

APPROPRIATION (RECURRENT 2020–21) BILL 2020

APPROPRIATION (CAPITAL 2020–21) BILL 2020

Second Reading — Cognate Debate

Resumed from an earlier stage of the sitting.

DR D.J. HONEY (Cottesloe) [7.01 pm]: I will return to where I was before the break. I was going through in a little more detail the sham of this year's supposed surplus. The government's first step in trying to hide this was to defer \$921 million in dividend payments from public corporations from last year to this year. Deferral of the dividend payments was, quite simply, a budget fiddle. There is no reason for the 2019–20 public corporations dividends not to be at least recorded in the last financial year, even if the cash payment is deferred. If we look at the budget operating statement, which appears at appendix 1 of budget paper No 3, it shows the dividends from public corporations in 2019–20 to be \$392 million. Then, in 2020–21, it is an eye-watering \$2 776 million—almost \$2.8 billion. Then, in 2021–22, it goes back to a more predictable \$1 379 million. There has been no sensible explanation provided for the deferral. The dividends are paid from after-tax profits, and the corporations have had no difficulty whatsoever raising substantial amounts of capital for projects. The explanation at appendix 7 of budget paper No 3 is that the dividends were deferred due to —

... uncertainty around the impact of COVID-19 on the State's cashflows, and to reduce the need for new borrowings in the short term ...

I have shown that that is nonsense. Table 1.6 is headed “Public Non-Financial Corporations Cash Flow Statement”. The argument is that the government is going to need cash flow. This table shows that the corporations ended 2019–20 with cash equivalents of \$3 233 million; they are not running out of cash. That is a significantly larger sum than the roughly \$2 billion forecast for 2020–21 and the following years, and substantially more than this year, when apparently we do not need money, even though the crisis is not over. The corporations had over \$1 billion more in cash at the end of 2019–20 than they plan on having for the next four years, so there is no sign of a COVID cash shortage to justify not paying the dividends when they fell due, that being in the last financial year. The same statement also shows that the corporations increased their borrowings by \$1 billion, which further contradicts the attempted explanation for the dividend deferral. There is no borrowing difficulty for the corporations and there is certainly no borrowing difficulty going forward, as the forward estimates show. They will be increasing their borrowings and debt every year for the next four years.

The late Hon Max Evans drove reforms to bring more accountability and integrity into how the state's finances are presented to Parliament and the public, with Treasury adopting accrual-based accounting standards. Under those standards, entities must record incurred expenses when they fall due, not when the cash payment is made. Dividends must be declared when they fall due, hence the corporations should show \$921 million dividend payments being incurred in 2019–20, not 2020–21. In terms of the operating statement, it is irrelevant when they make the cash payments; it is when those payments are accrued in their statement. To do otherwise is regarded as financial deceit in the private sector and is a serious matter. An auditor would not approve the accounts and the Australian stock exchange and the Australian Securities and Investments Commission would certainly become interested in the conduct of a board if it behaved in this way. It is an irregular accounting practice by any measure. In the same way, the Treasurer and Treasury should comply with that standard. In short, the budget surplus for 2020–21 has been arbitrarily and improperly inflated by at least \$921 million, almost \$1 billion, the largest part of the so-called surplus.

Perhaps one of the most disappointing aspects of this budget has been the government's complete failure to develop any meaningful plan for the future. This Labor government has enjoyed the greatest budget windfall of any previous government. To outline how much the fortunes of this state have changed, consider the following changes since the last year of the Barnett Liberal government. In 2016–17, royalties for the Barnett Liberal government were \$5.3 billion; in 2019–20, they were \$8.5 billion, rounded, which is a \$3.2 billion or 60 per cent increase in royalties alone. The GST has gone from \$1.9 billion to \$4.3 billion, which is a \$2.2 billion or 120 per cent increase. This government has enjoyed massive windfall revenue of \$5.5 billion from the last years of the Barnett Liberal government. The windfall revenue has nothing whatsoever to do with anything that this government has done. The hard yards were done by federal Liberals in this state getting the GST fix in and China's insatiable demand for iron ore. As the shadow Treasurer outlined yesterday, this windfall has nothing to do with the government.

It is very clear that the government is the master of spin and, oh boy, I bet the spin machine has been going hard in the last hour or two, members. What do you reckon? I think it would have been on full cycle. The government is the master of spin and it seems to be immune from any detailed media scrutiny of its true credentials. The investment in hiring dozens of media advisers is certainly paying off in political terms. However, the people of this state will pay the ultimate price for the lack of financial control and vision of this McGowan Labor government.

The Labor government smashed the domestic economy with its huge utility price increase of more than \$800 for every family in the state. It destroyed the overseas student business by removing the state from the regional migration scheme and reducing the number of skilled migration categories by implementing an additional tax on overseas housing investors, and then there was the bungled backflip with the stamp duty rebate, which saw foreign investors receiving a greater rebate than local investors. The reason all this happened is because Labor simply does not understand the domestic economy and it has lazily relied on booming iron ore and other commodity sales, believing that they would translate into a stronger domestic economy. The laziness has continued with this budget and, as was pointed out by the shadow Treasurer yesterday, simply relying on stimulating housing and big spending on infrastructure, which, can I say, is monkey see, monkey do, will do nothing to provide the structural changes that we need to sustain even a medium-term recovery and job creation in Western Australia. We are seeing a massive sugar rush that is utterly unsustainable. It will create wage inflation in the heavy construction sector and new house price inflation in the housing sector. Where are the new industries that will drive our future economy and the new businesses that will fill the state income void that will inevitably occur when the iron ore price returns to a more sustainable level? Outside of a few platitudes, we are not seeing a serious commitment to developing and fostering the new businesses that will drive employment and wealth opportunities into the future.

There is no better example of this failure than the waste of the recent \$600 million Bell settlement. Indiscriminately handing out that money without any regard to need is a disgraceful waste of a precious resource. To be very frank, it is simply a massive pre-election bribe. It will do little in the short-term and absolutely nothing in the long-term to help people in this state. The government should, by all means, offer more money to help people in need—for example, the people who are currently camped in East Perth with no homes for their children. I would applaud that investment in human decency. Otherwise, what a wasted opportunity this is to use this windfall to create new businesses. A simple example of this is the opportunity to give additional support to horticulturists in the north Wanneroo area. In 2019, the Labor government announced that it would implement a 10 per cent reduction for licensed Gnangara mound groundwater users in 2028. That will lead to producers losing their businesses and becoming uneconomic. It will also lead to an aggregation of licences and a reduction in overall horticultural production in the area. In parallel with those cuts, the Labor government, with its normal spin, promised a feasibility study into establishing a new horticultural precinct in state forest 65 in north Wanneroo that would utilise recycled water. That study was supposed to be finished at the end of last year, but the report still has not been finalised. Industry sources say that the minister has refused to accept the initial report. About 140 billion litres of wastewater produced by the main wastewater treatment plants is going out into the ocean. Only 20 per cent of treated wastewater is currently being re-used. What do we see in the budget for Labor to make good on its promise to help growers in the north Wanneroo area to save jobs and to create new jobs? Absolutely nothing, member for Wanneroo. Part of the \$600 million Bell settlement could have been used to completely remove the need for any water cuts and create hundreds of millions of dollars of additional state income. It would also have created about 1 000 new jobs. That opportunity has been completely missed.

What is being done to reduce energy costs in the state? Again, it is nothing. We see nothing in the budget to reduce energy costs in this state. As the shadow Treasurer has pointed out, energy costs in this state are increasing and not decreasing. There is no vision in this budget. It is a waste of an opportunity to grow our economy. It is a lazy budget that focuses on sugar hits to maximise the government's vote at the next election. It simply ignores the state's future.

Another major disappointment in this budget and the recent performance of the McGowan government is the complete lack of focus in managing the COVID-19 crisis for the long-term. Any government can simply shut the state down. It requires no skill to do that or to limit the number of people coming into the state. It requires skill to allow people to come into the state in a safe way, which will also allow our economy to thrive. It was very clear that early in the COVID crisis the state government realised that catastrophising the crisis and taking a strong public stand on the so-called hard border would be a politically popular move. It was obviously appropriate to take a firm stand on border control, particularly at the start of the pandemic. However, it has been clear for some time that we have the capacity to bring people into this state. Quite literally, tens of thousands of people have come into this state, many of them without any requirement to quarantine. That has shown that we know how to bring people safely into the state. Today we heard the Premier talking about relying on medical advice, but what did we hear? What has been said in this Parliament has been, in fact, a lie. A headline from WAtoday reads, "'Caught out': McGowan's claims about hard border contradicted by Chief Health Officer". As our leader and other members have suggested for some time, there has been the potential to create a travel bubble with those states that do not have community transmission. That is exactly the advice that the Chief Health Officer gave to the Premier and the Minister for Health. Did we hear anything about that in this chamber? Have we heard anything outside? What we have heard is catastrophising and holding this state to ransom.

Dr David Honey; Mr Sean L'Estrange; Mr Ian Blayney; Mr Peter Rundle; Mr Stephen Price; Mr Simon Millman;
Mr Matthew Hughes

As has been pointed out by other members, our horticultural and agricultural industries are going to lose tens of millions of dollars of income because the government has not been able to safely bring only about 3 500 workers into this state. That would solve that problem, but instead, for political advantage, the state government has chosen not to do that. That is an absolute disgrace.

It is a lazy budget. It is a dishonest budget. The budget ignores proper financial reporting practices. The budget will distort the local economy for short-term electoral gain, while it ignores the long-term needs of the community. It does nothing to set us up for the future. It is a budget that betrays the hopes and aspirations of the next generation.

MR S.K. L'ESTRANGE (Churchlands) [7.15 pm]: It is a pleasure to be here with the shadow Treasurer and with you, Mr Acting Speaker, a member of the Economics and Industry Standing Committee of the Parliament of Western Australia, so you have a strong grasp of the economic issues of this state. It is pleasing to see that the government is taking such a strong interest in opposition members' speeches on the Appropriation (Recurrent 2020–21) Bill 2020 and the Appropriation (Capital 2020–21) Bill 2020 today, with just the government Whip and the Treasurer present to listen to us. It is a shame.

Mr P.J. Rundle: The Treasurer's gone.

Mr S.K. L'ESTRANGE: Sorry; the Treasurer has just left. It is just the government Whip who is here to listen to us—and the member for Kalamunda. He missed his bus to Kalamunda. It is no wonder the member for Kalamunda missed his bus, because what a deflated, haphazard, boring, economic reform–light, sneaky McGowan-esque budget this state budget is. It had no surprises for me. The McGowan Labor government has shown no leadership, no inspiration, no vision for a better future and no scrutiny over the numbers. In fact, how many staff does the shadow Treasurer have in his shadow ministerial office?

Mr D.C. Nalder: Zero.

Mr S.K. L'ESTRANGE: Zero. The shadow Treasurer stayed up all night over the weekend going through the numbers, member for Kalamunda and member for Balcatta, and believes that he has found \$4.1 billion of unaccounted money that was just snuck into the budget in various different spots. Is that right?

Mr D.C. Nalder: Yes, it looks like it.

Mr S.K. L'ESTRANGE: It looks like it. I am sure that if we look deeply, we will be very interested to know whether there is some sneaky McGowan Labor government–embedded slush fund to the tune of \$4.1 billion hidden in the budget.

One of the things that I find fascinating about this budget is the debt repayment plan. The debt repayment plan is in appendix 5 of the budget papers. Under the heading “Debt Reduction Account”, it states —

In line with the Government's election commitment for responsible financial management, —

Let us remember that it was a commitment at the last election to have no new taxes and no increases in taxes—Mr Acting Speaker, you will remember that—but the government backflipped on that one and taxed everybody to the hilt —

a Debt Reduction Account was established in 2017–18 to apply windfall funds to reduce Consolidated Account borrowings.

That was its debt reduction strategy. Wait—to win lotto. That was going to be its strategy. Guess what happened? Recently, there was the Bell Resources settlement to the tune of \$655.4 million. Remember that? That sounds a bit like a windfall to me. It is not something that a government would normally budget for. What did the government choose to do with that windfall? Did it choose to apply its debt reduction account measures? No, it did not. It chose to give it to all Western Australians in the form of a \$600 rebate on their electricity bills. Western Australians love that; they are very happy with that. But it is sneaky, and I will tell members why it is sneaky.

On the one hand, the government says that it is paying down debt when it is not, because this is a windfall that could have achieved that outcome, and it is in the budget papers, so it did not do that. On the other hand, the government is saying that it is giving back to Western Australians. Let us not forget that that \$600 rebate was already factored into its increases over the following three years of the forward estimates. Over the following three years of forward estimates, electricity prices will go up by seven per cent, and that is on top of the 19.6 per cent in increases that Western Australians have already had to put up with from this McGowan Labor government over the last three years. Although people think they are getting a \$600 benefit in their back pocket—they need it and it is good that they are getting it from their perspective—the fact is they have been hoodwinked by this government with a 27 per cent increase in power prices over the previous three years and in the following three years. This is a very sneaky government that loves to get a political win out of an activity such as giving a \$600 cheque to people while at the same time saying it is paying down debt when it is not, and that it has a debt-reduction strategy based on windfalls

Dr David Honey; Mr Sean L'Estrange; Mr Ian Blayney; Mr Peter Rundle; Mr Stephen Price; Mr Simon Millman;
Mr Matthew Hughes

but it does not use it. That is what we are dealing with. When we talk about fiscal management, it is spin. It is all spin on the part of the McGowan Labor government. There is no substance to it because it is not prepared to do the heavy lifting when it comes to debt repayments.

State borrowings is another interesting area. The government said it would pay down debt. What is happening with state borrowings? Page 47 of budget paper No 3 states —

... State borrowings held against the Consolidated Account are forecast to increase by \$3.6 billion over the four years to 30 June 2024 ...

...

Net debt as a share of Gross State Product is forecast to rise ... from 11.3% in 2019–20, to 14.6% in 2022–23 ...

How is that debt reduction going? In the lead-up to the 2017 election, the Premier said that he would pay off debt responsibly like a household would pay off a mortgage, or words to that effect. I do not see any debt reduction strategy being applied or debt being paid down. All I see is debt going up and up and up under this government. What about the debt and deficit spin that goes with that? What tricky, sneaky Premier McGowan likes to do is try to confuse people out there who might not have as thorough a grasp of economic terminology as someone who has studied economics. He uses the difference between debt and deficit interchangeably to suit himself. When he says that we have a budget surplus, people think that the debt has gone away. The government is trying to spin it that way to make people feel as though the government is paying down debt and getting us back in the black when it is not; it is getting us more in the red. The Premier uses spin on the deficit angle. We all run our own household budgets. Money comes in, expenses go out and what is left at the end of the year is a surplus or the household has to borrow money to cover itself and hopefully it can recover that with more earnings to pay off the debt and move ahead. That is the deficit side. But even the deficit, as Ben Harvey showed us in *The West Australian* of Friday 9 October, is not quite as it seems either. In his article titled “In a COVID Spin”, he says —

Debt isn't scary anymore

Owing bucketloads of money to foreign investors is apparently nowhere near as bad as Mark McGowan told us it was.

“We now have the worst set of books in our history,” an almost historical Opposition Leader warned us in 2016.

...

No fear, this time, though, because having debt at a whopping 14 per cent of the economy is, “sustainable and manageable”, according to Mr Wyatt.

How times have changed. It is remarkable. The article goes on to say —

Why you earned that credit on electricity bill

Mr Wyatt spent several minutes yesterday explaining how the \$600 credit on our power bills was made possible ...

... Mr Wyatt made their power bills longer than their phone numbers —

He is talking about consumers —

when he jacked up prices when he took over from Mike Nahan.

That is what Ben Harvey thinks. He goes on to say —

Not all surpluses are equal

The \$1.2 billion surplus that Mr Wyatt expects this financial year is a bit of a furphy because it doesn't take into account the total cost of the much-vaunted \$27b capital works program.

... the surplus that Mr Wyatt talks about accounts for the cost of employing teachers, cops and nurses but *doesn't* include the cost of schools, police stations and hospitals.

It's like ignoring your monthly mortgage payment when you calculate your household budget.

Once we account for the cost of *everything* the Government will spend over the next year we find that instead of being \$1.2b in the black, we are \$3.39b in the red.

It looks to me as though the journalist, Ben Harvey, is onto the member for Kalamunda.

Mr M. Hughes: Me in particular?

Dr David Honey; Mr Sean L'Estrange; Mr Ian Blayney; Mr Peter Rundle; Mr Stephen Price; Mr Simon Millman;
Mr Matthew Hughes

Mr S.K. L'ESTRANGE: He is definitely onto you. Member for Balcatta, Minister for Local Government—he is onto you all! He knows that the government is all spin. He knows that the COVID-19 period has been used as a bit of a smokescreen to cover the government's mismanagement whilst people have been focusing on their health concerns.

Another aspect of this budget is how lucky the government has been that money has come in. That is nothing to do with its leadership, management or economics; it is pure luck. Let us look at iron ore. What was the price of iron ore in 2015–16? I will tell members; it was \$US52 a tonne. What is the price today? It is \$US122 a tonne. That is an increase of 135 per cent and it has led to \$8.4 billion in royalties in 2019–20. That is what we are dealing with. We have all this extra money coming in that the previous government could only dream about, and where did the government get that money from? The government got it from China, which is very concerned about its economy moving out of COVID and into the future, and it got it because the Vale mine in Brazil had a catastrophe followed by Brazil having serious problems with coronavirus. The Pilbara could provide that iron ore to China, hence we were almost the only major supplier in Australia to be able to give China what it needed. The government benefited from that to the tune of \$8.4 billion, which is up \$945 million from the midyear review and up \$2.1 billion on its own assessment last year. These are big, big numbers.

I refer to commonwealth contributions. We know that the commonwealth provides grants to the government, and that is fine. The commonwealth provides grants for health, education and other areas to the tune of, I think, \$11.94 billion. But what was GST under the former government? It got down to as low as 30¢ in the dollar. It had some top-ups to get it up to around 36¢, but essentially it was 30¢ in the dollar, and then was reliant on tied grants after that. What is GST now? GST is now 70¢ in the dollar. That is an increase of 130 per cent on the government's GST earnings. Did the government create that? Of course it did not. All the heavy lifting for that outcome was done well before this government came into office. Those are two big revenue streams that have come to this government, and it has not had to lift a finger. It is sheer luck.

We then look at other things such as the \$1.2 billion that is sitting in a commonwealth bank account for the government to access if it decides to go ahead with Perth Freight Link. Of course, it has said that it will not, so that \$1.2 billion, which could create hundreds of jobs for Western Australians and ease up traffic congestion in the south area of metropolitan Perth well into the next 50 years, has been ignored by this government. Then there is a federal government injection of \$1.1 billion for infrastructure this year. This government is literally getting all its revenue without lifting a finger—all these windfalls!

The people of Western Australia are having to cope with the difficult economic circumstances that are linked to the COVID-19 pandemic. We have JobSeeker and JobKeeper, and what does that tell us? We know that JobSeeker was about \$550 on top of fortnightly JobSeeker payments; it is a supplement. We know that from 25 September it was extended at \$250 a fortnight for qualifying people. The JobKeeper flat payment of \$1 500 a fortnight was introduced as a subsidy to businesses and is being extended until 28 March 2021. Isn't the government lucky—two weeks after the election! Does this government think it had anything to do with that? Of course it did not. That was the commonwealth government saying that the people and small businesses of Australia need to be supported, but this government got the economic luck out of that as well.

Then we can look at the federal budget's \$1.2 billion to boost new apprenticeships and traineeships. For up to 100 000 new apprenticeships and trainees, there is a 50 per cent wage subsidy program. Did members opposite put their hands in their pockets for that? Of course they did not.

All these initiatives to be creative and fiscally responsible for getting the economy back on track were not done by the government. In fact, this is one of the blandest budgets a government has ever produced in a time of crisis. I can see why members opposite decided to throw all their economic spin out there and come up with a very light, bland budget. It is because everyone else is doing the work for them. The numbers speak volumes. Anybody who decided to get into the books and have a look at them would find what I found.

[Member's time extended.]

Mr S.K. L'ESTRANGE: What is missing from the budget? There has been plenty of commentary around what is missing. Aaron Morey, chief economist at the Chamber of Commerce and Industry of Western Australia, said he was “disappointed the Budget did not drive further business initiatives.” That is a real shame. Warren Pearce, chief executive of the Association of Mining and Exploration Companies, said —

...we'd like to see the Government continue to focus on its efforts to reduce red tape, bring those projects and investment forward and help the private sector really continue to contribute to the recovery of the State.”

It is a shame that members opposite did not really listen to these people when they wrote their budget.

Dr David Honey; Mr Sean L'Estrange; Mr Ian Blayney; Mr Peter Rundle; Mr Stephen Price; Mr Simon Millman;
Mr Matthew Hughes

Committee for Economic Development of Australia senior economist Cassandra Winzar said there “was little in the way of new announcements to directly help the business sector or incentivise further investment.” That is a pretty poor report card. It is about a D-minus, is it not? Not too many people out there are that impressed with the government’s efforts.

The managing director of the Real Estate Institute of Western Australia, Damian Collins, mentioned the legislation to do with landlords. Do members remember the one in which the government said it was going to extend the COVID landlord legislation period, again until just after the election? The concern was that people might be gaming the system—the poor old landlord, the mum and dad investor who have a rental property and are really struggling because their tenant is not doing the right thing. The government decided to extend that legislation without showing the Parliament the data on why it was extended or justifying economically why it needed to be done. The government just did it. The managing director of REIWA, Damian Collins, said that the legislation had discouraged investors from entering the market, which meant supply was not increasing in line with growing demand. He said exemptions should have been targeted for those affected by the pandemic. That is perfectly sensible and logical advice. The government chose to ignore it.

What about the “State of the States” reports? It is always interesting to look at the “State of the States” reports, because even during a pandemic we get to see how this government has been performing relative to other governments that face the same, if not worse, COVID-19 conditions. I would argue that, apart from the Northern Territory and South Australia, they are all suffering worse COVID-19 conditions than us. How did we perform there? In the July 2020 “State of the States” report, out of eight, Western Australia ranks seventh for retail spending, behind the Northern Territory; eighth for unemployment; seventh for construction work, which is down 45.2 per cent on decade average; seventh on housing finance, with commitments down 33.5 per cent on the decade average; and seventh for dwelling starts, which are at a 19-year low in WA. Overall, it is ranked seventh, ahead only of the Northern Territory. Members opposite are out there saying that they are fantastic economic managers and that the Western Australian economy could not be better. That little report card says that we are seven out of eight in most areas. Again, it is more spin on the Premier’s economic management of Western Australia during COVID. Let us think about the pre-COVID context, because I think that gets lost in the COVID smokescreen that members opposite love billowing out. As the member for Cottesloe just highlighted, we heard some very damning evidence today when the Chief Health Officer, not under oath but in a parliamentary hearing in which they have to tell the truth —

Dr D.J. Honey: It was broadcast on TV as well.

Mr S.K. L’ESTRANGE: I hear it was on TV as well; thanks, member for Cottesloe. He said he never gave health advice that the hard border had to stay.

This is now not an issue of the borders; it is an issue of integrity. The Premier’s integrity is now on the line. People will have their own position on the border, but when the Premier of Western Australia says that he is relying 100 per cent on the Chief Health Officer’s health advice, and the Chief Health Officer in a parliamentary hearing—I am hearing publicly on the news tonight—says that that is not the case, we have a serious integrity issue. We have a budget, a government and an economy run by the Premier of Western Australia, and he cannot be trusted. That is on the news tonight, member for Kalamunda. As a former school principal, the member knows that if one of the students he taught or was headmastering—whatever you call it—demonstrated an abject failure of integrity, they would be on the mat in front of his office waiting to be told, “You’re not good enough, son”, or girl, “You need to improve your integrity.” I look forward to the member for Kalamunda standing in this place tomorrow and holding his Premier to account on integrity, because that is what he would have expected of his students, and that is what he should expect of his Premier.

Let us have a look at the pre-COVID context. In December 2019, total building approvals for all building types and all sectors trend fell to 1 156. In August 2019, Western Australian house building approvals hit their lowest since records began in 1983. In September 2019, these again fell to 851. These falls continued in February 2020, dropping another two per cent. That was pre-COVID, a month shy of the COVID pandemic. The worst results since 1983 were under this government. We went through the Keating 1991 “recession that we had to have”. There were high levels of unemployment and high levels of inflation. Then in 1997, we had the Asian financial crisis. In 2008, we had the global financial crisis. This government has overseen an economy in which building construction is worse than during all of those financial crises, and the worst since records began. What is the government’s policy in this budget to help fix that? The government’s policy is to rely on the federal government, iron ore royalty revenues and the GST change, and to just hope for the best, because it has no intellect when it comes to shifting the Western Australian economy into a new future. The Premier cannot be trusted on integrity or managing the Western Australian economy properly.

Dr David Honey; Mr Sean L'Estrange; Mr Ian Blayney; Mr Peter Rundle; Mr Stephen Price; Mr Simon Millman;
Mr Matthew Hughes

What else does the pre-COVID information tell us? On household stress in 2018–19, there were 1 302 civil property repossession applications in the Supreme Court, which was up by 98 on the previous year and 383 on 2014–15. Synergy and Horizon Power cut off more than 22 000 customers for unpaid bills—one in every 60 customers. Real Estate Institute of Western Australia figures show that 12 per cent of WA home owners owed the bank more than their property was worth. Supreme Court figures show that lenders made 1 304 applications for civil property repossession. Over half of all loan balances in negative equity in Australia were in Western Australia and the Northern Territory. That was pre-COVID. The Western Australian economy was going down the toilet under the McGowan Labor government. The COVID smokescreen hit Western Australia and McGowan untrustingly told us it was all about health advice, but we have found out that is wrong. The economy does not lie. The economy was suffering under the McGowan Labor government and the economy will continue to suffer under the McGowan Labor government. What about those cost-of-living fees and charges pressures that households were put under by the McGowan Labor government? Over three years, the total increases in charges were: electricity went up 19.6 per cent, water went up 14.5 per cent, public transport went up 15.25 per cent, and motor vehicle registrations went up 7.9 per cent. When the economy was going down the toilet under this government, what did it do? It increased people's fees and charges—shame! That is how much care and compassion the McGowan Labor government has for households in Western Australia. It puts them under more and more stress.

How has the government dealt with the people out in my electorate on the significant issues that matter to local communities, such as education? I could not see anywhere in the budget any improvements in the assets of primary schools and high schools in my electorate. For a number of years, Wembley Downs Primary School has been wanting a new administration building. The previous government committed to it, but I do not know what this government is doing about it. Correct me if I am wrong, but I could not see anything in the budget for that. I have got up in this place several times to ask the government what it is doing about the Herdsman Lake Wildlife Centre. It was going to cost \$165 000 a year for a full-time education officer in one of the best outdoor environment programs run in this metropolitan part of Perth. It is \$165 000; that is not even a rounding error. The government scrapped it from the education program. That centre had 6 500 students going through it annually, with some 2 000 students participating in the Indigenous education program, an ancient science program connecting Aboriginal culture to local kids and schools throughout Perth, down at the lake. It was a brilliant program, and it cost only \$165 000. The government was too tight to find that money.

Dr D.J. Honey interjected.

Mr S.K. L'ESTRANGE: Kids from all over metropolitan Perth were going to it.

What about the road networks? The road network in my electorate around Churchlands Primary School, at Pearson Street and Cromarty Road, is having real issues because the Stephenson Avenue on-ramp at the freeway will make Pearson Street busier. The City of Stirling has done some road redirections in the Churchlands Green area, which it is impacting. The school community is just saying, "Help us get our Kiss 'n' Ride drop-off area sorted out or there will be an accident. A kid could get seriously hurt." I have sent letters to the Minister for Police, the Minister for Education and Training and the Minister for Planning saying, "Guys, just fix this up. Look after the kids; look after the teachers." Nothing. All spin and no care. That is what it is about.

I ask members that when they look at the budget, look for vision for the future. Try to get a sense of what this government is about and why it wants to be re-elected, because this is also a pre-election budget. It is the most boring, pathetic, weak, insipid pre-election budget I have ever heard of. It is quite unbelievable. If a first-year economic student at the University of Western Australia, or wherever, submitted this budget as an assignment, their tutor would give it back to them and ask them to resubmit it, for goodness sake, because this is boring. The government is missing the key targets. It has not understood the intent and it has its mission wrong. This budget is pathetic. Government backbenchers all sit around and allow their cabinet to make these decisions. They have an election coming up. For goodness sake; when they sit in their caucus room, how about critiquing the team!

I will wrap up. This is a budget letdown. It is lazy, it lacks economic excellence, it lets down Western Australians, it relies on the commonwealth and it fails to set a vision for WA. It really is quite appalling and lazy, and I just think a little more compassion, a little more empathy for the people of Western Australia, a little more honesty and a little less sneakiness is all that they would have expected, yet the government failed badly to deliver a proper and effective budget. We will hold the government to account on that and we will hold it to account on its budget as we go into the March 2021 state election.

MR I.C. BLAYNEY (Geraldton) [7.45 pm]: I rise to speak on the Appropriation (Recurrent 2020–21) Bill 2020 and the Appropriation (Capital 2020–21) Bill 2020. I first read thoroughly through the federal budget, because I thought that, obviously, we are responding to an international crisis, not just a Western Australian crisis. I was interested in the commentary up to the federal budget that in politics we should never waste a good crisis. I was interested in the broad picture, if you like, of the federal budget, and I spent the day reading about it. I thought there were some really quite good original things in the federal budget that set the context to help us understand

Dr David Honey; Mr Sean L'Estrange; Mr Ian Blayney; Mr Peter Rundle; Mr Stephen Price; Mr Simon Millman;
Mr Matthew Hughes

the Western Australian budget. The first thing I noticed was that the federal government is banning the export of rubbish, spending \$250 million on recycling infrastructure, which I think is well overdue.

At the worst, net debt in Australia will be one-half of net debt in the United Kingdom in relation to its economy, one-third of debt in the United States and one-quarter of what it is in Japan. Our net debt will peak at \$966 billion, which will be 44 per cent of our gross domestic product in June 2024, but, of course, that is helped very much by the fact that we have such incredibly low interest rates. A useful thing that has been done in the company tax system is that losses incurred up to June 2022 can be offset against profits made in or after the 2018–19 financial year, which is an interesting concept. It is a bit like in farming, where tax can be averaged. For some companies that will be a saviour, because they were making good money in those early years and, of course, they will have made losses since then, so they can balance out the two. There is instant write-off of plant for companies with a turnover of up to \$5 billion, and a 100 per cent deduction for second-hand equipment, which is unusual and another good idea. JobKeeper will be up to \$101 billion by the end of March next year. JobKeeper is a huge program, and I commend the federal government for having the courage to do what it has done there.

Similar to 2008, a lot of things that will happen in Australia, and certainly in Western Australia, sit around the growth of the Chinese economy. It will be absolutely crucial. When we look at the projections for the price of iron ore, we come to the conclusion that really nobody knows.

I am pleased to see that the federal government is interested in manufacturing again. One point I would make is that if the government wants to increase what we produce in food and beverages, it will have to do something about the market power of the supermarkets, because they will stymie any efforts we make to increase our food processing sector. All kinds of people are now freely admitting that the treatment of Holden and Toyota was an absolute disaster for the Australian manufacturing base.

It is good to see that the federal government is putting in some measures to address another issue that has needed to be tackled for quite some time, and that is the cost of domestic gas on the east coast. There is some useful work on extra road funding, and we can see that in various projects. Even one of my favourite projects, which is the road between Wiluna and Meekatharra, is getting, I think, \$16 million a year from the federal government.

It will be interesting to see whether this COVID period will mark the end of what has been called by some our immigration Ponzi scheme by which we were tying citizenship with coming here and paying quite high fees to study at university, with people getting their citizenship at the end of their studies. It was a way to keep the economy growing by just increasing the population. I think quite a few people will not miss that. University vice chancellors who are on seven-figure salaries probably will, but a lot of other people will not. I question the wisdom of building a new university in the middle of Perth. If Chinese university students do not come back in any numbers, our overseas student numbers will be down by about 30 per cent, so I think that has been a wise investment.

I welcome the crackdown on Facebook and Google in the federal budget. Last year, Google apparently paid \$58.7 million in tax on gross revenue of \$4.8 billion, which I think is quite outrageous. Unfortunately, and sadly once again, it is using the Singaporean economy to do that. I am frequently disappointed with the Singaporean attitude to ripping off our tax.

There are some interesting assumptions in the federal budget. It assumes that by the end of the year the Victorian economy will be back to normal and that by the middle of next year the iron ore price will fall to \$US55 a tonne. Obviously, there will have to be a considerable increase in funding for aged care. A big question sits around a vaccine and how effective that will be. The assumption in the federal budget is that we will have a vaccine by July next year, and that if it works—the Australian Medical Association is cautious about that—it will be worth \$34 billion in increased economic activity. However, another Victorian-style outbreak would cost the economy \$55 billion. That is a huge issue. So far, federal company tax revenue is \$12.2 billion lower as a result of the impact of the COVID-19 pandemic. The federal government is assuming that the economy will grow at 4.5 per cent a year—the International Monetary Fund is saying three per cent. It is good to see that there will be growth and I am pleased that the federal government is being optimistic. Someone mentioned the 1990s recession. It took two years for growth to return to previous levels from the early 90s recession, which was engineered by Keating and his interest rates, and it took a decade for unemployment to drop below six per cent after that recession. Treasury is now saying that it will take four years for unemployment to drop below six per cent. That may be a heroic assumption.

It is assumed that the Chinese economy will grow by eight per cent next year. The federal government, of course, has some quite serious decisions to make. One is the future of JobSeeker and the other is the future of JobKeeper. In the middle of the decade, gross debt could reach \$1.7 trillion, assuming that interest rates are still low, and net debt could peak at \$1 trillion by 2024. The population growth of Australia in 2020–21 will be 0.2 per cent and in 2021–22, 0.4 per cent. That will be the lowest population growth Australia has had in a century. A second COVID-19 outbreak in Victoria cost two per cent off our national gross domestic product in the September quarter.

Dr David Honey; Mr Sean L'Estrange; Mr Ian Blayney; Mr Peter Rundle; Mr Stephen Price; Mr Simon Millman;
Mr Matthew Hughes

The federal government also announced measures on superannuation accounts to encourage people to have one account and not multiple accounts; measures on fees and charges, which in some cases have been outrageous; and non-performing funds, if you like, are going to be outed. The CSIRO will receive an extra \$450 million over four years, \$2.4 billion will be invested to lock in lower energy prices, and \$28.3 million will be allocated to develop five strategic gas basin plans. The international freight assistance mechanism will be extended to June at a cost of \$317 million, which has been good for Geraldton. Michael McCormack was in Geraldton in February and I impressed on him the importance of the government to do something like that. Also, \$2 billion has been committed to low-emission technologies. It is predicted that the government will spend \$18 billion in that area by 2030. There is an assumption that there will be 10 years of deficits, and an extra one-off \$1 billion is allocated for university research.

Another interesting development in the tax area is the development of something that is similar to chapter 11 bankruptcy in the United States, which is a very valuable mechanism. When companies enter administration in Australia, about 90 per cent of them are wound up and do not continue. Chapter 11 bankruptcy allows a company that is in trouble to get protection and continue under its normal management. I think it is a welcome development to have something like that in our taxation system.

That puts our state budget into a framework. As I said, we should never waste a good crisis, so I think the federal government has used the crisis to put in some useful and valuable changes. Obviously, the state government does not have as many levers or access to the sort of money the federal government has. However, as we see it, the royalties for regions program continues to be trashed. Funds are spent on things like water, power, orange school buses and TAFE fees, and what is left is being underspent. The previous Liberal–National government has been endlessly criticised about the level of debt and now the government has set about adding to it. However, I think the government can make a case for doing that due to the seriousness of the situation we face. However, it should be mentioned that the GST issue has been resolved by the federal government and we are getting much higher than projected iron ore royalties. As we would expect, a lot of this money is being spent in Perth. It is worth saying once again that iron ore was \$US38 a tonne and on some projections we were looking to get no GST money back at all during the Barnett government years.

I welcome the continued commitment to expanding the Geraldton Health Campus and I likewise welcome the step-up, step-down facility, but I still regret the closure of our sobering-up centre, which has implications for our community, and the closure of Cameliers Guest House. I am glad to see confirmation that the finfish nursery will be developed, and confirmation of the short-stay Aboriginal accommodation facility is also very welcome. The Nationals have made a commitment to acquire a rescue helicopter. I am interested to see that that issue is generating some interest, but I think it is time the midwest had such a thing.

Apart from the measures above, the announcements do not seem to contain a lot of new commitments. I note that the press release refers to \$21.4 million to upgrade the Champion Bay Senior High School, which was a Barnett commitment from 2015–16. The bypass road is a very topical local issue at the moment and I ask the government to consult with our community. The people of Walkaway want to hold a public meeting about it, but Main Roads has said it will not attend it. One of the big concerns about building an entirely new road rather than developing the existing Brand Highway is the chance that Main Roads will downgrade Brand Highway to a local road and hand it back to the City of Greater Geraldton and the Shire of Irwin to maintain. That would cost the City of Greater Geraldton somewhere in the region of \$1 million or \$2 million a year and I think it would cost the Shire of Irwin in the region of \$1 million a year. The City of Greater Geraldton might be able to manage that, but I do not think the shire would be able to.

Mr D.A. Templeman interjected.

Mr I.C. BLAYNEY: It has probably taken half the car traffic but virtually none of the trucks, so Brand Highway now is pretty much dominated by trucks. That is fine; it is a pretty good road and the trucks are well driven, so it is not really an issue.

I was interested in the \$600 credit being handed out to people with power bills. I would have preferred to see that means tested and the balance of those funds put into social housing. I will read a few comments from a letter I wrote the other day to the Minister for Housing, whom I have always found very helpful. My letter states —

Dear Minister

...

I am writing to you on behalf of —

I will call her Phyllis —

a constituent of Geraldton in relation to her application for priority housing.

Her daughter-in-law ... contacted my office to raise her concerns regarding her mother-in-law's housing situation.

Phyllis is currently undergoing dialysis treatment and has restricted mobility. I have been informed that she is on the priority housing list and has been living with her youngest son Ralph for the last 3-4 months. Ralph has a one bed-room unit in ... Spalding so Mrs Hamlett is currently having to sleep in the lounge, which is not beneficial to her health or conducive to her recovery.

Phyllis does not want to go into an aged-care facility. She feels she can still look after herself; she just wants a little unit of her own. She is on the priority list, but a reasonable number of houses are boarded up in Geraldton. I know some funds have been allocated, but I suspect that for quite a lot of people who will get a \$600 credit on their power bill—I had a long discussion with my wife about it actually; our power bill is always in credit—that money will disappear into the ether.

Mr D.A. Templeman: Do you have a solar system?

Mr I.C. BLAYNEY: There are 10 or 12 panels.

Mr D.A. Templeman interjected.

Mr I.C. BLAYNEY: It could be. I really do not know. It was on the house when I bought it, so I did not go into the nitty-gritty of it. But I know that we never pay anything for power. The credit just accumulates. Therefore, I suspect that is probably \$600 that the Treasurer will keep. He is deep in thought, so I will not interrupt him.

I went through a heap of projects in my regional cities program that I think are positive. The good thing about the regions is that that tends to be where the blue sky stuff is. In the regions, we can have new industries and do new things. The first one on the list is irrigation on the Fitzroy River. That would certainly be a job generator in that area. I believe that could be done cooperatively between the people who own the pastoral leases and the traditional owners. Most of the traditional owners would be keen for their young people to have jobs.

The Meekatharra–Wiluna road is being built under an interesting model. The Shire of Wiluna is running the building of the road, and it is training Aboriginal people in the main how to operate the earthmoving machinery, which is why it will take quite a long time to build that road. Terry Redman put that program in place when he was the Minister for Regional Development. That is a good thing. That road was promised in 1957 when the railway line was withdrawn. I said to someone the other day that I hope that road will be finished by 2057.

One policy that we took to the 2005 election was to standardise government department boundaries along the same lines as the regional development commission boundaries. That would be a very useful innovation. We also need to put in place serious incentives to get medical personnel to live in the regions, GPs in particular, to the point that we will not train people unless they are prepared to make a commitment to spend some time in the regions.

I believe that one day we will get tidal energy in the north of this state. Renewable energy across the state is one of our big opportunities. I believe we will also get clean, green food production. However, I am disappointed about the treatment of our dairy industry. I am scratching my head, as are others, about the government's plan to move 400 agriculture department people into the CBD.

[Member's time extended.]

Mr I.C. BLAYNEY: I cannot work that out. I hope it is because office rentals are very cheap at the moment and it is a way to deal with that for the time being. However, I would like most of those agriculture department people to be in Northam.

A commitment to deal with coastal erosion is also very important. We need to look strategically and try to get people to move to the regions to address the endless growth of the City of Perth.

I have looked at the various things on the books of the regional cities. Those things are probably not in this budget. They include the Kununurra bypass road, the swimming pool and the upgrade of the airport runway. One potential development is prawn farming. The cotton industry is also a positive development.

In Broome, depending on how COVID goes, there may be an opportunity in years to come to develop that as a tourist mecca. There are social issues in Broome, and although I do not think they are being addressed very well, they are definitely being impacted by the increased money that is coming to people through JobSeeker.

In Port Hedland, the marina is a positive development. The airport is finally going to get an upgrade. Anyone who has used Port Hedland International Airport will have wondered what was going on in that place. The high school and the swimming pool are also positive developments.

Karratha is a shining example of what can be achieved in a city in the north. That is very much a product of the previous government.

In Carnarvon, the jetty should be restored. Others have suggested that Carnarvon could have a resort similar to the resorts in Broome.

Dr David Honey; Mr Sean L'Estrange; Mr Ian Blayney; Mr Peter Rundle; Mr Stephen Price; Mr Simon Millman;
Mr Matthew Hughes

In Geraldton, we have the bypass road, and the Abrolhos Islands aquaculture development. Part of the department of fisheries could be moved to Geraldton. Horticulture is going quite well there. The development of the port will be good. Another interesting blue sky project is the production of hydrogen at Oakajee.

I see Northam as potentially having a department of agriculture, an agriculture management college, an agriculture university, and an agriculture safety institute. New South Wales has a major rail maintenance depot in Dubbo, and we could have a similar thing in Northam.

Bunbury is getting a more reliable rail connection. It has a port that can be developed. Bunbury could become a centre of advanced manufacturing and technology. It is a modern, progressive regional city and of course it should have got the Department of Conservation and Land Management or Department of Environment and Conservation facility or whatever it was called at the time and the 300 people that the Barnett government had intended to move to Bunbury, but, unfortunately, that did not happen.

Kalgoorlie has on its books a freight-transfer inland port-type arrangement to shift products from rail to track. I think we should restore the Western Australia School of Mines to its former position and it should be the best school of mines in the world.

Albany, obviously, has tourism and retirement options, but I think that in time Albany could become a university city. The Australian Labor Party in a previous election, I think, made a commitment to shift the Department of Local Government, Sport and Cultural Industries to Albany. That is a plan that the government could perhaps pull out, brush off and have another go at.

Esperance has tourism, but I think it could value-add in the agricultural transport sector. There has been quite an impressive increase in agricultural production in Esperance over the last 10 years. Esperance will definitely go places agriculturally.

The final issue related to the budget that I want to talk about briefly at the end of my speech is industrial manslaughter. I acknowledge and offer my sympathies to the family of Jonnie Hartshorn, the young man who was killed at Curtin University yesterday, which is an absolute tragedy. I sat and wrote down the people I have known who have been killed in the agricultural industry during my time as a farmer. I have also had family in the industry who have been killed. It started with my grandfather's stepbrother, who drowned in the Greenough River on our property. My great-great-grandfather was killed when he was thrown from a horse.

A son of an employee was killed on a farm—not on our farm—building a jump for a motorbike. He landed, broke his neck and was killed. A farmer named McCartney from the Chapman Valley was killed in a car accident while driving between farms. Another farmer I knew was killed when his ute rolled on his farm at Mingenew. A young farmer called Barry Longhurst was killed when a harvester that he was working on fell on him. A young bloke I knew, who was working at the Walkaway Tavern, ran off the road, hit the Allanoooka–Geraldton pipeline and was killed. Another young farmer ran off Walkaway Road and was killed when his ute rolled. An aerial crop sprayer, whose son was a friend of one of my sons, was killed at work, and my father was killed on my farm. I know two farmers who have each lost a leg in a post hole borer and two farmers who have each lost an arm.

This is a difficult subject for me to talk about, but I do not agree with the industrial manslaughter legislation as it applies to family businesses. It was interesting when the occupational safety and health people came to my farm the next morning after my father was killed. They asked me a couple of questions. Who was he working for? I said he was self-employed. Who owned the tractor? He owned the tractor. Whose farm is this? His farm. They said there was really nothing here for them and they would try to work out what happened and write a report to the coroner, but as far as any prosecution or anything was concerned that would not happen because there was, if you like, no guilty party. But this is going to be an issue for family-owned farms, fishing operations and building companies. For any family operation, this is going to be a very, very difficult issue.

The other day someone pointed out to me that if a husband and wife team are both directors of a family company and one of them is killed while working for that company, whatever it is, the other one could be found guilty and face a massive fine, which would bankrupt them, and then probably go to jail. If someone was facing that situation on top of having to deal with the loss of their husband, wife, son or whoever it might be, that would not help to them to deal with their grief. I will just make a prediction that an immediate increase in the suicide rate will flow on from that.

As always, I have tried to find a positive thing to put on the table. The University of Sydney's faculty of medicine and health has a section called AgHealth Australia, which investigates incidents that occur on farms. It is located in Dubbo, New South Wales. I suggest that we look at establishing a sub-unit of that unit of the University of Sydney. It would not have to have any connection with a university in Western Australia; it could be run here quite happily. The Geraldton Universities Centre courses all come from east coast universities and that works fine. I suggest that this sub-unit should also be based in Northam to proactively address the issue of farm safety, because I do not

Dr David Honey; Mr Sean L'Estrange; Mr Ian Blayney; Mr Peter Rundle; Mr Stephen Price; Mr Simon Millman;
Mr Matthew Hughes

think the government will address it by simply bankrupting people and sending them to jail. People have made the point that they are waiting for the first time that this will happen. They know it is going to happen and it is not going to be very easy to deal with.

Mr B.S. Wyatt: Member, how do you see that would work? I am not familiar with the east coast unit. Would it provide courses in safety? Could you just explain it a bit?

Mr I.C. BLAYNEY: The first thing that it does is that it studies accidents. That is where most of the data on this issue comes from. For instance, I was reading a publication the other day about the number of people who are lost in tractor accidents, four-wheeled motorbike accidents and accidents involving trees. They are the big three: four-wheeled motorbikes, tractors and trees. The unit studies all the statistics and what causes the accidents. There is also a section that provides education to hopefully reduce the incidence of all these things by making people more aware of the dangers and how they can be addressed. People talk about how mining has effectively addressed safety issues. Mining still has the odd accident, but companies like BHP, Rio Tinto and Fortescue Metals Group are so profitable that it is unbelievable. Other industries cannot afford to do the things that they can do.

Mr B.S. Wyatt: In the case of family farms, absolutely.

Mr I.C. BLAYNEY: We have to find a way to address it, but I do not think we are going to address it with these massive penalties. In fact, I think it will just cause more trouble than it will solve. There are all kinds of issues with that. Obviously, I have had a bit to do in talking to the building industry about it, and that industry is quite concerned about it. A lot of building companies are quite small family-owned operations. I think it is just going to cause massive problems. I am not someone who is in favour of industrial accidents—I know what it is like to deal with one—but I do not think this is the way to go about preventing them.

MR P.J. RUNDLE (Roe) [8.13 pm]: I speak to the Appropriation (Recurrent 2020–21) Bill 2020 and the Appropriation (Capital 2020–21) Bill 2020. I rise to speak firstly on a positive note. It is not really about the budget, but I would certainly like to thank all our frontline workers over the very difficult 2020 year. We have all experienced a difficult time in regional and metropolitan Western Australia. I would like to very much thank our police, nurses, doctors, ambulance people and even our supermarket workers—they were doing it hard as well. I think probably one of the most upsetting things I have seen this year was when certain groups of people from the city actually hired buses to come out and sweep clean the shelves of our regional supermarkets. That was one of the most disturbing things I have seen for a long time. I would like to thank all frontline workers, right through to supermarket workers, for sometimes putting up with things that they did not or should not have had to. From my point of view, the only positive to come out of that was that people began to understand the value of where their food comes from. They had to think: “Actually, we want some meat on the shelf; we want some fruit and vegetables. Where do they come from?” Well, they come from our agricultural sector. It actually made people think twice about where their food comes from. We have probably now gone into the next dimension, in which our government is working hard to try to get some workers out there on the frontline to harvest our horticultural and agricultural products, harvest our grains and shear our sheep and the like. I am concerned that it is too little, too late, but it has made the people of Western Australia, including all our politicians, come to a realisation of where our food comes from and how important it is.

It has been a very different year for all of us. I want to also compliment my electorate staff, who really helped out so many constituents. We have had our regional and interstate borders closed, and my constituents have been dished up many issues that I do not think any of us could have foreseen. I also want to thank the police who helped me and my constituents in many cases in which there were stranded people and people trying to get back to their families and their jobs. I was helped on several occasions by the likes of Brad Sorrell and Darryl Gaunt, and many other helpful members of the Western Australia Police Force. I want to recognise them.

Probably the highlight of the budget for me is the 800 extra police officers and, in the electorate of Roe, the renovation of the police stations at Katanning and Narrogin. To be honest, that is just about the only new spending in the electorate of Roe. On one hand, I want to say well done on bringing in the extra police officers and the long-needed renovation of those police stations, but I am afraid the spending is pretty thin on the ground in the electorate of Roe.

I return to the main thrust of the budget, and I can certainly see why the Treasurer came out of retirement. With every dollar increase in the iron ore price, he picks up —

Mr B.S. Wyatt: I never made it to retirement!

Mr P.J. RUNDLE: It is great to see the Treasurer back!

Mr B.S. Wyatt: I never left!

Dr David Honey; Mr Sean L'Estrange; Mr Ian Blayney; Mr Peter Rundle; Mr Stephen Price; Mr Simon Millman;
Mr Matthew Hughes

Mr P.J. RUNDLE: He picks up \$83 million every time the price of iron ore goes up. I have to agree with the member for Churchlands about the billions of dollars flowing in to the government. In some ways, delivering a surplus of \$1.2 billion at a time when our economy needs a boost is concerning. The other part of it, which I do not think many people have picked up on, is the \$921 million in dividend payments that the government has strangely deferred, including Water Corporation's usual dividend of \$500-odd million. The government could have actually delivered a \$2 billion surplus had it not deferred those dividends. Those are just a couple of comments.

I want to revisit the royalties for regions discussion we had during the matter of public interest debate earlier today. As our leader, the member for Central Wheatbelt, and the member for Moore have pointed out, \$2.7 billion has been cost-shifted, substituted and underspent over the forward estimates. That really quite upset me. In my previous role as chairman of the Great Southern Development Commission, I actually came to understand the value of royalties for regions. Our board and community made decisions at the local level. We understood what was happening at the local level. Unfortunately, member for Moore, that has disappeared to a large extent under the Minister for Regional Development. The development commissions are a shell of what they once were. There is no local decision-making because there is no money. Sometimes we call it the fight against the centre, and that is really what it is all about. The nine regional development commissions were set up and were going well with local decision-making and funding. But now the leadership in all the development commissions has changed and the money has been cut off because the minister knows best; she knows how to spend it. That is quite a disappointment to me.

Regional Western Australia makes up 23 per cent of the state's population, while royalties for regions is 25 per cent of state royalties. It is quite disturbing when people talk about RforR being unnecessary and all these things because it is a fair and equitable share in relation to the size of the regional population. As was pointed out by the Leader of the Nationals WA, every RforR project went through cabinet during the last four years of the previous government, and the incredible results are there to be seen. It was quite bizarre yesterday when the Minister for Health talked about how the government is doing a great job with telehealth. It was the \$565 million Southern Inland Health Initiative that saw the likes of telehealth come through the ranks. Still to this day, the WA Country Health Service says that the Southern Inland Health Initiative is fantastic. As the member for Moore pointed out last night, the Ageing in the Bush project was developed by the Wheatbelt Development Commission. It gave us some good stats about the ageing population and the issues we will face, with the likes of a 122 per cent increase in the number of people over the age of 80 living in the bush and what we have to do to cater for them. Minister for Local Government, the \$6 million that was spent on the Karinya dementia unit in Narrogin was a fantastic spend of royalties for regions money. When I look around the electorate of Roe, I have to scratch around to find a project. That is quite disappointing to me given that I have seen the likes of that particular project and the independent living units at Woodanilling, Kojonup, Lake Grace and many other places right throughout the wheatbelt. They are fantastic facilities that keep our aged people in their communities and close to their families.

Another project that does not seem to be getting mentioned a lot these days, member for Moore, is the 113-odd mobile towers that were built out of royalties for regions funds. A lot of these things have been conveniently forgotten. I will tell members about one thing that has not been forgotten. Today, I met with the Isolated Children's Parents' Association in Leederville. It is still in a state of shock about what the government did with the likes of School of the Air and Moora Residential College. The agricultural education farms provision trust is a classic. Cabinet and the Minister for Education and Training took away 20 per cent from the agricultural college trust fund, a fund that all the agricultural colleges share to have up-to-date farming equipment so that they can all work together. The Minister for Industrial Relations talked about workplace accidents being the highest in the agricultural sector and said that farmers need to be up to speed, but what did the government do? It pulled 20 per cent from the agricultural college trust fund.

Mr R.S. Love interjected.

Mr P.J. RUNDLE: That is right. It is unbelievable. On the one hand the government says we have to have workplace safety—we all agree that we need safe workplaces—but at the same time it pulls out the money for us to get up-to-date equipment. I am really scratching my head about the thought process behind some of these things. Other issues the Isolated Children's Parents' Association mentioned were the confidence that has been taken out of our community resource centres and, of course, the rock lobster grab by our former Minister for Fisheries, which rightfully saw him lose that portfolio.

One of the things the ICPA spoke to me about today was dental vans, which is a subject that the member for Moore has been very strong on. Our smaller schools out there—the likes of Kalannie Primary School—have not been able to reinstate their dental vans. Our regional kids deserve to be able to see a dentist without their parents having to travel 200 or 300 kilometres. The trends that are happening here are quite disturbing. The same thing happened with VacSwim. Last year, 62 students at Wickepin were told, "Don't worry about that. You can all go into Narrogin." Out of nowhere, the parents of those 62 students were told that they had to take their children to Narrogin. Luckily, we got wind of it. We had to make some noise about it, but we got it reinstated at Wickepin, where it rightfully belonged.

Dr David Honey; Mr Sean L'Estrange; Mr Ian Blayney; Mr Peter Rundle; Mr Stephen Price; Mr Simon Millman;
Mr Matthew Hughes

The other classic example that was brought up today is the transport hub subsidy. Let us say that a family lives in Hyden and their kids go to Narrogin Residential College and Narrogin Senior High School. The TransWA bus goes through Corrigin on a Wednesday on the way through to Perth. It does not go anywhere near Narrogin. The Department of Transport has decided that there is a transport hub because of the TransWA bus that goes through Corrigin, so those families will not get a subsidy to take their kids from Hyden to Narrogin. There is absolutely no relation to where the kids are located. Parents are having to travel hundreds of kilometres to transport their kids to school. That is one thing I will have to write to the minister about again. The ICPA has already written to the minister. It is one of the most bizarre policies that I have ever seen.

The Minister for Education and Training and the Minister for Regional Development have sucked the air right out of regional WA. I am really concerned about the development commissions. They have lost their autonomy, money and local decision-making power.

We worked on the Katanning early childhood hub for seven years. We consulted everyone. We went here and we went there. We went right through the south west and to Armadale to see the program at Challis Primary School. We did it all. We had \$5.8 million set aside and had started the groundwork for the program. When the new government came in, the Minister for Regional Development said, “No, no. I know how to do this better. Stop it right there. This is going onto the Katanning Primary School site. It is going to be like Challis Primary School in Armadale. I know all about it—the whole package.” Sure enough, it is three years later and absolutely nothing has happened. The minister cannot get the agreement of the education minister to run it on the Katanning Primary School site so we are back to square one. Finally, we have now realised that the early childhood hub project might start again. The kids of the mothers who started it when they were in preprimary are going to boarding school now. They are going to Katanning Senior High School. That is how long it has been delayed for. It is pretty frustrating for those parents.

A member interjected.

Mr P.J. RUNDLE: We will get there eventually, but this is totally unnecessary. An amount of \$5.8 million bought a lot more than it will now, three and a half years down the track. Now we have to cut down the scale.

Another education project that I was very disappointed not to see funded in the budget is the Hedland Senior High School project. I went up there and spoke to Bill Mann, the principal, and we toured the school. Sure enough, a story went out in the *North West Telegraph* and we finally got a bit of movement at the station. I asked the Premier a question about the dilapidated conditions of the high school and we got a bit of funding, which will help. It will be great; it will be in future budgets.

[Member's time extended.]

Mr P.J. RUNDLE: Hedland high school, its parents and citizens association and the like are still scratching their heads. We have got some money out of the royalties argument that the government had with BHP, but it is quite disappointing. This seems like *deja vu* to me. It is quite bizarre. Here I am, 17 months later, back in almost exactly the same place.

For the people who live in a retiring member's seat that the Labor Party wants to win, it is happy days. In the south west, excluding Collie, there is \$1.351 billion for 11 previously announced projects and 31 new projects. Here I am scratching around in the seat of Roe for money for two or three projects, but there is no problem whatsoever for Albany, Bunbury and Mandurah; they will get \$1.351 billion. Then we go to the Collie slush fund. There is \$222.8 million for one town. Members can see why people in the rest of regional WA get quite upset. Probably the most disappointing project, Minister for Transport, is the Busselton Margaret River Airport project. An amount of \$10 million is not a big spend in the context of a \$1.2 billion surplus for a project that would give us the ability to transport our products out of the south west quickly. But, no, \$78 million will be spent on the Bunbury waterfront. It is pretty disappointing. I know that the member for Vasse and the member for Warren–Blackwood are disappointed, but, once again, it is a political solution to spend \$78 million on the Bunbury waterfront.

As I said, I found some money for a couple of projects in the Roe electorate, including the Narrogin and Katanning Police Stations, the early childhood hub and the sheep research facility. Yes, we are getting a small taste of a couple of projects. One of my priority projects, Minister for Transport, would be for Ravensthorpe. I am sure the minister has been there and I know she has spent money on South Coast Highway near Albany. I have to hand it to her; she has done very well with federal funding. There are two ways about it. The Minister for Transport and the Treasurer must be rubbing their hands together.

Mr B.S. Wyatt: We're outstanding negotiators.

Mr P.J. RUNDLE: I have to say that they have done very well from our good friends and colleagues in the federal Liberal–National government. The 20 or 30 kilometres of South Coast Highway on either side of Ravensthorpe is in a disgraceful condition. It is a struggle to drive a car there, let alone a road train. That is the one thing I urge the

Dr David Honey; Mr Sean L'Estrange; Mr Ian Blayney; Mr Peter Rundle; Mr Stephen Price; Mr Simon Millman;
Mr Matthew Hughes

minister to look at. If the minister comes to the electorate of Roe when she is on the way to Esperance or Bremer Bay, I will show her what is happening there. Certainly that is one of my major projects.

Mr D.A. Templeman interjected.

Mr P.J. RUNDLE: I am sure that the Minister for Local Government will be in the electorate of Roe sometime in the next few months holidaying with his family.

A couple of other projects that I would like to see —

Mr D.A. Templeman: Do you have an open house?

Mr P.J. RUNDLE: The minister is more than welcome, or he could stay at the Premier Mill Hotel in Katanning. The Treasurer has been there.

Several members interjected.

Mr P.J. RUNDLE: I look forward to meeting the very good candidate for Roe indeed. I am sure that the Minister for Local Government will hold a local government forum in the electorate of Roe and maybe he will stay again at the Premier Mill Hotel.

Mr R.S. Love: I am sure he will go to Albany at the next election.

Mr P.J. RUNDLE: Yes, on second thoughts, member for Moore!

I would like to see the government give some thought to some of the sporting precincts in Narrogin and Kojonup. We need government support there. In the light of recent events, unfortunately, I will be supporting a shark net for swimming outside the town of Esperance. I think that is important. We need to reinstate confidence in some ways around Esperance. I have been talking to the Minister for Fisheries. We need some good, safe swimming areas and we need the Premier and the Minister for Fisheries to get back to Esperance as soon as possible and talk to that community. That is a real focus for me.

Social housing in Esperance is another important issue. Support for tourism right throughout the electorate of Roe is important. The fires on Boxing Day last year burnt the Stirling Range, and the businesses around there were wiped out for three or four months. They had just got back on track around Easter but then, of course, COVID came and no-one could travel beyond the regional borders. It was pretty upsetting to talk to those business owners. We need to keep supporting those businesses, particularly with workers and the like. Listening to ABC Esperance this morning, I heard that just about all our tourism businesses are fully booked for the next several months but they are really worried about who will serve the food and drinks. As I said, I feel it is too little, too late for some of our ag businesses, especially for shearing and harvesting and so forth, but there is still time to make some changes. Even the Isolated Children's Parents' Association said today that their kids who spend all year at university in Perth are not eligible to get the incentives that the government has provided for agricultural workers to go back into the regions because their driver's licence might say they are from Merredin or another country area. They want to go back to the regions to work. They spend nearly the whole year up here at university but they are not eligible for the government's incentives..

Mr B.S. Wyatt: But they live in regional WA?

Mr P.J. RUNDLE: Their families are from regional WA. They might have Merredin on their driver's licence but they live in Perth all year while staying at Thomas Moore College or wherever. They spend all summer up here when they should be out in the regions. I am looking for that support from the Treasurer for our small businesses as they come through this pretty tough period.

As I have said, the thing that probably disappoints me as much as anything today is the attitude of the Minister for Water. The government has a \$1.2 billion surplus. We have 12 water deficient areas—now 11, after Gairdner was taken off the water deficiency list yesterday. Of those 11 areas, 10 are in the electorate of Roe, so I know only too well how that goes. Just about every farm has two, three, four or five dams that might survive right through the summer. Out of the 22 or 23 dams on my property, I have five or six that will survive through the summer. I was quite concerned when I saw the Treasurer's comments today about Hon Darren West being the only working farmer.

Mr B.S. Wyatt: The only working farmer in the Parliament!

Mr P.J. RUNDLE: We were looking at his soft, white hands in the dining room the other night, and it is quite concerning. To be honest, he is paid very well, Minister for Local Government. He is paid to be the Parliamentary Secretary to the Minister for Regional Development. As was pointed out at an Esperance farmers' forum a year or so back, he is paid to be a parliamentarian, not the only working farmer in WA. The taxpayers of Western Australia are paying for him to do his job, which is —

Mr B.S. Wyatt: Beautiful! I will let Westy know that you're complaining about that.

Dr David Honey; Mr Sean L'Estrange; Mr Ian Blayney; Mr Peter Rundle; Mr Stephen Price; Mr Simon Millman;
Mr Matthew Hughes

Mr P.J. RUNDLE: Not a problem. It was pointed out at the Esperance forum only the year before last. He is being paid by the taxpayer.

A member interjected.

Mr P.J. RUNDLE: That is right. It is quite disturbing, as some might see it.

Mr B.S. Wyatt: Next minute the Liberals will be complaining about the surplus! Oh, hang on.

Mr P.J. RUNDLE: I just wanted to point that out to the Treasurer, because the member for Moore and I both have ABNs. I deliver grain to the CBH Group, but I certainly do not go on about being the only working farmer in Parliament. That needs to be kept in mind.

Going back to the subject, I am very disappointed today in the Minister for Water, who has said all year that we need to get federal funding. He says, "Climate change is real! The National Party needs to talk to its federal ministers and get some action on funding for water!" What have we done? We have written to the federal minister. He has come back with \$50 million—it is there and ready to be used. He is happy to fund people who already have their applications in. There he is, ready to fund it, and the Minister for Water will not commit to matching it.

Mr D.R. Michael: Have you rung the federal minister this afternoon since you got the answer? Have you done anything about it?

Mr P.J. RUNDLE: I have given the Minister for Water a letter.

Mr D.R. Michael: Have you rung your federal colleagues this afternoon?

Mr P.J. RUNDLE: I will be talking to my federal colleagues, do not worry about that. But what I can tell members is that we have hopefully managed to help the government get that money, and now the Minister for Water will not commit to matching it, despite the fact that the government has a \$1.2 billion surplus. That is quite disappointing. I think that the government has a real opportunity to use its massive surplus to fund water infrastructure for our farmers who are struggling, not only in the electorate of Roe, but also right through the state.

MR S.J. PRICE (Forrestfield) [8.43 pm]: It gives me great pleasure to stand this evening and contribute to the debate on the Appropriation (Recurrent 2020–21) Bill 2020 and the Appropriation (Capital 2020–21) Bill 2020. Just picking up from where the member for Roe left off, I am astounded that here we have the Nationals WA having a go at a fellow parliamentarian who is also a farmer in the wheatbelt, and amongst those comments saying that he, the member for Roe, and the member for Moore both moonlight as well.

I find it particularly absurd, especially when he is the member for Agricultural Region as well. I cannot think of anyone more suitable to represent the people of the wheatbelt than a person who works in the business. It is absurd for members of the Nationals WA to take offence at that and say it is a misuse of our position as parliamentarians. I would like to start down the path of trying to identify who has alternative occupations in their own time, outside of being parliamentarians. It would be quite interesting what that turned up.

Mr D.A. Templeman interjected.

Mr S.J. PRICE: I was not going anywhere near the minister's thespian activities!

I would like to acknowledge the budget and the great work that the Treasurer and his staff have prepared this year. I also acknowledge the wonderful support that comes from the Department of Treasury. This is an extraordinary budget in extraordinary times. We are extremely fortunate to have such a wonderful Treasurer and Premier, and also the Expenditure Review Committee and cabinet that have that helped shape and form this budget.

This year has been like no other. Families and businesses in the Forrestfield electorate have done it as tough as anywhere else within the state. As we have fought to stop the spread of COVID-19, everyone has played their part. Although the COVID-19 outbreak is not over, we have done very well here in Western Australia. We are now beginning to enjoy the benefits of doing the right thing. The significant impacts of the outbreak started in March when the first restrictions were put on us. It was only seven months ago. It was not that long ago, but it seems like a lifetime. If we look around the country, in Victoria, New South Wales, a little bit in Queensland and in other parts of the country they still have restrictions and are still trying to control the impact and the spread of this virus and it is incredible to see what we have been able to achieve here in Western Australia. It has not happened by itself. As we get back to as normal a COVID life as we can, the Premier recently announced the \$5.5 billion recovery plan for Western Australia to drive economic and social recovery across our state and create a pipeline of local jobs for Western Australians to ensure we recover stronger than ever.

I would like to thank everyone in the Forrestfield electorate and across Western Australia for doing their bit during this very difficult time for our communities. The 2020–21 budget is focused on keeping Western Australia safe and strong. Members may say that having a three-word catchphrase is very "federal Liberal" but safe and strong

Dr David Honey; Mr Sean L'Estrange; Mr Ian Blayney; Mr Peter Rundle; Mr Stephen Price; Mr Simon Millman;
Mr Matthew Hughes

is exactly what we are. It has not happened by itself. It has been a result of good management from this McGowan government. We are safe and strong because we have protected the health of the community of Western Australia and we are leading the state's economic recovery through the COVID-19 outbreak by creating opportunities for local businesses and local jobs throughout Western Australia. Responsible budget management and the strength of Western Australia's economy prior to the pandemic provided Western Australia with the capacity and flexibility to be able to immediately respond to the impacts of COVID-19 across the state. In just three years, the Western Australian Labor government got the budget under control, turning the previous Liberal-National government's record deficits into surpluses. This is the only government in the country to be paying down its debt. Despite the record economic stimulus and relief measures and the overall hit to the state's revenue, Western Australia is set to record a third consecutive surplus. That has put us in the position of being able to fund the WA recovery plan in this budget. This is a fiscally responsible budget.

I will now refer to the Treasurer's press release. Over the next four years, a record \$27.1 billion will be invested in infrastructure projects to support the Western Australian economy and provide that pipeline of jobs. The infrastructure program includes the largest ever investment in regional roads—the Labor Party is the regional party—totalling \$3.3 billion worth of investment, as well as delivering the wonderful Metronet project.

One of the main announcements in the budget is of course the funding for 800 extra police officers on top of the 300 officers already delivered. The overall payment for, I think, 950 officers in total responds to community concern about crime within different areas. The number of police out on the streets and the infrastructure and gear that they require comes from the Commissioner of Police. Government members cannot sit around and decide to have a few hundred extra police. The police commissioner is charged with the responsibility to ensure that we have a safe community and he decides what is needed to provide the Western Australian community with that. He asked for 800 police officers. We have delivered on that and it will go a very long way to ensuring that we have more policing resources per capita available than any other state in Australia. That is on top of everything we have done for the Western Australia Police Force so far, such as providing police with stab-proof vests and body-worn cameras to ensure that they have adequate protection when confronting difficult circumstances, and with mobile phones to help them become more effective and efficient in the work that they do. Our police force is our front line in so many areas of our lives and our communities. The work that police are doing to help contain the spread of COVID-19 is outstanding. In times of crisis, when we need protection, we turn to the police. I would like to pay my respects and acknowledge the great work that all our police officers do right across our state.

Another significant announcement in the budget is additional funding for mental health, alcohol and other drug services in the state. Once again, the Minister for Health's press release states —

For the first time, more than a billion dollars per annum has been allocated to mental health, alcohol and other drug services for Western Australians.

We are continually hearing how the COVID period and the restrictions and isolation associated with it has been very challenging for a lot of people. We have seen an increase in alcohol sales and in people contacting mental health services. I think having additional funding for mental health services in the budget is a key element of ensuring that we are looking after the health and mental wellbeing of our community. This particular issue was raised with me just recently. I was outdoors talking to my constituents and a lady told me she was having a lot of trouble with her son and that the one thing she really wanted to see was additional funding for mental health services and the provision of those services in our state. It is very pleasing to be able to deliver those additional services through this increase in funding.

The McGowan government's A Safe Place initiatives have also been funded to deliver community-based accommodation services, including \$25.1 million for a new 16-bed youth mental health, alcohol and other drug homelessness service in the Perth metropolitan area, and \$24.5 million to establish a 20-bed adult community care unit to provide high-level support and rehabilitation services in a homelike environment in the community. An additional \$62.8 million has been allocated for mental health hospital services in the public health system to manage demand in addition to \$24.4 million for the expansion of mental health facilities at Fremantle Hospital. The McGowan government is also upgrading vital alcohol and other drug support and treatment facilities throughout WA, which will provide local jobs with \$2.35 million over two years as part of the WA recovery plan.

The \$600 electricity credit for all households has been extremely well received from all corners of my electorate. Given people are finding themselves in different, sometimes difficult, financial circumstances, the timing of this electricity credit has been extremely well received and is very much appreciated. As of 4 October, a \$600 WA household electricity credit will be applied to the next bill after 1 November for every Synergy customer. The timing of this is extremely important as well, because it will give people a little capacity over the festive season to maybe spend a little money on something else for themselves as opposed to having to worry about how they are going to pay the power bill for that period.

Dr David Honey; Mr Sean L'Estrange; Mr Ian Blayney; Mr Peter Rundle; Mr Stephen Price; Mr Simon Millman;
Mr Matthew Hughes

Ever since we ran in the 2017 election, our focus has been on creating WA jobs. There is a significant amount of investment in creating WA jobs in the budget. The \$60.3 million to support green projects will protect WA's beautiful environment and can create more than 1 000 local jobs. There is \$150 million for our tourism package, enhancing tourism assets and creating local jobs; \$76 million for a job-creating culture and the arts package to help the sector recover; and \$66.3 million for renewable energy technologies investment, which will deliver a major boost towards innovative clean energy projects that create work for local people.

There is unprecedented investment in road infrastructure projects. In particular, we are currently finishing off the Roe Highway–Kalamunda Road interchange upgrade in High Wycombe and there is an additional \$1.39 billion towards the Tonkin Highway corridor upgrades, which will include new interchanges at the Hale Road and Tonkin Highway intersection, Welshpool Road and Tonkin Highway, and Kelvin Road and Tonkin Highway. This project will also widen Tonkin Highway from four to six lanes from the end of the Gateway WA project through to the other side of Kelvin Road. Then there is the principal shared path extension from Roe Highway to Kelvin Road.

In addition, there is the final amount of funding required to facilitate the moving of a pipe on the intersection of Albany Highway and Kelvin Road. This might not sound like much; however, as strange as it is, there is a significant piece of water pipe infrastructure below the intersection of Albany Highway and Kelvin Road that sits very close to the surface. To upgrade that intersection, which will then facilitate future development at the old oval where the City of Gosnells has its works depot at the moment, we need to do some work on that intersection. The fact that the pipe is very close to the surface means we cannot do any work on that intersection. That particular piece of infrastructure has another 50-odd years to go, so we needed some additional funding to move that pipe to the side of the road and do some additional roadworks to facilitate that, which will then allow future development to happen in the area. It is great to see that the funding for that has been contained in the budget.

[Member's time extended.]

Mr S.J. PRICE: Schools have always been a very important part of why I became a politician, to ensure that we have the best possible opportunities for kids in our local areas. Once again, this budget goes to show that we are the government for looking after schools. The state budget includes a total of \$5.5 billion for education in 2020–21. We are going to invest \$456.23 million in school facilities, and \$489 million will be invested in Western Australian schools as part of the WA recovery plan.

At the 2017 election, we committed \$10 million for Darling Range Sports College. That is the only public secondary high school that I have in my electorate. It is the only designated and recognised sports college in Western Australia. It currently has around 1 044 students. The facilities that have been provided as a result of that \$10 million investment are absolutely outstanding. The new food science facility is commercial grade. If a commercial business had such a facility, it would be very impressed with it. It is a superb training facility to enable VET students to do their certificate studies. The new design and technology building that is being built is not even comparable with the previous facility. It appears that the previous government forgot to invest in schools in the foothills, and that those schools had to use very old and outdated equipment, because that was all they had. It appears that the previous government focused on other areas for its education investment. That money is being extremely well used. It has been transformational for that school and the children who go to that school, and the school will benefit from that for many years to come.

In addition, \$3 million has been allocated to enable early childhood classes to be provided at High Wycombe Primary School. That school has been chasing that funding for a very long time. It is extremely pleasing that this government has been able to provide the funding to deliver those early childhood facilities for that primary school.

Wattle Grove Primary School is an outstanding primary school. It has over 800 students. However, the school is landlocked and very space challenged. It is a school of choice not only for the area, but also internationally. People move to Wattle Grove from all around the world just so they can send their children to that school. The number of students at that school will continue to grow. We have provided \$2 million for some additional classrooms. That will be a challenge, because the school does not have a great deal of space for those new classrooms. It would be nice if we could address that somehow in the future, but I do not know how, because not a lot of space is available there.

An amount of \$800 000 has been made available for Maida Vale Primary School to upgrade and improve its meeting facilities. The school has been chasing that funding for a while, and it was great to be able to provide the infrastructure that the school wants.

Our investment in TAFE colleges is extremely important to the people in my area. The majority of students who go through Darling Range Sports College follow vocational pathways and pick up qualifications through TAFE courses. The funding that we have provided and the reduction in TAFE fees that we have announced has been extremely well received in my electorate. The courses that have been announced with either reduced or no fees are also very popular with the people in my electorate. When that is combined with the additional money that we are

Dr David Honey; Mr Sean L'Estrange; Mr Ian Blayney; Mr Peter Rundle; Mr Stephen Price; Mr Simon Millman;
Mr Matthew Hughes

putting into TAFE services, that has been extremely well received and will benefit the young people in the electorate of Forrestfield.

The budget includes funding for the final stages of the Forrestfield–Airport Link, or now the airport link, because the official name of the station will now be High Wycombe station. This is an incredibly challenging project, but also an extremely important project for the city. It is a little bit unusual in a number of ways. First, as we heard earlier, it was the previous government's commitment to put in a tunnel link. That would not have been our option and the location for it was not our preferred location; however, it is what it is and we have to make the best of it. Through the previous government taking the approach that it did in awarding the contract, we have managed the project, but the design and the contract and everything associated with it were done prior to us coming to government. We made some very significant and very important changes to what was going to be delivered at the Forrestfield–Airport Link—the now High Wycombe station.

One of the main changes was relocating the car park from the front of the station and putting a multi-level deck car park on the side. This required some additional funding being put in a couple of years ago and that was done, and that multi-level deck car park is under construction at the moment. The problem we now have is that the front of the car park is where all the infrastructure for the tunnelling was built, so we cannot start to develop around the front of the train station until that project is finished and all the infrastructure has been removed, which would then free up the government land to allow us to start doing some development there. That will cause a bit of a delay, which, unfortunately, means that we will probably have a train station that will be great, but when people walk out the front of the station, there will not be much there. However, we are working on that into the future.

I would like to touch on a couple of the issues that, as a result of the process that was taken, have left some legacy issues that still need to be resolved. A lot of it has to do with the landowners who live within the precinct, which has the term “Forrestfield North” at the moment. Prior to the train station going there, the city and the previous government had identified the area for industrial development. It had started an industrial development, which was called Forrestfield stage 1. Forrestfield stage 2 was going to be where all the residential properties are now going to be for the Forrestfield–Airport Link line. The people who have been living there have been through this up-and-down journey for quite a number of years, when the zoning has changed and there has been no certainty as to what the zoning of the land was going to be and there has been no certainty of their ability to sell their land.

Therefore, putting the station there and then changing what had been accepted as the way forward for bringing the industrial land back to residential land has been quite stressful for a lot of the residents. Further to that, as the local structure plan has been developed, some restrictions and limitations have been placed on some of those properties through either environmental requirements or public open space requirements through the local structure plan, which has also created some further anxiety for quite a number of the property owners—32 of them in fact.

We have been able to work through that, but it is an ongoing problem that we have to deal with. We did not create it, but we are the ones who have to work through the challenges at the moment, and we have been doing that. But, at the end of the day, that is going to be a very strategic area for future growth for the electorate and to ensure that we have the right patronage and people to use this wonderful piece of infrastructure. Normally, when a train station is built, there is some sort of catchment around it—preferably a 360-degree catchment—but the location that was chosen is on the back of the Forrestfield marshalling yards. Therefore, on 180 degrees of it, there are absolutely no patrons. It is all industrial land. It is train marshalling land. No-one actually lives there. On the other 180 degrees of it, there are semirural, large properties, which have a very sparse population. The challenge is to activate and develop the area and bring people to it. We need to ensure that we have the appropriate public transport links feeding into it to get the patronage. I am sure we will be able to achieve all of that into the future and that it will be a great project. I think the \$345 million contained in the budget is the last lot of significant money to get the project to completion by the second half of next year—I think that is when it is due.

As members just heard, the budget has been very well received. It contains a lot of investment in a number of areas. In particular, a lot of funding has gone to my electorate of Forrestfield, which everyone is extremely appreciative of. I go back to the beginning: the only reason we can have a budget like this is because of the hard work done by the Treasurer, his staff and the government when the Labor Party first came to government back in 2017. If we had not taken the hard decisions and done everything possible to try to turn the debt trajectory around, we would not have had the capacity to respond when COVID-19 came along. It was not anything that anyone could have foreseen. It was not luck. The other side talks about luck when they talk about the GST. It was a federal Liberal government that brought in the GST and it was a Liberal government here that accepted it. The flaws in the GST system were known a long time ago and needed to be fixed. As for the forecast iron ore price, we need to have an appropriate estimate going forward of what the return from iron ore will be. If it is higher than the forecast price, that is great; if it is lower than that, an appropriate forecast will be less of a risk. That can be compared with the approach taken by the previous government, which was to keep the forecast at premium levels for the whole forward estimates

Dr David Honey; Mr Sean L'Estrange; Mr Ian Blayney; Mr Peter Rundle; Mr Stephen Price; Mr Simon Millman;
Mr Matthew Hughes

period and spend accordingly. It is not luck; it is good management. Having a budget that has a surplus puts us in a position to respond should a second wave of COVID-19 come through in the future or should some other unforeseen circumstance arise that has a significant impact on our economy and lives. On that note, it gives me great pleasure to commend these bills to the house.

MR S.A. MILLMAN (Mount Lawley) [9.12 pm]: I rise to make a brief contribution on the Appropriation (Recurrent 2020–21) Bill 2020 and the Appropriation (Capital 2020–21) Bill 2020. I will preface my contribution by saying that, once again, this Treasurer has delivered an excellent Labor budget. It is a testament to both his capacity and his fiscal management. It is also a testament to the team of which he is an integral part—the McGowan Labor government.

I rise this evening not to make a contribution similar to the contributions made by many other members, of lauding the Treasurer and the government for the investment that has been made in schools, hospitals, public transport infrastructure and sporting grounds in my local community, but to make a contribution so that members are well aware of the context in which this budget has been delivered. We need to appreciate that this is a budget of these times and it is a budget for these times. We need to appreciate that the COVID-19 pandemic is like nothing else we have ever experienced. But do not just take my word for it; let us look at some of the history. Let us see how we have arrived at this position in Perth, Western Australia, in late October.

Back on 26 February, 1 000 new cases of COVID-19 were reported globally. On 11 March, the World Health Organization declared COVID-19 a pandemic. On 16 March, the response of national cabinet was that gatherings of more than 500 people would be banned. On the same day, overseas travellers were ordered to self-isolate for 14 days. On 18 March, indoor gatherings of more than 100 people were banned. On 20 March, the Australian international border was closed to all nonresidents. On 23 March, non-essential activities in venues where people gather were banned. On 24 March, the Western Australian government took the important decision to require returning interstate travellers to self-isolate for 14 days, and five days later, the national cabinet followed suit by saying that there would be mandatory hotel quarantine for returning overseas travellers.

All these steps were taken between 26 February and 29 March. On 26 February, as I have said, there were 1 000 new cases reported daily; by 29 March that number had risen to 53 655. On 31 March, gatherings of more than two people were banned and people were encouraged to stay at home. On 31 March, regional travel in WA was banned, and on 6 April, the WA border and schools were closed, one week prior to the school holidays. I remember watching this unfold at the local public primary school my sons attend. All members will have experienced this, but as we got closer and closer to the end of term 1, numbers at the school continued to dwindle until, a couple of weeks before the end of term, you could look at the basketball court and the entire population of students who were still attending would be gathered there. For a school with a population of close to 250 students, I would be surprised if more than 10 per cent of that were still there.

We had easing of restrictions towards the end of April because on 11 April, WA recorded its last case of unknown community transmission. Restrictions on gatherings were eased to a maximum of 10 people and, on 28 April, WA schools resumed term 2 as normal. That is something that other jurisdictions around the world admire with wonder, because this is a world-leading response to the COVID-19 pandemic. On 18 May, restrictions on gatherings were eased to a maximum of 20 people. We had already started opening up our social, cultural and economic interactions.

On 21 May, 106 373 new daily cases were reported globally. Let us recap: on 26 February, there were 1 000 cases; on 29 March, 53 655 cases; and on 21 May, 106 373 cases, yet here in Western Australia the tide was already turning because of the decisive, early action that had been taken by the government. On 6 June, our regional travel ban was lifted, and on 26 June, restrictions on gatherings were eased to the two-square-metre rule. On 7 July, 203 877 new daily cases were reported globally.

I want to refer for a moment to a WAtoday article by Heather McNeill, “A timeline of WA’s COVID-19 response: Was our success luck, good management, or a bit of both?”, published on 28 August 2020. It states —

As coronavirus sweeps the globe claiming more than 830,000 lives so far, the WA government continues to hone its defence to prevent the virus re-entering the community, its precautionary approach widely supported by the public.

Every member in this place who has doorknocked can attest to that. When I go doorknocking in Dianella, Yokine and Mt Lawley, people say to me that they are incredibly grateful for the work that was done by the McGowan government in defending the community from this virus. I quote from the second page of the article —

By the time WA emerged from its toughest period of restrictions, which lasted between March 29 and April 28, it had unknowingly eliminated community transmission of the virus after previously recording 16 cases of unknown transmission.

Extract from Hansard

[ASSEMBLY — Wednesday, 14 October 2020]

p6832b-6857a

Dr David Honey; Mr Sean L'Estrange; Mr Ian Blayney; Mr Peter Rundle; Mr Stephen Price; Mr Simon Millman;
Mr Matthew Hughes

Ms McNeill quotes Curtin University infectious disease expert Archie Clements, who believes the achievement was both good luck and good management. He is quoted as saying —

“I think [the soft lockdown] was the right thing to do at the time because it wasn’t clear that we had dodged the bullet, so from that perspective, it was good management,” ...

...

“If we had had a number of cases coming across from the eastern states, I’d be confident we would have picked them up and there would have been contact tracing and local containment, but we would have prolonged the economic consequences —

This is according to Professor Clements from Curtin University —

because it would have meant the internal easing of restrictions would have had to have been delayed,” ...

Clearly and unambiguously, members, that is the correlation between the social restrictions that have been in place and the economic consequences, which is a point that some members appeared to have missed in their contributions. Professor Clements finishes his contribution to Ms McNeill’s article of 28 August by saying —

“Every jurisdiction has been learning as it goes, we’ve never been exposed to this before and so you’ve got to give the government the credit for doing as good a job as they could with the evidence that’s available to them,” ...

That is 10 out of 10. That is a glowing endorsement by Professor Clements of the work that the McGowan Labor government did in tackling this virus. He continues —

“They’re being very risk-adverse —

That is a good thing. That is the sort of approach that we would expect political conservatives to endorse, so it is surprising that they have not —

and I think it’s quite understandable and certainly they’ve got a lot of community support for that approach ... —

He adds his own point —

I don’t have any criticism for what they’ve done.”

That is what was said by the infectious diseases expert from the internationally regarded Curtin University.

I return to the time line because we are now in July. I want to refer to an anecdote from my electorate of Mount Lawley. DeeDee Noon, a photography PhD student from Edith Cowan University, held an exhibition *Out of Hi-Bear-Nation*, which depicted photographs of the teddy bears that people in Mt Lawley had put on the front of their properties. Madam Deputy Speaker, you would have seen this in your electorate of Maylands. The exhibition was held at Bowie Kitchen, which is on the corner of Coode Street and Third Avenue, Mt Lawley. People from the Mt Lawley community could go to the cafe to enjoy that exhibition. That was what we in Western Australia were experiencing on 10 July. On 7 July, 202 877 new daily COVID cases were reported globally. The dichotomy could not be more stark.

As we move forward, the numbers in other jurisdictions are just tragic. On 28 August, France recorded 6 111 new COVID cases, its highest daily number of new infections since March. We begin to see other jurisdictions experiencing the second wave with a significant number of infections. On 13 August, India reported 67 000 new COVID cases, its highest daily increase. On 13 August, the World Health Organization reported that the COVID-19 pandemic was costing the global economy more than \$375 billion a month. This pandemic has been a wrecking ball through the global economy and anyone who tries to pretend otherwise is deluding themselves.

On 3 September, Brazil passed four million COVID-19 cases. In the week of 19 September, the United States passed seven million COVID-19 cases; that is, seven million citizens of the United States had been infected with COVID-19, which, again stands in stark contrast to the response to the pandemic here in Western Australia. On 30 September, 314 335 new daily cases were reported.

I will wrap up this part of my contribution by saying this: between 9 and 14 October, the total number of cases confirmed globally was 36 706 213 and the total number of deaths was 1 064 420. The number of countries with cases was 214. The US total number of cases was 7 894 885 and the total number of deaths in the US alone was 215 781. Anyone who reads or listens to the news or sees what is going on in the world knows that those numbers are continuing to increase. This is a global pandemic of unprecedented proportions and it has presented a policy challenge the likes of which no-one in this chamber has ever seen before, and thank God we have this government to respond to it because the response has to deal with both health and economic consequences. Let us talk about how bad the economic consequences will be.

Dr David Honey; Mr Sean L'Estrange; Mr Ian Blayney; Mr Peter Rundle; Mr Stephen Price; Mr Simon Millman;
Mr Matthew Hughes

Firstly, let us talk about how well Western Australia has handled it. The Deloitte Access Economics Business Outlook from May 2020, which was months ago, stated —

WA appears to have successfully mitigated the immediate health impacts of COVID-19.

On 24 June 2020, Adam Creighton, a journalist with whom I rarely agree, said in response to the COVID-19 economic consequences that —

The IMF's latest economic forecasts lay out how much worse the global downturn has become since April. The cumulative economic losses over two years have been revised up from \$US9 trillion to \$US12 trillion. The sum of government bailout packages has increased from \$US8 trillion to \$US11 trillion.

Since the end of 2019, the equivalent of 300 million full-time jobs have been lost.

On 14 April 2020, an article by Alan Rappeport and Jeanna Smialek in *The New York Times* titled "I.M.F. Predicts Worst Downturn Since the Great Depression" stated —

The International Monetary Fund issued a stark warning on Tuesday about the coronavirus's economic toll, saying that the world is facing its worst downturn since the Great Depression ...

The grim forecast underscored the magnitude of the shock that the pandemic has inflicted on both advanced and developing economies ...

"The magnitude and speed of collapse in activity that has followed is unlike anything experienced in our lifetimes."

... the loss of global output would be "far worse" than the 2008 financial crisis ...

"It is very likely that this year the global economy will experience its worst recession since the Great Depression," ...

Finally —

Bank of America economists said in a research note that "the coronavirus will cause the deepest postwar recession in U.S. history," predicting a 6 percent hit to growth for the full year.

Neel Kashkari, president of the Federal Reserve Bank of Minneapolis, said a quick rebound was unlikely, particularly if people continued to worry about getting sick.

"We know after the Great Depression people carried the scars of that experience with them for many, many years,"

Another Federal Reserve official said —

... the shutdown was costing \$25 billion a day in lost output ...

On 11 September, an article by BBC News reporter Ben King titled "Coronavirus: What is a recession and how could it affect me?" stated that the UK had entered its first recession for 11 years and the International Monetary Fund predicted a huge fall in the GDP for 2020. It states —

It estimates the entire world economy will shrink by 4.9% this year, making it the worst recession since the 1930s' Great Depression.

I will come back to *The Economist* shortly, but its special report titled "The peril and the promise" from 8 October, just last week, stated —

The covid-19 pandemic will accelerate change in the world economy.

I will turn now to that point because it is crucial. What we see in this budget is the appropriate response from a sophisticated government that is taking the best possible advice to position Western Australia for the safest and strongest economic recovery from an unprecedented pandemic.

I will go back to an excellent paper that was published in *The Economist*, which is hardly a paragon of left-wing journalism. I am happy to quote it once again, as I have done before in this place. An article in its 25 July 2020 edition stated that the COVID-19 pandemic is forcing a rethink in macroeconomics and it is not yet clear where it will lead. I am conscious of time, so I will ask for an extension, if I may.

[Member's time extended.]

Mr S.A. MILLMAN: The article summarises the history of macroeconomics. It talks about the development of Keynesianism in the 1930s and 1940s, the implementation of Keynesian economic policies and managing the business cycle through supply and demand economics. It moves on to talk about the failures of that model in the 1970s with stagflation and the oil shocks and the response we saw from Thatcher and Reagan, Milton Friedman's economic theories, and the failure of that macroeconomic policy framework in the 1990s and the synthesis of both

of those schools of thought. That synthesis was significantly challenged in 2007 and 2008 by the global financial crisis. It has been really called into question now as a result of the coronavirus. According to the hypothesis in the article, and I quote from the paragraph headed “Tables starting to turn” —

Then coronavirus hit. Supply chains and production have been disrupted, which all else being equal should have caused prices to surge as raw materials and finished goods were harder to come by. But the bigger impact of the pandemic has been on the demand side, causing expectations for future inflation and interest rates to fall even further. The desire to invest has plunged, while people across the rich world are now saving much of their income.

The pandemic has also exposed and accentuated inequities in the economic system. Those in white-collar jobs can work from home, but “essential” workers—the delivery drivers, the rubbish cleaners—must continue to work, and are therefore at greater risk of contracting covid-19, all the while for poor pay. Those in industries such as hospitality (disproportionately young, female ...) have borne the brunt of job losses.

Even before covid-19, policymakers were starting to focus once again on the greater effect of the bust and boom of the business cycle on the poor. ... Devising new ways of getting back to full employment is once again the top priority for economists.

I pause on that point made in this article because it reminds us all that WA jobs are our number one priority. We are focused on not only making sure that our economy, our society and our community are safe and strong, but also the importance of generating jobs for Western Australians.

What I can say is this: this budget responds extraordinarily well to the circumstances of our time. I have already commended the work of the Treasurer and the Premier. I would like to also commend the work of the Attorney General. One of the attributes of this budget that a lot of my colleagues have spoken about is the \$600 electricity credit. Let us bear this in mind: there is a generation of lawyers in Western Australia who have grown up in the profession working on the Bell litigation. It is a testament to the work of this Attorney General that we have now ruled the line under that litigation. The efforts of this Attorney General are in stark contrast to those of his predecessor, whose ham-fisted attempts to try to fix this quagmire ended up being dissected by the High Court. The beneficiaries of this great legal work by this Attorney General are the everyday mums and dads of Western Australia, each of whom will receive \$600.

I want to talk also about the fact that this government was required to act decisively and effectively when this pandemic hit. The announcement in the middle of the year of the \$5.5 billion recovery package was exactly the right message to send to the market and to the community, but this is a government that is characterised by its responsible fiscal management, so we have to make sure that we pay for that \$5.5 billion economic stimulus and recovery package, and that is what this budget does. That is the first thing it does. The second thing it does is it eases the cost-of-living pressures on all those families in Western Australia to the tune of \$600. Thirdly—this speaks directly to the first obligation, and that is to keep the community safe—this budget provides for a significant injection into law and order, with \$314 million to recruit an additional 800 police. This is a testament to the incredibly hard work of our Minister for Police. This is a minister who, more than any other I can recall, knows full well the concerns but also the hopes and aspirations of the people of Mt Lawley on community safety. This is a minister who understands the importance of community safety in my local neighbourhood and has attended numerous safety forums and has recently helped re-establish the Mt Lawley Neighbourhood Watch. Again, like the Attorney General, it is a record that stands in stark contrast to that of her predecessor, who is currently occupying the opposition bench.

This budget would not have been possible without the three previous McGowan–Wyatt budgets. It would not have been possible without the resolution of the unjust GST distribution. I want to make this point on the question of the GST distribution: Mark McGowan is responsible for winning that argument and getting us our fair share. Anyone who thinks otherwise is delusional.

I want to reintroduce members to a concept I have raised before—Occam’s Razor. It is prominent in philosophical, legal and scientific literature. Occam’s razor—as the member for Kalamunda well knows—is the principle that, of two explanations that account for all the facts, the simpler one is more likely to be correct. Before Mark McGowan was Premier, the GST issue could not be resolved. After he became Premier, it was resolved. The only thing that changed was that Mark McGowan became Premier. Everything else stayed the same. We still had a Liberal Prime Minister and numerous Liberal powerbrokers in the federal government, we had a federal Liberal finance minister, who is from Western Australia, and we had a former Liberal state Treasurer who not only had the audacity to budget for a 70¢ floor in the GST when he was the state Treasurer, but also the temerity to go to federal Parliament and do nothing to deliver that to the people of Western Australia. That is a rank betrayal if ever there was one.

Dr David Honey; Mr Sean L'Estrange; Mr Ian Blayney; Mr Peter Rundle; Mr Stephen Price; Mr Simon Millman;
Mr Matthew Hughes

What changed? Mark McGowan. It was only after the election of this McGowan Labor government that the resolution of the GST issue was delivered for the people of Western Australia. Anyone who tries to argue differently—some have tried valiantly but unsuccessfully—is just plain wrong.

Let me finish by saying of the opposition and its criticism of us that the Liberal Party's insouciant attitude to fiscal responsibility, the state budget and the economy generally stands in stark contrast to the clear-eyed vision of Premier McGowan and Treasurer, Ben Wyatt.

This budget speaks to a number of things. It speaks to this calibre of this cabinet. The Minister for Emergency Services, who unfortunately will be retiring at the end of this term of Parliament, signed the emergency management order so that we could proceed with all the steps the state government needed to take to keep the community safe. It speaks to the work of the Attorney General to resolve the outstanding litigation issues connected with the Bell Group. It speaks to the work of the Minister for Police and the whole cabinet. In particular, it speaks once again to how fortunate we are that, despite in my chronology of events I note that the Treasurer was going to retire on 26 February 2020, at a point in time the Treasurer turned around and decided that for the benefit of the people of Western Australia, he would remain in his position to help steer us out of this once-in-a-lifetime economic crisis. This budget delivers that and for that reason I commend the government, the Treasurer and this budget.

MR M. HUGHES (Kalamunda) [9.37 pm]: I will try to be brief and stand to make a contribution to the second reading debate on the Appropriation (Recurrent 2020–21) Bill 2020 and the Appropriation (Capital 2020–21) Bill 2020. It seems that I often make a contribution at this time of night and also follow the member for Mount Lawley. I was in the chamber earlier and heard the contribution of the member for Churchlands. If the member for Churchlands is listening this evening, he should take a leaf out of the member for Mount Lawley's book and have something of substance to say rather than shriek and shout across the chamber. He seems to have a fascinating interest in me as the member for Kalamunda, although I am not sure why.

I would like to compliment the Treasurer on the budget. He has previously described it by saying that he felt it was his best budget. Despite not being astute in these matters, I recognise the Treasurer's capacity in this regard and his ability to sensibly explain to members of the opposition the basis on which the Treasurer's decisions have been made. I will leave it to the Treasurer to comment on the contributions that have been made by members of the opposition yesterday and this evening.

Prior to the last election, Labor promised a fresh approach to governing this state. I think the Treasurer has delivered that fresh approach. At the forefront of that fresh approach was the pressing and primary need to bring responsibility back to the Treasury bench and to tackle the Liberal–National government's lackadaisical approach to the management of the state's finances; essentially, to clean up the consequences of the failure of the Barnett–Harvey government to manage state finances prudently and responsibly. The approach to continue to focus on fiscal discipline has resulted in the state's finances being brought back under control—thank goodness they were—in just under three years. Who could foretell the situation that the world would face and the way that Australia would respond to the global pandemic? The Labor Party pledged to bring the state's finances under control, and achieved this outcome two years earlier than planned, which is a tribute to the capacity of our Treasurer and our Premier.

I notice from the 2019–20 midyear review that the debt was shown to be \$7 billion lower in 2019–20 than projected when the Barnett–Harvey government left office, but the more recent figures show that prior to COVID-19, net debt was around \$9 billion lower than forecast when the Liberal–National government left office. The result of this sound financial management is the capacity to make targeted investments to support the economy, create jobs and deliver better services in initiatives announced prior to the COVID-19 pandemic, and the capacity to respond in this budget to the challenges presented by the pandemic with the McGowan government's \$5.5 billion recovery plan. It is a tribute to this government that Western Australia's economic and financial position is better than first expected in the midst of the pandemic. This is due to our world-leading response and strong border controls—a factor in our capacity to recover that has been recognised by the International Monetary Fund. Recent commentary confirms that the strategy adopted by this government is correct.

I am going to try to abridge my comments because I see the time. I wanted to observe the way in which the government has made a significant difference to the economic circumstances and opportunities for jobs in the East Metropolitan Region, particularly around Midland, which is the principal town closest to Kalamunda. I was particularly excited by the McGowan Labor government's progressive transport policy, linked to Metronet, and the announcement that it intended to bring rail manufacturing back to Bellevue. My grey hair says a lot. I remember back to 4 March 1994, when Eric Charlton appeared at the Midland railway workshops to announce their closure, despite the fact that prior to the election the Liberal–National government was intent on maintaining an upgrade of the workshops. That was a devastating betrayal to the workers in the workshops. It left around 900 workers and their families without a future. It saw the demise of the single most important heavy industrial engineering centre in this state. The fact that I have lived to see the reversal of that decision is very, very pleasing. I know that many former Midland Workshops

Dr David Honey; Mr Sean L'Estrange; Mr Ian Blayney; Mr Peter Rundle; Mr Stephen Price; Mr Simon Millman;
Mr Matthew Hughes

employees and long-time residents of Midland have lived to see railcar manufacturing return to their district, which is something that they would not have thought was possible.

As a former teacher, I was very concerned about the poor state of the fabric of a lot of our state schools. I wanted to press the point with the Minister for Education and Training of the need to do something about that maintenance problem. It was because of the effectiveness of our government and its capacity to manage the state's finances that, last year, we were in the position to be able to bring on significant funding to address the maintenance backlog. Many of the schools in my electorate were able to take advantage of that funding, which totalled something like \$2.3 million. I have a list of the schools, but again, in deference to the time and the need to probably get to a point at which we can all go home, I will not go through it. I was pleased that, over the last 24 months, the Minister for Education and Training was able to pay no less than four visits to my electorate. Included in those visits was her willingness to attend an education forum last year, at which the community and I again raised the concerns we had about the condition of buildings at a number of our schools. The majority of the buildings at Lesmurdie Primary School, for example, were well beyond their use-by date. To continue to patch and repair the buildings was clearly no longer sensible. What is most pleasing for my electorate is that, included in this budget is an allocation of \$15.2 million for the complete stage replacement of Lesmurdie Primary School. The community has been advocating for this outcome for well over a decade and I am thrilled that I have been able to play a part in presenting the case for the school's replacement in what is Lesmurdie Primary School's centenary year.

Kalamunda Senior High School currently contends with 17 demountable classrooms. Although the school provides a specialist art program, the facilities available to that school for the implementation of the program are less than adequate. Similarly, the co-located secondary education support centre has struggled because of less than adequate teacher preparation areas available to it. The previous government promised to address those issues in its first term and then failed to deliver on its promise. Included in the 2020–21 budget is an allocation of \$18.3 million for the initial major upgrade of the school. It will provide for a new library, an ICT centre, construction of a new art facility, a new classroom block and a facility for the secondary education support centre.

My colleague the member for Forrestfield has made reference to the way in which we have reinvigorated TAFE, remembering that the previous minister, Hon Liza Harvey, increased course fees to the extent that they were significantly unaffordable for large numbers of people in my community. The figures were something like a 510 per cent increase in fees over that time. The result of that was a 25 per cent reduction in enrolments. The McGowan government's action to restore funding, particularly aligning that funding towards emerging school shortages, has reversed that problem. I commend the government for its sensible approach in this regard. The government is not only investing in job-creating projects across the state—I will not talk about the \$27 billion over the next four years that will go towards it—but it is also investing in people in order that we can ensure that we have a well-equipped and well-educated workforce. I know that families of students in my electorate are very, very pleased that those students who are not heading off to university will now have an opportunity to engage in TAFE courses.

I want to talk a bit about aged care availability. This is one of the issues that my predecessor failed to address in the Kalamunda electorate. The need to do something about residential aged care and fast-tracking the means by which we can achieve better residential aged-care provision was recognised by the Labor Party in opposition. We made a pledge to look at ways in which we could remove the constraints, notwithstanding that the state government clearly does not have direct involvement in the provision of aged care. That is really a commonwealth responsibility. The state government can assist with the repurposing of state government land for aged-care purposes and ensure local planning schemes facilitate the development of residential aged care. That is precisely what is happening. Nine months after coming to office, the government established an aged care availability working group, co-chaired by the Ministers for Planning and Health. I was pleased to be an ex-officio member of that group. On 25 October last year, the group provided to government a report with five specific recommendations. The government has already responded to those recommendations. A significant response was the publication of a position statement by the Western Australian Planning Commission that proposes some straightforward yet very powerful changes to planning, particularly in standardising terms used in local planning schemes, that will help to provide consistent long-term planning to cater for our ageing population. That position paper proposes standard land use definitions for residential aged-care facilities and retirement villages. The Minister for Planning announced in I think November last year, when the position paper was launched, that this was a state first. I understand that the adoption of the position paper is imminent, and I will not make any more reference to it, but I thank the Ministers for Health and Planning for facilitating the aged care availability working group.

Adequately funded and provisioned aged care has to be placed firmly at the centre of our public policy discourse in the state and in the commonwealth. In addition to the evidence provided to the royal commission, the COVID-19 pandemic has exposed further significant structural weaknesses in the way residential aged care is managed and supported by the commonwealth government. I make the observation that the recent announcement in the commonwealth budget of an increase in funding for home-care packages is too little and woefully fails to address

Dr David Honey; Mr Sean L'Estrange; Mr Ian Blayney; Mr Peter Rundle; Mr Stephen Price; Mr Simon Millman;
Mr Matthew Hughes

the identified substantial backlog. I believe that the state government has to place itself at the centre of the development of a strategic approach in the provision of new operational residential aged-care places, notwithstanding the constraints that are placed upon its ability to operate in this sphere. It is very clear that the commonwealth government and the federal responsibility for this area of community care and health has been an abject failure in this regard. I would roundly censure the previous federal Minister for Aged Care, the member for Hasluck, for his failure to do anything adequately in this area, despite promises to do so. We need to ensure the application and assessment processes and licensing are more sensibly and effectively managed so that residential aged-care places are more evenly distributed to adequately meet the demands of local communities so that our people can age in place. I believe this needs to be embraced much more substantially by the state government. It is not a criticism. I just think that we really need to improve the linkages between health and the responsibilities that the minister might have for ageing and seniors. I cannot quite understand why the two would be separate.

[Member's time extended.]

Mr M. HUGHES: I will just make one other reference to an important matter. My pledge has been to work to make the provision of suitably located aged-care facilities in the electorate of Kalamunda a top priority. The work required to fulfil this commitment, which I continue to prosecute vigorously with the McGowan Labor government, is hard, but I am pleased that in the last two and a half years we have seen the construction of the long-awaited Hall and Prior residential aged-care facility at Karingal Green, High Wycombe; the gazettal in August 2017 of lot 500 Gavour Road, Wattle Grove, for an integrated retirement and aged-care facility, a proposal previously rejected by Hon John Day, the then Minister for Planning; the allocation in 2018 of crown land adjacent to Sunshine Park, Lesmurdie, for an expansion of the existing facility; and the development approval of expansion of the Valencia Nursing Home to provide an additional 80 beds. I am very pleased about the decision to repurpose land at Heidelberg Park, Lesmurdie, for aged care as part of a saving that occurred in relation to land owned by the Western Australian Planning Commission around the railway heritage trail, which had been threatened. The WAPC has, in a sense, agreed with the Department of Planning, Lands and Heritage that there would effectively be a land swap, and that requires a minor amendment to the metropolitan region scheme. I understand that decision is very close to finalisation.

I am going to talk a little about the hills economic development activity that I have been involved in with the creation of the Pickering Brook and surrounds sustainability and tourism task force and its working party, which I chair. The working party has responded quickly and has produced a set of recommendations to the government task force for the modest but meaningful expansion of the town site. Part 1 of its report has been concluded. If the recommendations for the expansion of the town site are approved, it will pave the way for a meaningful expansion and assist with the reinvigoration of the town itself. This is something that residents have been wanting at least for the last two decades, and this government has been prepared to address that issue. The working group is working to conclude part 2 of its report that will provide recommendations regarding the 90 000 hectares of the broader study area to develop a strategy for the economic development of the area, including, but not limited to, the growth of tourism activities within the hills' rural areas. Importantly, the working group has taken steps to ensure that the strategy has had due regard to landowner or community views and expectations through appropriate community consultation. I would like to again acknowledge the advocacy and sterling work of local residents Bob Melville, Gary and Ginny Beard, Maureen Moffett, Sue and Lou Marchesano, Ray Furfaro and Michael Fernie, who have worked assiduously over the years to lay the problems facing the district before the state government.

I will conclude shortly. In the broader context of the future of the Perth hills, I am increasingly convinced that we need a specific planning instrument that is focused on protecting existing communities, rural amenity and forested areas from incompatible development. I will not go through the issues associated with structure plan 34 and the North Stoneville development. That has been a contentious matter. It points to the need for us to do something much more substantial than what we have done already to ensure the protection of the hills, possibly through a hills protection bill. We will see how far we can get with that.

Access to public transport for people who live in the hills needs to be reviewed, particularly as we face an ageing population when people's use of private vehicles becomes increasingly problematic. We need to ensure that people do not become isolated because of their lack of access to public transport or difficulty in accessing the Metronet rail system, and that communities on the peri-urban fringe do not have a continuing issue of lack of mobility. The bus services across the hills are not adequate, and the service routes at times need to be given a complete rethink.

I would like to briefly mention three things that have been included in the budget and that will benefit my community. The first is the allocation of \$5 million for the redevelopment of the sporting and recreational facilities at Ray Owen Reserve. The complete project will require \$16 million, but that allocation of \$5 million will ensure that the first stage can proceed. I am very thankful that was included as part of the \$5.5 billion WA recovery plan as a COVID-ready project.

Dr David Honey; Mr Sean L'Estrange; Mr Ian Blayney; Mr Peter Rundle; Mr Stephen Price; Mr Simon Millman;
Mr Matthew Hughes

Mr B.S. Wyatt: I have gone there a few times because my daughters have played basketball there, so I am quite familiar with that centre.

Mr M. HUGHES: There are problems with parking, and with the large number of people who attend that centre on any Saturday. People have to come in shifts in order to make use of the car park. We also want the ovals to be properly watered and expanded, and to work in synergy, if I can use that term, with the redevelopment of Lesmurdie Primary School. An amount of \$2.02 million has been provided to upgrade the cycling and walking trails at Goat Farm and the Kalamunda circuit. Those trails are an important asset in the hills. They create a destination for visitors and, therefore, bring dollars into the district.

The third one, which is probably a bit more contentious, is the \$10 million matching allocation towards the major planning of EastLink WA, previously known as the orange route. We hope this will lead to something substantial. If it will get freight off Greenmount Hill, that would be an excellent outcome and provide some respite to the communities that live along the current route, being Great Eastern Highway.

Two particular election commitments have made a significant difference to the lives of my constituents. One of those has already been referenced by the member for Forrestfield. That is the \$86 million allocation to the Roe Highway–Kalamunda Road intersection. We will benefit from that in the electorate of Kalamunda. My constituents are very pleased that that is nearing completion. We are also very pleased that \$3 million has been provided from consolidated revenue, and a further \$2.5 million from Lotterywest grants, towards the establishment of the Kalamunda learning centre at Jorgensen Park. That is nearing completion and should be ready for opening at around the date of the election.

I think I should stop there, Madam Deputy Speaker. The McGowan government has a clear focus on competent fiscal management. Its achievements over the last three years place it in a position to respond to this unexpected and severe impact upon both our society and our economy. The government is doing all it can to stimulate job creation and opportunities for education and training to meet the demands of a changing and diversified economy. My constituents recognise the work of this government. It is a government that is respected. My community appreciates the government's commitment to delivering on its promise of a fresh approach from the governments of this state made prior to the election and there is no reason not to believe that a fresh approach has not been delivered. This government has shown its capacity and determination to keep this wonderful state of ours safe and strong.

I commend the budget bills of the house.

Debate adjourned, on motion by **Mr D.A. Templeman (Leader of the House)**.