

APPROPRIATION (CONSOLIDATED ACCOUNT) RECURRENT 2013–14 BILL 2013
APPROPRIATION (CONSOLIDATED ACCOUNT) CAPITAL 2013–14 BILL 2013

Second Reading — Cognate Debate

Resumed from 15 October.

HON LJILJANNA RAVLICH (North Metropolitan) [5.41 pm]: I rise to support the Appropriation (Consolidated Account) Recurrent 2013–14 Bill 2013 and the Appropriation (Consolidated Account) Capital 2013–14 Bill 2013. To get an overview of this government's financial position and some of the risks that pose potential problems for the government, there is no better place to start than with budget paper No 3. I always find budget paper No 3 to be a very good resource when I need a bit of insight into what is happening with government spending, its revenue and all manner of things that make up the budget. It strikes me that although these two bills appropriate a substantial amount of money, there is no doubt in my mind that bills will be brought into this place at some subsequent stage to provide for further funding to be made available. It is quite clear that the government has got itself into a very sticky situation.

Today I wanted to speak about education and the impact of the government's brutal attack on WA schools with its cost cutting in that area. I could have spoken about the situation occurring in hospitals, but I decided that I would look at some of the financials to bring home just how bad the situation is in this state. Looking at the long-term financial projections of the budget, things just get progressively worse. Firstly, it is fair to say that this is a very bad budget. Secondly, it is fair to say it is an unrealistic budget because it is built on false assumptions. From carefully looking at this budget and the forward estimates, we can see that as the years go by, it just simply gets worse and worse. There does not seem to be any light at the end of the tunnel. When I look at this budget, I see huge problems looming for this government. I cannot help but think, "Gee, those Treasury officials must be absolutely beside themselves. They must be absolutely shaking their heads wondering what the hell has gone on here! How on earth could this government have got itself into the mess it has got itself into?"

I will quickly look at the long-term financial projections. Treasury has developed two sets of long-term financial projections. One set, which is the base case, is based on the 2013 budget aggregates. They include the government's fiscal action plan, which I will make some comments about. However, the second set of figures excludes the fiscal action plan. When we look at the base case, which is the level of total public sector net debt, we see that in 2013–14, it is at \$21.9 billion. By 2022–23, it increases to \$47.337 billion. That is with the fiscal action plan. The fiscal action plan is just a range of strategies that the government has embarked upon to make savings to keep the expenditure down. We see that reflected in the government's proposal to cut staff across the board. We see it reflected in the government's decision to axe staff in the education system. We see it in all sorts of wholesale reductions that are proposed; namely, privatisation proposals aimed to reduce debt and increase revenue to the government. However, if we exclude the fiscal action plan—in other words, if some of those savings foreshadowed by the government do not come off or do not deliver the level of savings expected—we face some very serious problems. When we exclude the fiscal action plan, it is then that we see a very different picture. The level of total public sector net debt for 2013–14 is \$22.716 billion and that increases to \$86.351 billion by 2022–23. Of course, the difference between the projection that excludes the fiscal action plan and the projection that includes the fiscal action plan is \$39.014 billion. That is a substantial amount of money. Basically, that says to me that the government will take that amount of \$39.014 billion over the forward estimates out of the public sector.

I believe all Western Australians should be concerned. Looking at the fiscal action plan and some of the spending risks, it is clear that we are heading down the river into troubled waters. I cannot believe that the government has put itself into this situation. The fiscal action plan contains a number of revenue and expenditure measures that are intended to deliver sustainable financial outcomes over the budget period. The first measures outlined are the initiatives contained in the plan to challenge agencies to deliver, if you like, limitations on government sector salary costs. If agencies do not have the appropriate strategies to deal with these salary cost increases, it is foreshadowed that there will be a major deterioration in the net operating balance and the net debt revenue estimates contained in the budget. A key part of this government's plan is to ensure that salaries are contained, but the government is currently fighting with teachers, police and firefighters; it is fighting with virtually all the public sector workforce. There will be more of it, because wage increases are an expectation of people who work for the government. With government revenue being as it currently is, the simple fact is that this government will try to do everything in its power to make sure those wage increases are not delivered. Consequently, we can expect trouble far ahead—it is already here to some extent. It is beholden on the Treasurer to explain to this Parliament what will happen in the event that salary costs cannot be contained. What is plan B? When this government came into office, one of things it did was throw money around and give certain classes of public servants quite extravagant salary increases—the Premier's office is a case in point, but the senior

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echelons, if you like, of government agencies were also given increases. Principals were given increases; everybody was given pay increases, basically to steady the ship and get them onside politically. Of course, those people will expect to be looked after again, but the simple fact is that there is no money to do that. This government is in very, very bad shape.

Other risks to this budget include population growth and economic expansion. When the Leader of the House was Minister for Training, he spoke day in, day out about 150 000 extra people coming into this state. Day in, day out he would tell us about how it would be really, really good. When he was Minister for Training, he produced a training plan that contained reference to the need to appropriately meet the needs of this increase in population growth with all the 457 workers coming in, combined with natural growth in population and migration to this state. Time and time again, he stood in this place and gloated that 150 000 additional people would be here by 2016, yet no provision was made for them. We have been caught short. As a result of the increase in population, we have pressure on schools, hospitals and roads. We have pressure on just about every service area that members can possibly think of. This minister basically did nothing to make sure that that additional growth could be accommodated. But it was not only his responsibility, because the Minister for Health has a responsibility to make sure the health system can cope, the Minister for Transport has to make sure that the transport system can cope and so on and so forth. One of the risks, of course, is that if the labour market remains strong and migration to the state does not slow as quickly as might be expected, population growth could increase demand for state public services. The fact is that state public services are probably stretched as far as they can be. That population growth has been identified as a risk.

The DEPUTY PRESIDENT (Hon Adele Farina): Order, members. The amount of audible background noise in the chamber is making it very difficult for me, and I am sure Hansard, to hear. If those members who want to carry on private conversations could either lower their voices or leave the chamber, it would be greatly appreciated.

Hon LJILJANNA RAVLICH: These risks to the budget have been identified by Treasury, and, reading between the lines, it has done that to signal that if major blowouts and budgetary problems lead to the need for additional appropriation, those areas will cause them to occur.

The next area identified as being a spending risk is the national plan for school improvement. Page 68 of the 2013-14 *Economic and Fiscal Outlook* reads —

In February 2012, the Commonwealth Government released the final report of the Review of Funding for Schooling (also known as the ‘Gonski review’), and passed new school funding legislation in June 2013. The Commonwealth, which currently contributes 12.3% of total public school funding in Western Australia, has made a financial offer to Western Australia to enter into the National Education Reform Agreement (NERA). However, several aspects have not been agreed upon. In particular, the financial implications if Western Australia does not participate in the NERA, including the potential impact on GST distribution, are not known.

It is a risk —

Therefore, the future impact on both government and non-government primary and secondary school funding, and on the State’s finances more broadly, cannot be accurately quantified at this time.

Therefore, this whole issue about whether we are or are not in with Gonski is major. The situation is that 12.3 per cent of total public school funding provided by the commonwealth is, I imagine, at risk because we are not part of Gonski. Rather than signing up to that national agreement—the decision would have cost the state some \$300 million because the last offer on the table was \$920 million—the minister refused. Instead, he got Professor Teese to prepare a report and come up with an alternative to Gonski, although, as I understand, it is based on the similar principle that the student carries the funding with them; it is more student-focused. But this minister is now going it alone. I think the minister needs to answer some questions. First, what is the minister going to do about this mess he has created?

Hon Peter Collier: What’s that?

Hon LJILJANNA RAVLICH: In terms of the minister running, I guess, an alternative to —

Hon Jim Chown: He’s running a very good department!

Hon LJILJANNA RAVLICH: He is not running a very good department at all!

Hon Jim Chown: It’s an outstanding department!

Hon LJILJANNA RAVLICH: We have a problem, and the minister needs to make a statement to Parliament to explain the situation.

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Sitting suspended from 6.00 to 7.30 pm

HON LJILJANNA RAVLICH: Before the dinner break I outlined the spending risks and issues that are problematic for the government and put the budget at risk. So far I have covered the fiscal action plan, population growth and economic expansion. Prior to the dinner break I started to touch on the national plan for school improvement, and the minister seemed to take some offence. I want to go through some of the points and put them on the public record. If the minister is so inclined, he may provide us with answers to some of the questions. As I understand it, the commonwealth government made a financial offer for Western Australia to enter into the National Education Reform Agreement, which is commonly known as NERA. However, the state and the commonwealth governments have not agreed on several aspects. That is an interesting point because it would be of some benefit to the general public and certainly this house to know what aspects have not been agreed upon. If there has been agreement of which we are unaware, perhaps the minister may be able to put the aspects that have been agreed upon on the public record. In particular, if Western Australia does not participate in NERA, the financial implications seem to be quite significant, including the potential impact on GST distribution, which is unknown. The minister appears to be frowning at me. This is a Treasury document that identifies the national plan for school improvement as a spending risk. It is right in his ballpark; it is right where he is. The minister seems to have a perplexed look on his face.

Hon Peter Collier: I am completely comfortable with this area. You don't know what you're talking about. You have no idea. Ask me in question time tomorrow and I will give you a full account.

Hon LJILJANNA RAVLICH: I might do that, but at the moment this is identified as a spending risk and I am putting it on the public record so that people understand that that is the case. If the minister has answers to some of the questions I am asking, he may be able to inform the house. I may well ask him some questions on this.

Hon Peter Collier: I urge you to. I encourage you to, strongly. You ask ridiculous questions. You put in 20 questions and ask one.

Hon LJILJANNA RAVLICH: Whenever I ask the minister questions, I do not get particularly good answers. A case in point is the answer I got today when the minister conveniently failed to include the cuts to staffing in his assessment of the cuts to schools.

Hon Peter Collier: No, I didn't.

Hon LJILJANNA RAVLICH: Yes, he did. Anyway, we will put that to one side.

The failure to participate in the National Education Reform Agreement is likely to have some potential unknown impact on GST distribution. Therefore the future impact on both government and non-government primary and secondary school funding and on the state finances more broadly cannot be accurately quantified at this time. I want to see the minister bring the statement to this Parliament that clarifies some of the points made in this 2013–14 budget paper No 3, the *Economic and Fiscal Outlook*, and that have been identified as a spending risk. If the minister advises, as he did across the chamber, that he can provide the answers, he should have no problem doing that. We therefore need to know which aspects of the NERA have not been agreed upon to date. We need to know the financial implications for WA and for the taxpayers of the state if WA does not participate in NERA. We need to know the discussions that the minister has had to date with the new federal Minister for Education and whether any of these specific issues have been discussed. I have to say that this is of particular concern because everybody in this house, as well as the general public, already understands the appalling record of this minister when he had the energy portfolio. Now we see an appalling record emerging with this minister in the education portfolio. Many, many questions need to be answered.

In referring to spending risks, obviously health services is an area that presents a significant risk to government. Outlined in the *Economic and Fiscal Outlook* as a spending risk is the Fiona Stanley Hospital commissioning. There is a risk that approved expenditure on service reconfiguration and commissioning activities at Fiona Stanley Hospital, including costs under the facilities management contract with Serco, is understated in the 2013–14 and the 2014–15 budgets. According to the *Economic and Fiscal Outlook* —

WA Health was unable to quantify the expected financial impacts at the time of finalising the 2013–14 Budget estimates, either precisely or a general order of magnitude.

How hopeless is that?

Hon Amber-Jade Sanderson: It is a blank cheque!

Hon LJILJANNA RAVLICH: Yes, it is a blank cheque.

This is pathetic. How can this government have any sense of financial responsibility and/or financial management and control when it is absolutely and utterly leaving itself open to writing a blank cheque? It is no

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wonder that Treasury is beside itself. This spending risks document tells me that this is of major concern to Treasury. Treasury cannot control or keep in check this irresponsible, unaccountable, totally incompetent government. Nothing is surer than that. This is probably Treasury's way of putting on the public record the foreseeable financial risks it has calculated. Treasury wants to put this government on notice and to inform the public what it expects will happen down the line. One does not have to be a rocket scientist to work that out. There are pages of these spending risks, and I think they would potentially run into billions and billions of dollars. When we look at the forward estimates, we see rising debt levels, and the one thing members can be assured of is that that level of debt will continue to rise because of the incompetence of this government. It is anticipated that the financial implications of the commissioning of Fiona Stanley Hospital will be clarified by the time of the 2013–14 midyear review. Having said that, given the seriousness of the situation and the fact that it is likely to lead to multimillion-dollar losses for WA taxpayers who will ultimately have to foot the bill, the Minister for Health needs to provide a progress report to Parliament on the issues surrounding the commissioning activities at Fiona Stanley Hospital, so that the people of this state can be fully informed about what is going on.

The other issue about Department of Health spending at Fiona Stanley Hospital in general relates to information and communications technology. I understand there has been a \$120 million investment and that WA Health is required to identify and prioritise ICT requirements, including procurement, implementation and rollout of not only the existing system, but also a new system. This future requirement for the state's health system could be substantial. I understand that this ICT issue in the Department of Health was not dealt with in the budget. I do not know whether a ballpark figure is available on the cost of Health's information and communications technology program or programs, whichever it might be. It is probably a combination of both, but certainly Treasury would have made sure it was identified as a risk because it could potentially be a significant risk for Western Australian taxpayers, and the cost associated with it could run into hundreds of millions of dollars.

There are spending risks right across government trading enterprises, most of which relate to energy projects and agencies—for example, additional capital expenditure for Western Power, Horizon Power generation and gas costs. I will not go into these one by one, but they are substantial.

I want to touch on an interesting issue that is a part of the Metropolitan Regional Development Authority. It came to my attention some time ago that a Chinese restaurant that had been located on The Esplanade was purchased as part of the foreshore redevelopment. I understand it was the Grand Palace and it was purchased to accommodate the Elizabeth Quay development. From what is written in the *Economic and Fiscal Outlook*, the Metropolitan Redevelopment Authority is currently in negotiations with the party that formerly occupied and owned that building. It states —

This matter is being dealt with on behalf of the MRA by the Western Australian Planning Commission ... In consultation with the State Solicitor's Office, \$5 million was paid by the WAPC to the former business owner —

I assume they are the people who owned the Grand Palace —

as an advance payment prior to a formal compensation claim being lodged.

I do not know who did the due diligence on this, but it is likely that this claim could run into tens of millions of dollars. Once again, it is an example of a risk to the budget. A suite of things, which run into pages, can totally derail this budget. We can be sure that these appropriations will certainly not be sufficient to cover the amount required in the foreseeable future, because there is no doubt that with so many spending risks that amount to such substantial sums of money, the government will come back to this place cap in hand seeking further appropriation approvals.

I started off by saying that this is a bad budget and I do not resile from that. It is based on unrealistic and false assumptions and although the government has put in what looks to be an action plan that would provide some relief, there is no doubt in my mind that we are heading into very troubled waters. The really sad thing is that this is intergenerational debt. At the end of the day, as this debt continues to grow, as spending remains unchecked and out of control, and as government ministers one by one fail to rein in spending, the simple fact is that the debt will continue to rise and it will be passed from this generation to the next. This is a very, very poor reflection on this government, the Premier and his ministers, who seem very lighthearted about this issue.

Having said that, I support these appropriation bills, but I really wanted to put on the public record my concerns about the spending risks. I advise any member who is interested in what is really going on to look at budget paper No 3 under the heading "Spending Risks" on page 67 to get an overview on just how dire the situation is. I have absolutely no confidence that this government will be able to meet its financial targets or rein in spending.

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There is no doubt that we are a part of the global community. Given the current economic set of circumstances that we face, business is slowing down and we are seeing a drop in consumption, a drop in investment spending and a drop in income. Things are unfortunately trending in the wrong direction. It will be a very difficult situation to get out of. The cavalier attitude and the lack of political will shown by the government to control itself and its spending will only make a really bad situation worse. I really do fear for the future of this state. I see Hon Helen Morton laughing. I do not think this is much of a laughing matter. I do fear for the state and for future generations.

Withdrawal of Remark

Hon HELEN MORTON: The member has no idea what my conversation with Hon Peter Collier was about. She made an assumption that I was laughing at something that she was saying. I would like her to withdraw that insinuation.

Hon LJILJANNA RAVLICH: Should I? Shan't I? Got a coin? Sorry.

Hon Helen Morton: "I withdraw" are the words.

Hon LJILJANNA RAVLICH: I withdraw, and I am sorry.

The DEPUTY PRESIDENT (Hon Brian Ellis): Order! The member has been invited to withdraw the comment, and I gather that she has agreed.

Hon LJILJANNA RAVLICH: Mr Deputy President, if you are saying that I do not have to, then I will not. But if you are saying I should think about it, I should and I will. If you are saying that I should think about it, that is what I will do. I am not ready to make my decision.

The DEPUTY PRESIDENT: Member, I gather that Hansard has already recorded that you have withdrawn. I would ask you to bring your comments back to the subject at hand.

Debate Resumed

Hon LJILJANNA RAVLICH: I was just winding up my comments before I was interrupted. I offer a word of advice to government members: just try to control yourselves on spending. It is just totally out of control and it is not in anybody's interest.

HON ALANNA CLOHESY (East Metropolitan) [7.53 pm]: I welcome the opportunity to speak on the Appropriation (Consolidated Account) Recurrent 2013–14 Bill 2013 and the Appropriation (Consolidated Account) Capital 2013–14 Bill 2013. As I pointed out when I spoke on the budget bill not that long ago, this budget has a very rocky foundation because it is built on broken promises, which leads to broken trust with the Western Australian people. Further investigation of this budget through the estimates process also indicated to me that this budget is based on wrong priorities—priorities that this government has chosen to make over —

The DEPUTY PRESIDENT: Order, members! There are a number of conversations going on around the chamber and I would say that Hansard is having trouble hearing the speaker.

Hon ALANNA CLOHESY: — the interests and needs of those who need their support most—the most vulnerable in society. In addition, it has chosen to ignore the needs, particularly the service needs, of a range of people in the East Metropolitan Region.

Let us look at education in this budget. When I spoke previously, I spoke briefly about education. I have had an opportunity to look much more closely at the details of the education cuts that are contained in this budget. These cuts will cause significant pain to people, particularly in the East Metropolitan Region, but also statewide. The cuts will have far-reaching consequences not just in 2014, which they are aimed at, but also throughout the following years. They will disproportionately impact on students who need the most support. What makes these cuts all the more insidious is that school communities were not told prior to the last election that they were coming. They were not told that their school communities were going to experience significant budget cuts.

We found out through the budget process that there will be a change in the base formula and that teachers will be cut from every school. I will go into more detail about what impact that will have in the East Metropolitan Region shortly. Because of a reduction in the multiplier, the number of teachers in high schools will also be cut. Program funding will be cut by 30 per cent. We will look closely at that impact of that in the East Metropolitan Region. Full-time equivalent teacher positions will be lost mostly in literacy and numeracy areas. Probably around 100 Aboriginal and Islander education officer positions will be lost statewide. The important thing about this is that AIEOs are allocated using a formula that takes into account the number of Aboriginal students. If that formula has been altered, it means that Aboriginal students will receive fewer services. I remind members that these important roles include supporting Aboriginal students in areas such as academic achievement,

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participation, attendance, retention and communication. Again, students who need the most support are now likely to get the least.

Let us look at the impact this will have on schools at a local level. Eastern Hills Senior High School has approximately 900 students. Next year, it will receive cuts of around \$300 000. Who will that affect? The school will have to cut literacy and numeracy programs. That will affect students who —

Hon Peter Collier: No, they are not.

Hon ALANNA CLOHESY: That is what the school community has told me. This will affect children who are having difficulties. It will have to cut its chaplaincy program in half.

Several members interjected.

The DEPUTY PRESIDENT (Hon Brian Ellis): Order! Only one person has the call, and that is Hon Alanna Clohesy.

Hon ALANNA CLOHESY: Because of school support program resource allocation funding cuts, psych times will be cut. The school will end up losing teaching staff. It is not yet sure how many staff, but it is certain to lose at least three full-time equivalent staff. The consequence of this, of course, is that literacy and numeracy programs will be cut, but the school will also have to tighten up courses. That will reduce students' options. That will make it harder on years 11 and 12, because student numbers tend to drop in those years. It is thought that English will be hit the hardest, which will have a consequential impact on students' university choices. If they cannot make choices in English classes at years 11 and 12, their university entry level is compromised.

The government has told the school community that students will have to go to another school if they want more choices in years 11 and 12, but of course the nearest school is a 30-minute drive away from Eastern Hills Senior High School. If students choose options that are available at another school, parents will have to find a way to get there. Either a parent or a teacher will have to drive them. That will cut into school program time at their own school. Who is going to drive those children? Whose insurance is going to cover it? They are just some of the issues that the school community talked to me about.

Chidlow Primary School estimates that it will have budget cuts of around \$40 000. Again, it is looking at having to cut programs that will affect the most vulnerable students. Upper Swan Primary School, which is a really lovely school on Great Northern Highway, will have about \$121 000 worth of cuts, but it is still estimating because it had done its business plan and program before it found out about these cuts. That school will have to spend time redoing its business plan. Again, this school thinks its development programs will be affected, meaning students who are at risk, basically. But there will also be an impact on what the school community calls mainstream students because resources will be reduced as the students who need more support will now access those mainstream programs. It will also affect the school's teacher allocations. That school has been told it will have to use the funds that the P&C association has put spent a lot of time and hard work raising. Families, parents and teachers who are time-poor, and financially not particularly well off either, have worked really hard to save the money in their school budget that they have raised over time and had plans for. Schools have now been told they will have to use that money. Schools have said that \$600 raised here and there, and maybe another \$1 000 at a fundraiser at another time, will not compensate for what they will lose.

Glen Forrest Primary School, for example, thinks it will lose nearly \$92 000. It will also lose office staff in addition to literacy and numeracy programs, which will put additional pressure on remaining staff because administrative support will not be available. That school also, of course, sent a petition out to all schools in the district, which has now been sent to the minister; I think it was instigated by Mundaring Primary School.

Bullsbrook College will lose about \$333 000. The bottom line for Bullsbrook College is that it will lose four full-time staff across the board. That will mean bigger classes that will maybe even exceed the maximum number of students in a class. Out-of-class literacy programs will be gone, and there will be no more specialised programs. Who will that affect? The school told me that it will be kids who are struggling, and the school community is very concerned that those kids will not get the attention they need and deserve. That is just a glimpse of the impact across East Metropolitan Region.

But as I mentioned before, there was also the promise of a high school made six months ago to the community in Ellenbrook north in the north of East Metropolitan Region. Before the election this government promised that community \$54 million to build a secondary school; a promise made and a promise broken. It was to be built two years ahead of its original planning because of population growth. In fact, the state government said it recognised the need for another secondary school in the area in the near future. The promise was that the school would be built and ready to take students by 2017. That will not happen. It has been delayed to 2018, and we will see what happens after that. Of course, that school will draw students from not only Ellenbrook, but also around the region—from The Vines, Aveley, Henley Brook, Upper Swan, Brigadoon and Baskerville—and much more

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pressure will be put on Ellenbrook Secondary College, which is already under pressure, to provide education services. Who is this hurting? Who is it affecting? Who needs these programs? We know who it is; it is vulnerable children, children who require additional support because of learning difficulties and children who just need a helping hand for a good education.

Let us move on to another issue that residents have said is really important to their local community. A Your Suburb, Your Voice forum, run by Channel Nine, 6PR and WAtoday, was held on 18 September in Midland. In organising that town hall-style forum with the City of Swan, the organisers surveyed local residents to find out what were the most pressing issues in their suburb. Of course, the most pressing issue for those people who responded in the City of Swan was crime. The biggest issue for those residents is safety. We know that the Liberal Party went to the election promising \$13.5 million to improve WA's closed-circuit television network for more CCTV cameras to establish a strategic plan and to centralise access. It meant more cameras in more places, basically. That is what was promised. In fact, it was a central plank of the Liberal Party's law and order platform. The cameras were supposed to be deployed in crime hot spots, and certainly that is what the residents said at the forum I attended in Midland. It was meant to include \$5 million in community funding for CCTV infrastructure and \$8.5 million to enhance the existing police facility in Maylands to access live feeds from compatible CCTV systems and resource dedicated police CCTV project teams, which would, according to the Liberal Party, lead to better response times for police. But we now know that that promise has been broken. In fact, this budget sees only \$200 000 for CCTVs to develop a strategic plan. We also found through the budget process that no funding has been allocated over the following three years. What am I to conclude from that? What are the residents at that forum in Midland in September supposed to conclude from that? The Barnett government has broken yet another promise to those people regarding the provision of CCTV.

Let us move on to community services. This week is Carers Week, when we celebrate the contribution of carers in our community. There is a particular group of carers I would like to draw the attention of members to tonight—that is, grandcarers. More than 2 500 grandparents in Western Australia today look after their grandchildren full-time. This government promised \$5.3 million for a support program to assist grandcarers with financial support and health support in their role of looking after their grandchildren full-time, but not all of that money has been provided in the budget. It is a cheap way out for the government of course, because the cost of this program is a lot less than if children were placed in foster care. The responsibility is with grandcarers. Of course, we believe that children should, wherever possible, be with their families. But it makes it really hard for a grandcarer when they do not get the support that they need and deserve from the government. Grandcarers should be treated with respect, not shelved away in the hope that they will not speak up about the struggle that they have every single day.

By far and away the biggest issues people come to my electorate office with are housing, homelessness and escaping domestic violence. People often turn up with nowhere to go for the night and they need support and assistance to find somewhere to go. On Monday, a woman came into my office looking for somewhere to stay. She was escaping domestic violence. All the refuges were full that night. Another group that has missed out in this budget, that has had promises made and broken, are women and children escaping domestic violence. Last year's budget papers told us that domestic violence had increased from 34 000 to 44 000 reported cases. Police statistics show that over the four-year period from 2008 there has been an increase of over 2 000 reported cases of domestic assault in the East Metropolitan Region. Refuges are full to overflowing, and on a regular basis we see articles about this matter in the media. My colleagues also say that constituents arrive at their electorate offices with nowhere to stay. The Liberal government's Creating Better Communities policy, released before the election, promised that two new cluster-style refuges would be built in the next four years, yet this budget contains funding for only one cluster-style refuge. This is happening when refuges are full to overflowing on a nightly basis.

I turn to child protection. Children are the most vulnerable people in our society and child protection workers are under increasing pressure to meet the demands of addressing the very difficult situation of children in need of care.

I turn now to mental health. Again the state government's failure to include funding in this budget for a new 50-bed mental health facility at Osborne Park cannot be overlooked. Why has this facility been put off again? An acute care mental health facility in Osborne Park was originally planned in 2008. Year after year this government has delayed the funding for this. Why am I concerned about a promised mental health facility in Osborne Park? I am concerned because it has been planned for since 2008 and has not been delivered, yet a spokesperson for the North Metropolitan Health Service told the *Eastern Reporter* recently that the proposed 56-bed facility at Midland Health Campus will meet some of that demand. The Midland Health Campus has not yet been built and those services do not exist. What happens to those people presently in need of acute care? There is an increasing demand on those services and the demand cannot be met.

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Let us look at transport. The cornerstone of this budget is supposed to be infrastructure, but all we have seen is a lot of short-term fixes without any long-term gains. Let us look at Ellenbrook—not just that suburb, but the area around it. It is one of the fastest growing areas in the northern suburbs. According to the Australian Bureau of Statistics, in 2011 the population of Ellenbrook and The Vines was 31 173 and Bullsbrook had a population of around 5 000. The City of Swan has forecast that by 2036 Ellenbrook alone will have increased its population by a further 20 000 people. Bullsbrook, with a current population of 5 000, will increase its population over the same period to 21 000. The population of the urban growth corridor roughly east of Whiteman Park, which takes in Brabham, Caversham and Dayton, is estimated to increase by a further 37 000 people by 2036. That is an additional 78 000 people, and that is a conservative estimate. If that is not mind-boggling enough, the largest increase in the number of new homes is, again, in the same area. Ellenbrook is projected to have 8 200 new homes, Bullsbrook 8 000 new homes and the urban growth corridor I talked about 12 000 new homes.

Yesterday, metropolitan region scheme amendment 1225/41 was tabled in this chamber. It provides for a further 135 hectares of land in the Upper Swan area to be developed. It is proposed that that area will be used primarily for residential development for more than 5 000 people; for a school—great; and for a town centre precinct. Then there are plans for further development of a light industrial zone in Bullsbrook, just south of RAAF Base Pearce, so that represents more growth, more demand, more pressure on roads and more pressure on services, including a lot of services that are not there yet. Of course, one of the important critical services that is not there is public transport.

To say that this area is poorly serviced by public transport is an understatement. If someone wanted to get into the Perth CBD by public transport from Bullsbrook, they had probably better start walking now, because in Bullsbrook there is one bus a day, and it does not run such that if someone worked in the CBD they could actually get there during business hours; they would not be able to get into the CBD before 9.00 am. It is not scheduled adequately to get people into town. If someone wanted to go to Perth Arena tonight from Aveley and have a few drinks, they would just be able to get there by 5.30 pm by public transport. It would probably take them an hour and 15 minutes, as long as they made the connections, because there are six legs to that journey—six! But they would have to then stay in the city, because the last bus back is at 6.54 pm! They could not actually be at the arena; they would arrive at the arena, but would need to leave again.

That is how things are now, but what is planned? Let us look at what is planned. Is a railway station planned? No. It was promised, but it was not delivered. Then there was the bus rapid transit system. During the 2008 election campaign, the Liberal Party was to provide \$53 million over four years towards the construction of a new rail line to Ellenbrook. That is what we were told, and it was not delivered. There is no train line. What impact will that have? It will have a significant impact on roads. It will have a significant impact on all the residents living there now and those who hope to live there in the future; 78 000 people and no plans for public transport. There are no plans, and there is no delivery. Shame!

Let us look now at the tier 3 lines. Brookfield Rail has confirmed the closure, as members know, of two tier 3 rail lines by 31 October due to safety concerns. Members have heard Hon Darren West talk at length about that. We know that without further investment from the Barnett government, those lines will be closed permanently. Frank Alban, the member for Swan Hills, took up this issue before the last state election and said there will be no increase in grain traffic on Great Eastern Highway, particularly through the Mundaring township.

Hon Jim Chown: That is absolutely correct, and for you to say it is not is misleading the house.

Hon ALANNA CLOHESY: On 7 March, two days before the state election, the Liberal Party took out advertisements in *Farm Weekly* saying that it would commit to keeping open viable tier 3 railway lines. However, despite this promise, the Barnett–Grylls government has done nothing to save those lines. Wheatbelt roads, and other roads, just will not be able to cope with the impact of the increased number of trucks on those roads.

Hon Jim Chown: What is that impact?

Hon ALANNA CLOHESY: Farmers and local residents have told me that lives could be lost as a result of this decision. These trucks will add to the congestion on not only wheatbelt roads, but also Great Eastern Highway through Mundaring. The roads leading to the Forrestfield and Kwinana grain terminals will particularly experience increased traffic and increased safety risks. I will quote what a resident from Mundaring told me recently —

I travel on Great Eastern Highway from Mundaring every day.

I'm dreading when they get the wheat trucks on Great Eastern Highway because of the closure of the Tier 3 rail lines.

They've got holes in the lanes on the Highway as it is and they're just patching them up.

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Hon Jim Chown interjected.

Point of Order

Hon SALLY TALBOT: Mr Deputy President, there is an absolute barrage of interjection coming from the other side. It has been going on now for about 15 minutes. It is quite clear that the member on her feet is not taking interjections and is more interested in making points about people who live in her electorate. If government members are not interested in listening to this, they should take your advice about how to behave in this chamber, and you might also invite them to make their own speeches.

The DEPUTY PRESIDENT (Hon Brian Ellis): There is no point of order. There have been a number of interjections, and I have called members to order a number of times. But, as the member knows, we do tolerate some interjection. I am watching closely, and if it gets too loud and Hansard cannot hear, I will call it to order. But, at the moment, there has not been the level of interjection that there was earlier.

Debate Resumed

Hon ALANNA CLOHESY: Thank you, Mr Deputy President.

I will quote this again, because it is worth members hearing it again in case they did not hear it prior to the last lot of interjections —

I travel on Great Eastern Highway from Mundaring every day.

I'm dreading when they get the wheat trucks on Great Eastern Highway because of the closure of the Tier 3 rail lines.

They've got holes in the lanes on the Highway as it is and they're just patching them up.

The inside lane you're continually bouncing because it's so uneven.

I'm not just dreading the wheat trucks—there's so many trucks on the road as it is.

The government needs to get more trucks off this road. What on earth are they thinking of putting people's lives in danger by adding wheat trucks to this.

The cost of maintaining the tier 3 rail lines is modest compared with the huge investment that will need to be made to ensure that the roads are capable of handling the increased number of heavy vehicles that will result from the closure of these lines. It is estimated that the cost to upgrade and maintain roads to cope with the increased truck traffic will be more than \$400 million.

When I last spoke on the budget, I spoke briefly about other roads that need funding and improvement. Toodyay in particular needs a lot more funding and a lot more improvement. The point here, though, is that the government has made a series of decisions to not support public transport at the expense of some decisions on roads that residents say they do not need. What do we have? We have a range of broken promises, a range of wrong decisions and little or no political will to provide those services and infrastructure that the people of Western Australia need.

HON SALLY TALBOT (South West) [8.25 pm]: I am pleased to contribute to this debate, which, as members know, is a wide-ranging debate. I have been listening with great interest to my colleagues go through the litany of problems that have been created in their own electorates through the financial mismanagement of this government. Fundamentally, tonight I intend to talk about some communities in the south west and point out to the government exactly how it is failing a large number of people in the south west. The tragedy of all this is that it need not have failed because the key issue it seems to me we must look at when we are analysing a budget like this is what could have been done if the government's management of the budget had been better. There is still money in the system; we can see that. Some benefit is still accruing to the state due to the fact that we have a prosperous economy. Our position in Western Australia is nowhere near that of other states in Australia as they see revenues dropping dramatically. We are certainly very well off compared with some overseas countries, particularly those in southern Europe. However, the situation could have been so much better in Western Australia. As we consider that, it is very important that we do not lose sight of the fact that a significant proportion of our community is doing it extremely tough. I put it to honourable members that it is those people who the government must answer to for its failure to manage the budget.

Ever since this government came to office in 2008, its pockets have been bulging with money. Why are we now in this position with a budget that has ripped millions of dollars out of some of the most vital services in this state, such as education, and health has ballooning waiting lists? There is increasing poverty in our regions. As I say, the government's pockets have been bulging with cash since 2008, yet now, day after day, the government is talking about cost cutting and reining in its budget. I make one point here; namely, presumably some time in

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the next few weeks of sitting, before this house adjourns for the Christmas recess, we will look at some sort of legislation to do with compulsory redundancies in the public sector. That will be very interesting to see, because while the government is keeping not just the Labor opposition but the entire Western Australian community completely in the dark about its intentions with this law to enforce compulsory redundancies in the public sector, it has let out of the bag a couple of things I think it will wish it had kept secret. It seems to me that if we are talking about any sort of public sector reform, we need to talk about the delivery of first-rate services to our community, whether that is, for example, in health, education, housing or the administration of local government. A First World economy such as ours should be delivering First World-standard services to our communities across the length and breadth of Western Australia. Yet the government has not said one single word about its version of public sector reform being about improving the public service. It has talked about saving money, belt tightening and cost cutting. It has started to let out a few lines about public servants who want to retire but are waiting for the opportunity to take redundancies. Yet the government has not said one single word about improving the delivery of services. That is the government's great weakness. That will ultimately be this government's undoing. Its mismanagement of the budget has been so spectacular over the past five and a bit years that even though its pockets have bulged with cash, it now has to slash and burn the services on which ordinary Western Australians depend. Throughout this debate on the budget we have heard story after story from members on this side of the house about how that cost cutting is hurting communities in their electorates.

It is not rocket science. We do not have to be economists to analyse what has gone wrong. The simple fact is that the government does not have the first clue on how to rein in expenditure. It spends like drunken sailors when the money is dripping out of its pockets and as soon as the money gets short, it starts cutting. The places it cuts hurt ordinary Western Australians; it is as simple as that. I can go through a list of increases in government revenue over the past couple of years. I contrast this list that I am about to read to honourable members with the cost cutting, belt tightening and slashing and burning that we hear day after day from this government. Revenue from mining royalties in 2013–14 is estimated to be \$5.8 billion, which is an increase of 249 per cent since 2008. I bet, members, that if we had gone to the Treasurer in September, October or November 2008 and said, "Hey, Treasurer, guess what will happen in the next five years; we will have an increase in mining royalties of 249 per cent", he would have gone, "Whoo hoo!" That would have been a cause for celebration. That has happened. How do we fit that fact alongside all this rhetoric about having to cut costs and tighten belts?

I have another statistic: revenue from payroll tax in 2013–14 is estimated to be \$3.7 billion, which is an increase of 92 per cent since 2008. Another statistic is that revenue from corporations is estimated to be \$1.3 billion, which is an increase of 51 per cent since 2008. Receipts from goods and services are estimated to be \$2.1 billion, which is an increase of 55 per cent since 2008. My last statistic on hand is that total state taxation has increased by \$2.8 billion since 2008, which is an increase of 45 per cent. If I had gone to the financial ministers in the government at the end of 2008 and said, "I am looking into my crystal ball and this is what I am predicting: mining royalties will go up 249 per cent; payroll tax will go up 92 per cent; revenue from corporations will go up 51 per cent; receipts from goods and services will go up by 55 per cent; and total state taxation will go up by 45 per cent", they would have felt like all their Christmases had come at once.

What we could have planned if only we had that increase in revenue! Public transport would be the first of many, many benefits. If we had a decent government like a Labor government that believes in the provision to Western Australians of proper services—transport services, health services, education services, decent and affordable housing and services right across the range of service delivery—what we could have done with a bonanza of that magnitude! Yet what has happened? This government has just frittered away that money. How has the government done that? There is one obvious sense in which that money has been frittered away, because of course we have to make the distinction between capital expenditure and recurrent expenditure. We have big capital projects all around the state. I drive along the Graham Farmer Freeway pretty much every day and still see the "big picture" advertisement running. It has now morphed into a "part of the big picture"—I think it says—as I drive along the Farmer Freeway. I looked at it twice the other day, which was probably not a sensible idea because, as I was riding my Royal Enfield motorcycle, it is best to look ahead and not at the government advertising on the side of the road! I think the ad said "a part of the big picture", probably because the whole of the Burswood exit is now closed off with the earthworks for the stadium. We have a massive stadium being built, as well as Elizabeth Quay, and we have a number of other projects that are part of what the government likes to call "the bigger picture".

The problem is that there is a bit of the equation that this government has not understood. I do not say this as an empty accusation. The government cannot prove that it has understood the problem when we look at the budget it produced, because it had to engage in a belt-tightening exercise. I have just been through the statistics on how government revenue has increased spectacularly over the last five years. The bit of this equation that this

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government has simply not got its head around is the necessity to control recurrent expenditure. Of course, that is the problem. When the government is reeling around the place with its pockets stuffed full of cash, the tendency is to just empty its pockets, as there is plenty more where that comes from. We have heard of *The Magic Pudding*; this government thinks it has magic pockets that just keep filling up with cash. That is my theory; I am not an economist.

I must say that one of the last bits of good reading in the media I find at the moment, having given up on News Limited, is Fairfax at the weekend. To anybody who has not discovered *The Australian Financial Review* at the weekend, I recommend that they junk the rest of their reading and sit up in bed with the *Financial Review*, as it is becoming a great newspaper.

Hon Ljiljanna Ravlich: Ha, ha!

Hon SALLY TALBOT: I do not know what is remotely amusing, Hon Ljiljanna Ravlich, about sharing a paper!

On the weekend of 21-22 September 2013 there was an article in *The Australian Financial Review* by Jonathan Barrett. It caught my eye because its title is “How to blow billions”. I realised immediately that it referred to the Western Australian state government, and this is how it reads —

It was death by a thousand cuts, and the Western Australian government inflicted the punishment on itself, resulting in the loss of its prized triple-A credit rating on Wednesday.

I remind members that this article is dated 21 September —

But just how does a state blow its top-notch rating so soon after enjoying one of the biggest mining booms in its history?

And what lessons are there for states, and nations, that suddenly find themselves flush with cash?

To understand Wednesday’s rating downgrade, you must first rewind to the start of Liberal Premier **Colin Barnett**’s unexpected election victory in 2008.

Brought out of impending retirement to contest the “unwinnable” election, Barnett made a promise: he would make sure that regular West Australians enjoy the fruits of the money starting to flow out of the iron-ore-rich Pilbara.

I will have more to say about iron ore a bit later on, because this government must see, in a sense, a mirror of itself every time it unwraps *The West Australian* in the morning and finds another picture of Andrew Forrest on the front page, giving away money he has made out of iron ore. My latest tally is five pictures of Andrew Forrest in yesterday’s *The West Australian*, including one on the letters page. He has been on the front page for three days out of the last 10! Andrew Forrest is making a lot of money out of iron ore. Basically, iron ore rescued the government; it delivered the life ring that was thrown out of the iron ore boat in the lead-up to the March 2013 state election when the government saw its finances essentially crashing and burning, simply because of the drop in the price of iron ore. Fortunately for the government, the price of iron ore rallied. Members opposite know the months I am talking about. Between October 2012 and January 2013 the price of iron ore was steady, so the government’s finances steadied again. The government was very lucky. In an earlier contribution to debate in this place I referred to the fact that the midyear financial statement was released just before Christmas, so before the election. It would have contained a very different story had the price of iron ore not steadied at the moment it did. I will continue with this article by Jonathan Barrett —

Shortly after winning office, the new Barnett government made the state’s teachers the highest-paid in the country.

I have absolutely no problem with that, and I am sure that Hon Peter Collier is pleased to be reaping the remnants of that goodwill. He is lucky he had a remnant of goodwill there, because we could have run some kind of book on how quickly a government could throw away the goodwill it had managed to buy itself with pay increases. I think the government has done a very good job at that. To continue —

Nurses, doctors and police officers were also well remunerated. It was a politically astute policy, and, on the face of it, affordable.

Several members interjected.

Hon SALLY TALBOT: I know that government members do not want to hear this, and I am sure they did not read this article because they have probably gone off Fairfax Media Ltd just as I have gone on to Fairfax! I am really enjoying reading this newspaper now, and I can absolutely understand that everybody on the government

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benches has probably cancelled their daily delivery of *The Australian Financial Review*, but it is increasing on this side of the house!

Several members interjected.

The DEPUTY PRESIDENT (Hon Simon O'Brien): Order! We do not need any cross-chamber chatter when Hon Sally Talbot has the call.

Hon Peter Collier: She's just reading the paper!

Hon SALLY TALBOT: It is a paper I very much enjoy reading, and I am very happy to share it with members opposite, who obviously have not read this article. The article continues —

The government had inherited financial books that forecast billion-dollar-plus surpluses for almost as far as the eye could see.

The fact is that nobody on the government benches wants to dispute any of this, because this is indisputable. They do not like the fact it is now on the public record. It is being held up to them and they are being invited to examine the facts of their economic mismanagement over the last few years. I will read that sentence again, because I really enjoy it —

The government had inherited financial books that forecast billion-dollar-plus surpluses for almost as far as the eye could see.

Nonetheless recurrent spending—day-to-day costs of running a state, like operations and public sector salaries—was growing at a record annual rate of more than 10 per cent.

Herein lay the problem.

Of course, this is the problem to which the government thinks the answer is to introduce compulsory redundancies to control its public sector blowout. That as I say is the core of the government's problem and will ultimately be its downfall. The article continues —

Mining revenues could go up, and then down, but the government could not stop paying its teachers, nurses and police force.

Despite engaging in strong rhetoric about living sensibly, WA Treasurer **Troy Buswell** never got expenditure under control.

The article then refers to a person I would have considered to be an ally of the government, John Nicolaou from the Chamber of Commerce and Industry of Western Australia, who said —

“Recurrent expenditure has grown over 10.2 per cent per annum over the last five years; that's a worrying signal.”

I have heard the CCI make those kinds of comments before, but I have never heard it make those comments after five years of a conservative government. I certainly heard those comments when Labor put money into improving government services and building essential infrastructure such as trains, roads and hospitals.

Hon Jim Chown interjected.

The DEPUTY PRESIDENT: Order!

Hon SALLY TALBOT: The member will have his chance and I am sure we will be immensely entertained when he, when Hon Jim —

Several members interjected.

Hon SALLY TALBOT: I am really sorry, Hon Jim Chown —

Several members interjected.

The DEPUTY PRESIDENT: Order! Hon Sally Talbot is the member making a speech at the moment and members will desist in their interjections.

Hon SALLY TALBOT: I am very sorry, Mr Deputy President; I apologise. I take responsibility for that little outbreak.

Hon Nick Goiran interjected.

Hon SALLY TALBOT: I am always willing to say sorry when it is my fault. I hesitated for the fatal second because I could not remember Hon Jim Chown's name and I had to turn around and ask my colleagues what his

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name was, because he does not speak in this place unless he is delivering answers on behalf of the Minister for Transport in the other place. I apologise to Hon Jim Chown; I will not forget his name again.

I continue with the comments of John Nicolaou —

“The cornerstone of good financial management is getting recurrent expenditure under control.”

That is economics 101, which the government has never quite got round to absorbing. The article continues —

It seems it was never the right time, politically, to make difficult decisions.

Facing the prospect of police industrial action at the Commonwealth Heads of Government Meeting in Perth in 2011, the government gave officers a 13.25 per cent pay rise over three years. How could the government refuse? It was flush with cash.

The Liberals also gave in to pay rises demanded by nurses to avoid a strike in the sensitive weeks leading to the March 2013 state election.

When the government took office in 2008, it was anticipating a combined royalty income of \$5.4 billion over the next three years; it received more than \$7.8 billion.

They are the sorts of figures I was going through at the beginning of my speech. We have had an absolute revenue windfall in this state and yet we have effectively run out of money. The article continues —

But booming iron ore prices and increasing exports had a downside.

Iron ore royalties became one of, if not the, most important revenue streams for the government.

This is the point I made earlier. The government was saved by the fact that iron ore prices stabilised around Christmas time. One of the things that the journalist points out is that regional centres are doing it particularly tough and particularly those where there are booms. Of course, we have a couple of those in the south west, as many honourable members know. We have, indeed, Collie, which is designated as a SuperTown—Collie the SuperTown. I have not seen anything other than signs. I think what happens when a town gets designated as a SuperTown is that it gets a couple of signs. They go up near the 50-kilometre-an-hour speed limit signs or somewhere near the boundary of the town. There is one on the way into town that says, “Welcome to the SuperTown”, and one on the way out that says, “Thank you for visiting the SuperTown.” However, they do not get much else. They get lots of plans and lots of talk, but they do not get much else.

There was a report in the *Denmark Bulletin* this week. The Denmark shire council has just held a series of consultations about the priorities of local residents. It was a really heartbreaking story about an elderly couple who separated because one of them has had to move into a nursing home. The sad thing is that the nursing home is in Albany and one partner still lives in retirement accommodation in Denmark. The problem is that there is no way of getting from one town to the other. I am sure Hon Col Holt has seen the report; if not, I can give him a copy later. We share the same electorate, and I know he visits Denmark on occasions. A couple of people went along to the shire forum and raised the issue. They said, “Why can’t we have a community bus?” The shire’s response was that royalties for regions had dried up for local government, so it cannot provide a community bus. Unlike other shires that have a better revenue stream, particularly shires up north, the Shire of Denmark does not have that sort of revenue stream. When royalties for regions money dries up, its response is that it cannot provide a community bus. We have elderly people who are effectively separated from each other simply because of the lack of public transport.

I will go back to this article headed “How to blow billions” because I am sure honourable members on the government benches are finding it instructive. It states —

WA became the jobs creation capital of Australia, attracting workers from overseas and inter-state; this put pressure on everything—housing, hospitals, transport.

How often have we heard the government use population growth as its front-line excuse? As if we cannot predict population growth! Every budget paper has a prediction about population growth, the same as it has a prediction about exchange rates, the price of the American dollar, and all sorts of other economic indicators that the state needs to be reading to plan its future. Every year we get a population forecast. For goodness sake, people running corner stores, delis and fish and chip shops and small businesses all over the country know how to plan for population increases, yet the government has completely dropped the ball. We hear the health minister say there is a problem with the new children’s hospital. The opposition will have much more to say about that tomorrow thanks to the motion moved by Hon Sue Ellery. The government’s response to that is, “We can’t provide adequate services at the existing children’s hospital because of the growth in population. Yes, it did catch us a bit by surprise that the new children’s hospital is only just going to scrape in at capacity with no

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possibility of expansion.” We hear Hon Peter Collier as Minister for Education coming into this place day after day saying that his budget is being eaten up by increases in class sizes because of increases in population. It simply beggars belief that for five years this government has misread population growth and is now prepared to turn around and blame a substantial proportion of its economic woes on the fact that it got its population numbers wrong, when all the commentary for years and years now has been that WA was growing and it was growing fast. The article continues —

Meanwhile, the growing wealth of WA meant it got a smaller share of the goods and services tax pool, a system designed to redistribute wealth from wealthy states to less prosperous jurisdictions ... The bigger the boom, the less diversified WA’s revenue streams became and the more susceptible it was to a shock.

This is the key to the problem. The government has experienced a shock. The economy of Western Australia has delivered a shock, but the question that arises from the impact of that shock is: who is going to pay? The people who are going to pay are the children who go to Western Australian schools for their education, the children who attend hospitals in Western Australia because they are unwell, people who are on long waiting lists and people in the outer suburbs of Perth, like the ones that Hon Alanna Clohesy referred to in her speech—people who live in the hills who have to change buses six times to get to an event in Perth and then have to leave five minutes after it starts because there is no public transport to get home again. Those are the people who are going to pay for the shock that this government has essentially inflicted on itself.

I return to the article —

Against that backdrop, Barnett engaged in massive building works, in keeping with his election pledge to spread the benefits of the boom. Not only would vital hospital infrastructure be built, but the community would get a new football stadium and waterfront precinct. Its cash deficit blew out.

According to state budget papers, WA is forecast to carry a cash deficit of \$2.8 billion in 2013–14, highlighting the shortfall between income and spending.

Analysis of budget data conducted by *AFR Weekend* found that some measures used to indicate whether a government can cope with its debt burden are hitting levels not seen in almost two decades.

This is the sort of commentary that people on the conservative side of politics gloried in for years and years when Labor was in government. People on my side of politics have stood year after year in government and proven that they are delivering services in the places they are needed, but this is being written about a conservative government that has blown its budget and is milking the Western Australian community to make up its deficits.

Shortly before the Liberals took office in 2008, net debt was about \$4.7 billion. It is forecast to rise to \$21.9 billion in 2013–14. By anybody’s criteria, this is a massive debt blowout. The interest burden alone will approach \$1 billion a year. I remember when we debated in this place the establishment of the Western Australian Future Fund. One point made over and over again by contributors on this side of the house was that although Western Australians would generally be supportive of the mechanism of a future fund in the same sense as most people would support some kind of savings plan to ensure their children’s economic wellbeing in future years—Western Australians are not opposed to that kind of mechanism being used—would they want a future fund established solely to pay the interest on the debt that the government has blown out? I do not think so. I do not think a single elector in Western Australia would endorse the idea of having a future fund just to take care of interest payments on a budget that has blown out of all control. I again quote from the article —

Economic commentators weren’t over-concerned about the debt during the boom, as long as WA had the income to pay for it and that there was a plan to reduce it. WA was in a boom, so it might as well make hay while the sun shone, the thinking went.

Clearly that was the thinking of the government, not just some of the economic commentators. Continuing —

It was during this period that some economists and rating houses wanted WA to create budget buffers ...

This is along the lines of the future fund that I was just talking about —

The WA government did have a plan for its debt —

It was very quiet as I read that! Members opposite like that. I will read it again —

The WA government did have a plan for its debt—it just wasn’t implemented. First, the Liberal government said it would cap net debt at \$20 billion. It didn’t. Second, net debt was supposed to have a

Extract from *Hansard*

[COUNCIL — Wednesday, 16 October 2013]

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peak, before being brought back down. That idea was dispensed with as expensive transport infrastructure promises were made in the lead-up to this year's state election.

Public sector debt is now forecast to rise to \$28 billion by 2017, with no peak in sight.

At that stage we get to the point at which any money that Western Australians have managed to accrue by way of savings or future funds will simply be blown in interest payments year after year. I continue reading the article —

Both issues are understood to be crucial to rating-house decision-making. With no cap, nor peak in its forecasts, the once-booming WA was now facing a downgrade.

There is a bit more to that article, but I think I have captured the essence of it. I hope I have not put the complete wazza on Fairfax's future in Western Australia by saying that I quite enjoy reading its articles these days.

Where does that take us? The point I want to make in the time remaining to me is that if we had managed the budget differently and if we had had a Labor government, instead of a conservative government that was quite happy to spend like a drunken sailor while its pockets were bulging with cash, what could we have spent the money on?

Several members interjected.

Hon SALLY TALBOT: I know the government does not like hearing this, but I am just going to plough on and I am not going to take any interjections. I am talking entirely —

The DEPUTY PRESIDENT (Hon Simon O'Brien): Order! The member has indicated that she is not taking interjections and is addressing the Chair.

Hon SALLY TALBOT: My attention is focused solely on you, Mr Deputy President.

Hon Alanna Clohesy referred to the fact that this week is Carers Week.

Hon Alanna Clohesy: That's right

Hon SALLY TALBOT: It is also Anti-Poverty Week. It is probably entirely appropriate that the two weeks should coincide at least to some extent. To mark Anti-Poverty Week there have been a couple of quite significant publications, and I want to refer to a couple of them in the time remaining to me.

Hon Nick Goiran: Weren't you against Andrew Forrest a moment ago? You do not like people giving —

Hon SALLY TALBOT: I do not see anything remotely amusing or clever in talking about Andrew Forrest in Anti-Poverty Week. I do not quite know the point Hon Nick Goiran is making, but he will get a chance to make a speech later.

The first report I will refer to is "A snapshot of poverty in rural and regional Australia", which was released by the National Rural Health Alliance and the Australian Council of Social Service on 14 October 2013. Page 7 lists the factors that contribute to poverty, which are: education; health; housing and energy costs; the nature of work, employment and income; access to and the cost of goods and services; and community connectedness. I put to honourable members that the government is failing on all six of those factors influential in determining whether people live in poverty or whether they live a more affluent life. I do not have time to dwell too long on them individually, but they have all been well canvassed not only during this debate, but also in the recent sitting weeks when we have looked at various aspects of the government's mismanagement of the budget.

The other document to which I refer is the report released by UnitingCare West to do with social exclusion and the risk factors that confront a number of sections of the Western Australian community. This report is titled "Poverty, Social Exclusion and Disadvantage in Australia", and it was produced by the National Centre for Social and Economic Modelling at the University of Canberra and UnitingCare.

UnitingCare has broken down the statistics on poverty, social exclusion and disadvantage in Australia state by state, and the statistics for Western Australia make chilling reading. The premise on which the report is written is that Western Australia is actually faring much, much better than most other Australian states, the reason being the very factors I just outlined with reference to the Jonathan Barrett report, "How to blow billions". We had billions to blow, and that is the key difference between us and some states in other parts of the country. We have had billions, but we have blown billions over the past five years because of this government's absolute inability to distinguish between capital and recurrent expenditure.

Several members interjected.

Hon SALLY TALBOT: I notice that the noise opposite escalates —

Hon Ljiljanna Ravlich; Deputy President; Hon Ljiljanna Ravlich: I; Hon Helen Morton; Hon Alanna Clohesy;
Hon Dr Sally Talbot

The DEPUTY PRESIDENT: Order!

Hon SALLY TALBOT: — as I start to share with the house some of the statistics about poverty in Western Australia.

In 2011–12, which is the latest year for which statistics are available, WA had a poverty rate across the whole population of 9.5 per cent, which is 218 000 people. Our child poverty rate is 8.4 per cent; 37 000 children across this state live in poverty. Compare that with those statistics I read out at the beginning and the fact that many of the revenue streams of this government have increased 50 per cent, 100 per cent, and 250 per cent in one case. We are living in Western Australia, one of the most affluent states in the country, with 218 000 people officially classed as living in poverty. In 2011–12, WA had significantly lower poverty rates than other states. That is the point I have been making about the relative economic advantage that Western Australia has experienced and would still be experiencing now if we had not had the Barnett Liberal–National government. I will cite some of the figures —

In 2011–12, child poverty rates for 127 Local Government Areas ... in Western Australia for which reliable estimates could be produced ranged from 2.8% —

That is relatively low —

to 45%. There were 12 LGAs where over 25% of children under 15 years lived in poverty and 22 LGAs where over 20% of children were impoverished.

It is very important to compare those figures with the state average child poverty rate, which is 9.5 per cent. I will just repeat that: there were 12 LGAs in which over 25 per cent of children lived in poverty and 22 LGAs in which over 20 per cent of children lived in poverty. It continues —

In 2011, the percentage of households in Western Australian LGAs experiencing rental stress ranged from 0% —

I will not give members any guesses as to where the zero areas are —

to 43.1%.

That is, nearly half the population of some shires were experiencing rental stress. It continues —

There were 10 LGAs in WA where the rate of rental stress exceeded 30%. Households are defined as being in ‘rental stress’ if they are in the bottom 40% of the income distribution AND pay more than 30% of their income in rent.

The final statistic about Western Australia is that we had 5.9 per cent of children in the quintile of Australian children at highest risk of social exclusion. I think those are absolutely appalling and very frightening figures to be produced about a state that is living through boom times and has an economy that is bursting at the seams with money, yet something about the way that our society is working means that 37 000 children across the state still live in poverty.

Let us look at what this means in terms of numbers. At the back of the National Centre for Social and Economic Modelling report—I recommend that everyone in this chamber have a close look at it—there is a chart that shows the number of persons in poverty and the poverty rate for each LGA in Western Australia. It then goes into the number of children in poverty, the poverty rates, the number of households in rental stress, the rental stress rate and the social exclusion index. I will pick out a few of them in the minutes that remain to me. In Albany, 4 223 people are living in poverty. That is a rate of 13.15 per cent. The rate amongst children—that is, children aged zero to 14 years old—is just over 14 per cent. In Bunbury, the rate is 12 per cent across the population and 13.4 per cent for children. In Busselton, the rate is 12.6 per cent across the population who are living in poverty and 13.8 per cent amongst children. In Collie, there are just over 1 000 people, which is a rate of 12 per cent, with about the same percentage of children living in poverty. In Denmark, the percentage goes up to nearly 15.8 per cent and nearly 17 per cent for children. In Harvey, the rate is 9.86 per cent and amongst children it is 10.42 per cent. In Mandurah, the rate is 13.3 per cent and amongst children it is just over 15 per cent. In Manjimup, it is up to 15.5 per cent, which is nearly 1 400 people officially classed as living in poverty, and 16.98 per cent for children living in poverty.

We have to ask whether these are just numbers that anybody can trot out and whether it is just a contrivance of statistics. There is plenty of evidence around now to say that it does matter; it matters very much. It matters across a whole range of factors that should be of grave concern to every honourable member in this place.

In the last couple of minutes remaining to me I will refer to an article. During my time as a shadow minister working in the area of child protection and mental health, I came across many outstanding community leaders, not the least of whom was Tony Pietropiccolo from Centrecare. Tony was kind enough to send me an article he

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Hon Ljiljanna Ravlich; Deputy President; Hon Ljiljanna Ravlich: I; Hon Helen Morton; Hon Alanna Clohesy;
Hon Dr Sally Talbot

had written about child abuse. What fascinates me about this article is its heading, “Child Abuse—Are We All Responsible?” Tony suggests in his article that we bear collective responsibility for not only the high incidence of child abuse in Western Australia but also solving the problem. He draws attention to social factors that influence the rate of child abuse. Part of Tony’s article states —

The ways to reduce child abuse are the same now as they were in the 1930s when they were first studied—effective support for mental health and substance abuse, education, housing and employment.

Notice how those factors overlap with the indicators that lead to poverty that I went through earlier. The article continues —

We need to ensure that our policy makers fully understand that imposing measures that make it harder for families to meet their day to day essential needs will inevitably lead to an increase in violence against children.

He goes on —

We hold both an individual and communal obligation to ensure children don’t continue to live in conditions that are likely to contribute to their abuse. We need to examine our lifestyle choices and assess whether or not they enhance the quality of life of ourselves, our children and the community as a whole. If we are genuinely serious about reducing the incidence of child abuse then we have no option but to improve the circumstances in which children live.

It should be perfectly obvious why I am making that juxtaposition of data—that is, the data about poverty rates in Western Australia, which are about the 37 000 children who are living in poverty, and the incidence of things such as mental illness and child abuse. We should be able to do much better than that. We have the money to be able to do it, yet this government, because of its irresponsible approach to managing the budget, is making sure that we are going down the slippery slope where all those evils associated with economic inequality will prevail in a state that should be in a much better position than it is.

Debate adjourned until a later stage of the sitting, on motion by **Hon Peter Collier (Leader of the House)**.

[Continued on page 4929.]