom line here is that the South West contributes to the state's royalties income but is not getting its fair share of the royalties for regions funds. The Barnett government needs to correct this.

A brief comment on two other Bunbury projects: the government needs to find the balance of the cost of the part demolition and part rebuild of the Bunbury timber jetty. The Bunbury timber jetty has the same historical and cultural value as that of the Busselton timber jetty. Having fully funded the rebuild of the Busselton timber jetty, the government has set a precedent, which it needs to extend to the Bunbury timber jetty. The alternative is a far more costly one for the state government if the City of Bunbury decides to hand it back to the state.

Last, the member for Bunbury publicly stated last year, and has again this year, that he has honoured all his election commitments. He seems to think that simply allocating funding to a project means that the commitment to deliver the project has been fulfilled. Most of the community, however, would agree that it is a step in the right direction, but that the commitment has not been honoured until the project has been completed. As stated earlier, the Bunbury Regional Hospital emergency department and intensive care unit have been funded and therefore are being delivered by the federal government, not the state government. The port access road stage 2 and the Bunbury outer ring road stage 1 are also largely funded by the federal government. The Eelup flyover, more fully sworn police officers for Bunbury, a land swap for College Grove, and a community-driven and endorsed Bunbury waterfront development are promises that have not been honoured. With the College Grove land swap, it is clear that after two years of looking, a suitable land swap has not been and is not likely to be identified. To honour his election commitment, the member for Bunbury needs to arrange for the government to buy the land and place a conservation reservation over the land.

Turning very briefly to Busselton, I have already mentioned Busselton hospital. In addition, there is no funding for the Busselton foreshore redevelopment. Four leases need to be created and released as a matter of urgency, as the revenue from these leases is needed to be paid into a jetty maintenance fund to ensure that the cost of future maintenance on the jetty can be met and that we never find ourselves in a position where the state of repair of the jetty has deteriorated so much that it is a public liability and needs to be closed. If these leases are not created and let soon, the jetty maintenance program will be at risk. Funding is needed to create the four leases. The member for Vasse committed to deliver on this, yet there is no funding allocated in the budget. Also, the member for Vasse indicated before the election that a Liberal government would fund, or part fund, the reconfiguration of the Port Geographe groynes. There is no funding allocation in the budget for this.

Of the South West coastal towns, Margaret River is always the poor cousin. However, in this budget that is not saying much. There is no funding for the Margaret River perimeter road, no funding for a new primary school and no funding for much-needed power upgrades to Margaret River. The former Labor government had committed \$48 million towards power upgrades for Margaret River, but these were axed by the Barnett government within months of winning government, and remain underfunded in this budget despite the need for power upgrades in Margaret River.

Before concluding my comments, I have to comment on the short-sighted government decision to axe half of the Tourism Western Australia jobs, close regional Tourism WA offices and close the EventsCorp Bunbury office. The arrogance with which this government makes decisions without public consultation or public explanation defies belief—this from a government that promised to raise the standards of open, transparent and accountable government. It is extraordinary that this Liberal–National government, which holds itself to be the protector and advancer of all things regional, would close regional offices without public consultation and refuse to release the submissions received or a list of the submitters and a summary of the issues raised in the submissions. This is a government that believes it does not have to be held to account and that we should just trust it. Trust it, when it makes a decision to axe 50 per cent of Tourism WA jobs, to close regional Tourism WA offices and to close the EventsCorp office in Bunbury with—according to the Tourism WA board chair—no review report written, no strategic analysis prepared and no cost–benefit analysis undertaken? The assumptions and spin put on this decision are shaky at best. How can a government make such an important decision without preparing a review report and a strategic analysis? Having done so, it is little wonder that the community can see the decision for what it is and that it is nothing more than a cost-saving exercise.

I note that the government has provided no additional funding to the South West Development Commission in the budget or to other development commissions, despite an obligation on the development commissions to pick up the functions of the regional Tourism WA offices when they close. In order to do this, they need to be allocated additional full-time equivalent staff and to be funded accordingly. For the South West Development Commission this means two additional FTEs. I want to know when the government will deliver the two additional FTEs to the South West Development Commission and whatever other funding is needed to support those two additional FTEs. The Nationals need to follow through on this. The Nationals promised to deliver opportunities to the regions, not cut government services.

In addition to the closure of the Tourism WA regional offices and the EventsCorp Bunbury office, the South West region has lost a number of other government jobs—for example, in the Department of Agriculture and Food and in the Forest Products Commission. More jobs will go in the Forest Products Commission following the current review and restructure. The present indication is that the commission is likely to have a savage cut like Tourism WA has experienced. Further, there is a review of the development commissions, which I sincerely hope will not result in more government-job loss from the South West region. The fact that the review is chaired by Hon Wendy Duncan gives me some hope that this will not be the case.

In concluding, the concept of royalties for regions is a very good one and the marketing of it sheer brilliance. The delivery, however, is falling short. The South West region is arguably worse off since the establishment of royalties for regions, with a number of projects funded by the former Labor government axed to fund the royalties for regions program, and critical major infrastructure projects in the South West failing to secure funding in the budget or through royalties for regions funding. The Barnett–Grylls government is failing the South West, and the people of the South West know it.

Debate adjourned, on motion by **Hon Ken Baston**.