APPROPRIATION (RECURRENT 2019–20) BILL 2019
APPROPRIATION (CAPITAL 2019–20) BILL 2019

Second Reading — Cognate Debate

Resumed from 15 May.

MR D.C. NALDER (Bateman) [10.13 am]: I stand to respond to the 2019–20 budget, and to provide an analytical perspective of the finances presented through this budget and an update on the WA economy to demonstrate the causal effect of the budget and policy settings of this government. Up-front, I want to say how disappointed I was in the lack of transparency, the heavy politicisation of the budget and critical missing elements. In summary, although the budget is in surplus, there are a number of concerning factors. Given the obvious gains from GST, iron ore and federal grants, I did expect the government would use this budget to provide a clean set of numbers, and I have been surprised at the holes and obvious omissions. Despite the windfall gains, other key revenue sources have declined, the state domestic economy has contracted, expenses this year are $431 million higher than budgeted for after accounting changes, and debt has continued to grow to record levels. Add to this the continued impost on households at a time when record numbers are seeking support, under stress, becoming insolvent or being disconnected, and it is clear that this heartless government has not done enough to support households during a period of real need in our community. According to the Australian Bureau of Statistics, some 29 000 small businesses with one to 19 employees have disappeared in the past two years of the McGowan government. That is 18 per cent in two years. This budget does nothing to arrest that decline or support many businesses that are doing it tough.

I have never witnessed a more politically driven representation of a budget. I am surprised that the government spends so much effort developing comparisons with the former government, and it has led me to suspect that it is attempting to draw attention away from analysis of its own performance. The Treasurer outlined three major points at the outset of his budget presentation that deserve closer inspection—first, improving financial performance; second, building Metronet, a so-called world-class public transport system; and, third, creating jobs and strengthening the economy.

Firstly, I would like to look at the financial performance. The budget is back in surplus, and that is a positive step for Western Australia. The question is: is it from good management or good luck? Let us examine it. Most people would be aware of the circumstances that the former government found itself in when there was a sudden collapse in the iron ore price, which hit a low of $US37 in December 2015, and it was further exacerbated by a flawed deferred GST allocation that remained at 30¢ in the dollar. That can be compared with now, when we have had a federal GST fix, with a 70¢ floor in 2019–20, and surging iron ore prices above $US90 this year. In 2018–19 and 2019–20, these two measures will deliver windfalls of $3.56 billion and $4.35 billion in additional revenue compared with the revenue in 2015–16. They are outside the control of the government, so one could say, "Lucky Mark." In 2015–16, the total combined revenue from these sources was $5.48 billion; in 2018–19, it was $9.04 billion; and in 2019–20, it is forecast to be $9.83 billion. Over the next four years, 20 to 30 per cent of budget surpluses will come from a change in the forecast exchange rate. This will add over half a billion dollars each and every year. Lucky Mark! The former government would never have had a deficit if the iron ore price had remained stable and the GST floor had been resolved earlier. The real issue is that these two things alone have allowed the budget to return to surplus and both these items are not the outcome of good management. The iron ore price has been budgeted to remain close to this year's average price of $73.50, up from $60.80 forecast 12 months ago. Based on Treasury analysis of $81 million per dollar of iron ore price, it will add roughly $1 billion. The revenue growth from GST is forecast to be another $814 million higher, which will underpin next year's budget surplus, along with the expected $500 million plus in revenue as a result of the lower exchange rate. We are talking about an additional $2.3 billion against a surplus of $1.5 billion. It does raise the question of where the other $800 million has gone. The question becomes: what is the government doing to deliver outcomes for Western Australia?

Any analysis of the state government's performance should look at what the government delivered relative to what it has budgeted to date. This government has been very quiet about what has happened over the past 12 months and what went wrong, so let us have a look. I have pulled out of volume 3 of the budget papers the key budget assumptions, which show that state final demand was forecast to be negative 0.25 per cent for the year, when in fact it was negative one per cent. Interestingly, the budget is assuming a turnaround to three per cent growth next year. Employment growth was forecast to be 1.5 per cent, when it was actually one per cent; the unemployment rate of 5.75 per cent was actually 6.25 per cent; the consumer price index was forecast to be 1.5 per cent, but it was 1.25 per cent; and revenue growth was forecast to be 2.4 per cent, but it was actually 4.8 per cent. A closer analysis of this, excluding the GST payments and the iron ore price, shows that revenue growth was negative 0.001 per cent. The estimated actual for this year, excluding the GST payments and the iron ore price, is negative 0.004 per cent. Next year, the forecast, excluding iron or GST, is 3.11 per cent, and I will come back to that. Expense growth was forecast to be 0.9 per cent, but actually came in at 2.4 per cent. To sum it up, the domestic economy has contracted, unemployment has risen and expenses have blown out. If it was not for windfall gains from iron ore and GST, the state finances would be in a worse position today than there were 12 months ago. Add to that the bullish expectations of a rebounding domestic economy over the next 12 months, which is expected to grow three per cent up from minus one per cent, and it reinforces that not all has been going well in Western Australia and highlights potential risks for the 2019–20 budget should we not see a resurgent domestic economy. If the government wants a resurgence in the domestic economy, it must explain why it has overlooked our state small business sector, which accounts for 97 per cent of business in Western Australia, with 67 per cent of those being mum-and-dad businesses in Perth. Small businesses contributed $48 billion to the WA economy and employ 492 000 people, or 41 per cent of the state's workforce. It is little wonder that small business, even in a resource-based state like WA, is one of the most reliable indicators of how our economy is tracking. When small business is hurting, our economy is hurting, and any decline means job losses and higher unemployment.

The Australian Bureau of Statistics counts of Australian businesses highlight that WA businesses are continuing to struggle to survive. Over the period June 2016 to June 2018 we saw an 18 per cent reduction of sole traders to those who employ between one and 19 people from approximately 163 000 to 134 000 businesses. What did the McGowan government do to support what some refer to as the engine room of the economy? It did absolutely nothing. In fact, it did the complete opposite. It increased household fees and charges by another $127 a year, making it a little more difficult for those small businesses that were finding it hard enough already. Anyone claiming they understand the economy whilst ignoring small business is a risk to the Western Australia economy, which I will explore further later.

The lack of explanation in the commentary from the Treasurer on expense growth is quite telling and requires further analysis. In 2018, the state budget expense growth was forecast to be 0.9 per cent, with a forecast of 1.3 per cent growth this year and 0.5 per cent for 2020–21. Those numbers have changed to 2.4 per cent, 1.5 per cent and 0.1 per cent respectively. The growth in expenses in 2018–19 almost accounts for the next two years in budget expense growth from 12 months ago. At the time of the last budget, the opposition questioned the sustainability of these expense forecasts, particularly when we noted what had been applied against health, education, police and agriculture. There has not been an explanation from the Treasurer on what he got so wrong. This is a $431 million blowout of the expense line, and I believe a bronze level of transparency would see an explanation, let alone the gold-plated transparency that the Premier has committed to. There should be an explanation in the highlights of the expense budget on page 89 of volume 3 of the *Budget Statements*, and their absence is concerning. Was the state government misleading the Parliament last year; and, if so, what is it now hiding? How much can we rely on the information provided to us? How can we rely on the government's forecast?

One glaring omission that has been picked up by political commentators is the absence of operating expenses for Labor's key infrastructure program—Metronet. WA subsidises public transport by approximately 75 per cent of its operating cost. In other words, public transport fares only cover approximately 25 per cent of the running costs of trains and buses. How can the government claim it is building a world-class public transport system if it does not highlight the operating costs of the extended lines it is creating? Given that a relatively low number of people living out towards Yanchep commute on a daily basis to Perth and the advice I have received from public transport that the Ellenbrook line cannot be justified economically before at least 2030, it stands to reason that the subsidy for these line extensions is much greater than 75 per cent. The absence of these figures undermines the credibility of the 2019–20 budget.

Full-time equivalent analysis is always quite telling of an organisation that manages expenses well. It is an area in which I believe we do not place enough emphasis in the WA public service, and there should be greater transparency around FTE headcount, casuals, contractors and consultants. The McGowan government trumpeted a voluntary targeted separation scheme for 3 000 positions as a budget repair measure. One would assume that the number of FTEs would reduce during budget repair. Although it is difficult to find FTEs, they are reported for all government agencies in the footnotes of the budget. In the past two years of the McGowan government, FTEs have increased by 2 300, and are forecast to be 3 800 by 30 June 2020. This is despite a redundancy program for 3 000 in the name of budget repair. That caused me to look in the budget to see what is happening with salaries. I discovered that the actual for 2017–18 for salaries for the state government was $13.8 billion. The estimated actual for 2018–19 is $14.048 billion. That is an increase of $247 million. Something does not quite add up. We are talking about the general public sector here, and it is known that historically there were roughly 110 000 FTEs in the general public sector. If there is a $1 000 a year pay rise in the wages policy, that figure for salaries should increase by about $110 million. But the figure has gone up $247 million, so what is going on? Once we start to explore things, we find that the general public sector, as at the end of 30 June 2017, had 113 387 employees. In 2017–18, that number grew to 114 140. The estimated actual by the end of June this year is 115 684, and by the end of next year it is expected to be 117 167. This state government is trying to receive plaudits for managing expenses well. If we take into account that the government paid $185 million to make 3 000 staff redundant and at the same time over the period it has been in power it has grown the number of FTEs by 3 800, that would mean that the state government has employed 6 800 people over a three-year period. That is what is driving some of the government's expense issues. There needs to be greater transparency around this.

It is fascinating to look at those agencies in which there have been declines and those in which there has been growth. There has been a 12 per cent decline of FTEs in mental health at a time when we are recognising that there are issues with mental health, and the government is trumpeting that. Whereas, at the same time that FTEs in mental health have declined 12 per cent, FTEs in the Public Transport Authority have increased by 17 per cent. I have not seen any new lines come on stream yet or any increase in the bus fleet, so it is questionable why FTEs in the PTA have grown from 1 600 to 1 867.

The addition of 6 800 people into the public service, coupled with the government's commitment to a redundancy program, begs the question about the merits of the state government's voluntary separation scheme. I would enjoy seeing the Auditor General justify the merits of this $185 million redundancy program. A publicly listed entity would have to give an explanation about that growth in the number of FTEs, because it would appear to be due to one of two things. Either people are being given a golden handshake to retire or people are not being performance managed correctly. They are the two things that would be identified in the public sector. We have seen payroll increases of $450 million over two years, whereas a pay rise of $1 000 a year would account for about $227 million to $230 million.

The next issue I would like to talk about is net debt. Net debt has continued to grow under this government to record levels despite the revenue windfalls. Despite forecasting surpluses of $9 billion over a five-year period, the government projects that debt will only fall by $680 million. There are windfall gains from the resource sector and billions of dollars from the GST fix. Why are there such large surpluses, yet debt is not substantially reducing? Is it because the government did not account for all the commitments in the past budget? If so, is the government now accounting for them to provide assurances that there are not further hidden risks for the state? This current state government would have us believe that the former government was responsible for the growth of net debt over 13 years when it was in government for just over eight years. The current government keeps using the forward estimates from the 2016–17 budget as the basis for this; however, the former government did not have the benefit of the windfall from iron ore, the GST fix and federal government grants that this government has received. The former government was responsible for eight budgets, yet a lot of the Treasurer's post-budget analysis has it responsible for nine budgets. A Labor government delivered the 2008–09 budget. Treasury's analysis of WA Labor commitments in 2008 and 2013, when the Liberal Party won both elections, determined that the Labor Party's commitments would have had a greater impact on net debt by $1.1 billion dollars. What happened at the election in 2017? The former government submitted its costings to Treasury but WA Labor refused to do so. Labor's election promises were estimated to cost $5 billion—unfunded. This means that the current government has been trying to work out ways of absorbing these commitments and demonstrate that debt is being paid like a mortgage, as the Premier put it. But page 51 of budget paper No 3 confirms this issue of trying to account for these unfunded commitments. I quote —

> The 2019–20 Budget includes a total of $5.1 billion flowing through the Debt Reduction Account —

An account specifically set up to deal with the debt —

> over the four years to 2022–23. Of this amount, an estimated:
>
> - $1.4 billion will be used to repay existing debt …
> - $3.7 billion will be used to reduce new borrowings …
>
> The exact mix between repayment of existing debt and avoidance of new debt will be determined on an annual basis …

Let us reflect on this for a moment. We do not refer to the government deciding to increase spending. We refer to it avoiding new debt. This $3.7 billion is increased spending by the state government, but this government wants us to believe that it is not spending more; it is avoiding new debt. That is simply a sham. This reinforces that had the windfall gains from iron ore prices and the GST solution been known to the previous government, it would have added billions of dollars of additional revenue and lowered net debt forecast considerably. It is time for this government to take responsibility for the growth in debt. It has grown debt by $7 billion since coming to government and delivered a record level of debt for Western Australia. Can we have confidence that the state government will reduce debt over the forward estimates? Unless there are further windfall gains, I do not think so.

To date, we have also seen this government push capital spending beyond the forward estimates and fail to include critical projects that are commitments from this government. Notable absences include the state's contribution to the Ellenbrook rail, the expansion of Joondalup Health Campus and the relocation of King Edward Memorial Hospital for Women. That said, there are 10 key projects in this budget for which 50 per cent or nearly $3 billion of the required funding falls beyond the forward estimates. The 10 projects are Queen Victoria Street–Swan River crossings; Roe Highway–Great Eastern Highway bypass; smart freeways—transforming freeways; Tonkin Highway corridor upgrades; new bus replacement program; level crossing removal program; railcar acquisition; rail infrastructure program; railcar replacement; and Metronet projects under development. Fifty per cent of the funding for those projects sits beyond the forward estimates. The government has pushed out $3 billion of spending. It is therefore ludicrous for the government to claim it is the only state in Australia to be reducing debt over the forward estimates. There is a somewhat bullish rebound forecast in the domestic economy driving revenue; questionable expense growth of 0.1 per cent now in 2020–21; an absence of operating expenses for projects such as Metronet; and promised capital projects such as Ellenbrook rail and hospitals. They are all missing from the budget. All these items have the potential to, or will, adversely impact the debt position of the state. It once again reinforces the lack of transparency from this government.

Overall, the revenue in the financial budget has been dependent on a commodity price rebound, the GST fix and federal grants, with future revenue relying on the same but a rapidly rebounding domestic economy. The government has a questionable track record of expense management; dubious expense growth in 2020–21; and 6 800 extra people in the public service. Committed operating expenses are missing. Net debt is understated and key infrastructure projects are missing or the spend has been pushed beyond the forward estimates. This government will be desperately watching iron ore prices over the next 12 months to see whether they hold, as opposed to retreating to what we averaged this year. Currently, iron ore is sitting at above $US92 a tonne. The government budgeted for the year at $US73 a tonne, so at $81 million a tonne average on the year, the government will be praying for the iron ore price to remain up. Growing net debt is an issue this government continues to face, projecting $9 billion in surplus over five years, but debt reducing by only $680 million with a need to fully account for its election promises.

The second point the Treasurer raised was about Metronet. For this government to consider the Metronet project as building a world-class public transport system is nothing more than an embarrassing joke. Let us look at what the government has or intends to include—an extension of the Thornlie spur to Cockburn; an extension of the Joondalup line from Butler to Yanchep; an extension of the Armadale line to Byford; a new spur off the Midland line to Ellenbrook, I think; and a few level crossing removals. In isolation, I am not critical of the projects, with the exception of Ellenbrook rail. That is because of the timing and the advice I received from the department when I was minister. For a supposed world-class public transport project, this major infrastructure program simply extends existing lines to outer emerging suburbs; fails to provide better connectivity to major activity centres with the CBD—that is, shopping centres, universities or hospitals; fails to align to the principles of the Department of Planning, Lands and Heritage of greater density in activity centres and closer to the CBD; misses a key election promise; and fails to account for the operating costs of these new projects. To be honest, the government is simply undertaking an extension of what the former government commenced whereby it extended the Joondalup line to Butler; sunk the city line to connect Northbridge and Perth; commenced construction of the Forrestfield–Airport Link; built a new station on the Mandurah line at Russell Road–Gibbs Road; expanded the rail fleet by 30 per cent; removed the rail crossings at Nicholson Road in Canning Vale and Lloyd Street in Midland; conducted a $470 million replacement and 30 per cent expansion of the bus fleet; built a new world-class CBD bus station; and built a new bus-only bridge connecting the CBD to Charles Street.

Unfortunately, this government lets a good story get in the way of the truth. Given that the program is fairly basic in nature, it begs the questions: Why have the running costs of a special project office? Is this simply to create the impression that it is more complex than it is or is it the reflection of a minister who lacks the confidence of her department to do the work? While we are looking at the Public Transport Authority, why is the number of FTEs climbing by 17 per cent or 266 positions to June 2020? While I am talking about transport, it is interesting that the minister could not be a bit more accurate with the truth when she reports the former government's role in transport projects in regional areas. For example, under the former government, the state was spending roughly $2 billion per annum on roads with 60 per cent allocated to regional areas. The former state government undertook a large amount of work in regional areas, including the removal of the Bindi Bindi curves at Great Northern Highway; building 15 overtaking lanes between Southern Cross and Kalgoorlie on Great Eastern Highway; building eight overtaking lanes on Albany Highway between Kojonup and Albany; upgrades to the North West Coastal Highway near Exmouth; upgrade of the Coalfields Highway; and building heavy vehicle bypasses at Margaret River and Ravensthorpe, just to name a few. The minister implies that the former government did nothing for regional areas, which is simply untrue.

I will move to the third element, which is the economy. It is important to analyse the economy as it is important to how the government should focus its budget settings. Mark McGowan and Ben Wyatt's handling of the economy has been poor to say the least. Despite the constant spin by the government that the economy is on the improve, a cursory look at the data tells a different story. Mark McGowan was elected on a plan to grow the economy and create jobs. By every measure, he has failed. We need to go back to late 2016 and the *Pre-election Financial Projections Statement* as a starting point for the state of the economy inherited by Mark McGowan. The *Pre-election*

Financial Projections Statement prepared independently by Treasury indicates the state of the economy and the state's finances based on current policy settings—that is, how the state's economy and finances will perform absent any change in policy. On page 3 of the pre-election financial statements, the key budget assumptions are listed stating Treasury's estimates of key economic indicators for the state, including economic growth, employment growth and the unemployment rate. The data shows that the economy was in recovery following the end of the largest mining construction boom in the state's history, when the state was shifting from construction to production. This coincided with the collapse in the iron price to $US37 a tonne in December 2015.

It was not unreasonable to see the state's economy go backwards as a result of the record business investment in the state in the LNG and iron ore mines, investment that peaked at $90 billion. However, in December 2016 and early 2017, the state's economy was clearly in recovery. Although the 2017–18 financial year was still expected to be tough, with the state's domestic economy expected to decline, Treasury forecast that the state's economy would grow by 2.25 per cent in 2018–19 and 3.5 per cent in 2019–20. Employment growth was expected to grow 1.5 per cent in 2018–19 and 2.25 per cent in 2019–20. On top of this, wage growth was forecast to grow 2.5 per cent in 2018–19 and 4.3 per cent in 2019–20—I think that is correct.

Population growth, one of the key drivers of the state's economy, was also expected to grow 1.6 per cent in the current financial year and 1.8 per cent in 2019–20. As I said, the McGowan government inherited an economy that was transitioning from the end of a mining construction boom and a collapse in iron ore prices and Treasury was forecasting a return to growth by every measure. Unfortunately, because of the government's economic settings and budget decisions, the economy has gone backwards under the McGowan government. That is because Mark McGowan simply does not understand how the economy works and the impacts of his decisions on the economy.

Fast forward to the current budget and the Premier's failure to manage the economy, the impact of his decisions is telling, but I will come to that. One of the first decisions Mark McGowan made when coming to government was to write to the federal government requesting changes to the regional sponsored migration scheme. This was the fulfilment of an election commitment that was nothing more than dog-whistle politics to his union masters. However, Mark McGowan failed to consult on his policy and, as a result, failed to understand the importance of his policy to Western Australia and the impact his decision would have on international education, tourism, the housing and construction sector, and population growth. What Mark McGowan failed to realise was that international students are vital to the international education sector in Western Australia and that when international students come to Western Australia, their parents and relatives visit them and this supports international tourism. These international students also support the housing and construction sector by either renting or buying houses. However, Mark McGowan does not understand the economy and did not understand the impacts of his policy. This decision has hurt the economy and cost Western Australians jobs.

In Mark McGowan's first budget, some six months after taking office and making a number of policy decisions, Treasury downgraded its forecast of economic growth, employment growth, population growth and wage growth and revised up the unemployment rate. In just six months, as a result of Mark McGowan's economic policies, the economy had ground to a halt and started to go backwards. Between the *Pre-election Financial Projections Statement* and the budget, the key budget assumptions, the measures of the strength of the economy, had been downgraded. The *Pre-election Financial Projections Statement* forecast that the state's domestic economy would grow by 2.25 per cent in 2018–19 and 3.5 per cent in 2019–20. By the time of the first budget, these forecasts had been revised down to one per cent and 2.25 per cent. What we have seen in every budget and every *Government Mid-year Financial Projections Statement* is a continuing downgrade of the economic indicators. It relates to the policies of the McGowan government and failure by the Premier to have even a modicum of understanding of the economy.

In the 2017–18 budget, Mark McGowan's first budget, the state domestic economy was forecast to grow by one per cent. The budget handed down last week showed that the economy had shrunk by one per cent. This is a substantial turnaround in an economy worth over $200 billion. In the Premier's first budget, employment growth in 2018–19 was forecast at around 1.5 per cent. This budget shows that it will now grow at only one per cent. The 2018–19 budget states that it was expected that 29 400 jobs would be created in the 2017–18 financial year and a further 20 000 jobs in the 2018–19 year—that is 50 000 jobs over two years, but what happened? The government constantly crows about the great job it has done creating jobs. The Premier regularly stands up in this place and talks about 36 000 jobs that have been created. What happened to the other 14 000 jobs that should have been created? What about the nearly 6 000 jobs that have been lost since October 2018, or is the state government actually employing people into the public service to underpin their jobs growth in Western Australia? Those people unemployed in Western Australia cannot take a great deal of hope from this budget either. The employment growth figures have been revised down also for the out years. It is the case that for nearly all the economic forecasts for the budget compared with the Premier's first budget, the unemployment rate was forecast to be six per cent in 2018–19; it is now expected to be 6.25 per cent. Household consumption was revised down, dwelling investment was down from five per cent growth to negative 2.75 per cent growth. The Perth median house price was forecast to grow by 0.7 per cent. Instead, it has fallen by 2.7 per cent. However, government consumption is up. It is highly concerning when government consumption is one of the few shining lights in the economic data. The Treasurer says that he cannot find one bit of bad economic data. He must have his head buried in the sand. The reason for the deterioration in the state's economy lies squarely at the feet of the Premier and Treasurer and their poor decisions.

The McGowan government made a number of decisions in its three budgets that have ultimately come to hurt the state's economy in an effort to find savings and generate revenue to deliver on some of its unaffordable election commitments. As a result of all these poor policy decisions, we have seen the state's economy slip into recession in the first six months of the financial year—a record number of Western Australians without a job and the unemployment rate peak at 6.9 per cent, the highest in 22 years.

The McGowan government has tried to label itself as a government focused on local jobs through local projects. There is a big difference between saying and doing, and no government illustrates that better than this one. The Western Australian Industry Participation Strategy was set up to help local businesses get more work from local government projects, and one of the pilot projects to test that strategy is the Metronet railcar procurement project, which has a target of 50 per cent local content. An initial step in the project is the design of a new rail car depot, which has been awarded, not to a Western Australian business, but to Aurecon, a Victoria-based company. How are local firms supposed to employ locals and reduce our unemployment levels if they cannot even get these design tenders? Maybe if the Premier sends enough work outside Western Australia, those people employed somewhere can use their wages to visit here and create some tourism jobs!

The government imposed massive increases to fees and charges to hit household sectors struggling with high unemployment, low wages growth and declining house prices. What Mark McGowan does not understand is that if households are hit with big increases to the cost of living in difficult economic times, that hurts the economy. The household sector represents 42 per cent of the domestic economy. In a time of flat wages growth and higher taxes there is less money for households to spend. As a result, the retail sector has been struggling for the last two years. Mark McGowan's first two budgets also increased household fees and charges by more than $400 a year, including a change to the daily electricity supply charge. This was a particularly mean increase, one that has disproportionately impacted pensioners and self-funded retirees. Modelling provided to the Treasurer showed that pensioners would experience a 30 per cent increase in electricity bills as a result of this government's policies and there is no way they could reduce their electricity use to offset the increases. Following these massive increases in household fees and charges, unsurprisingly, there was an increase in the number of applications to the hardship utility grant scheme, a scheme designed to support people unable to pay their utility bills. The government's mean-spirited response to the increases was not to provide more funding to support Western Australians experiencing hardship; it was to cut access to the scheme for six months and make it more difficult to access in the future. But that was not enough for the government. In its second budget, it imposed another $300 a year increase in household fees and charges, bringing the total increase in fees and charges imposed by the McGowan government to more than $700 a year.

To make matters worse, it also more than doubled the water charge for large users to more than $4.40 for households using more than 500 kilolitres per annum. The Minister for Water claimed that this was going to hit only the rich people in the western suburbs. However, that was another misleading line in the long list of untruths by the Minister for Water. The opposition learnt through questions in Parliament that more than 60 000 Western Australian households were impacted by these massive increases, with most of those households outside the western suburbs—975 households in Baldivis, 723 in Canning Vale, 610 in Ellenbrook and 500 in Byford. The last time I checked, these suburbs were not in the western suburbs.

In the most recent budget, despite windfall gains in royalty revenue and the Morrison government's solution to the GST, the McGowan government has seen fit to increase fees and charges at close to double the rate of inflation. It seems that the only ones surprised that households are struggling under the weight of the McGowan government is the McGowan government. On top of that, the government introduced its new wages policy to cap pay rises to $1 000 despite its election promise to keep wage growth at 1.5 per cent for all public servants. However, the Premier and the Treasurer did not stop at just households; they had the business sector in their sights, too. The government increased payroll tax for the state's largest employers—a tax increase that was designed to raise $435 million over the forward estimates. Payroll tax is a tax on jobs and at a time when the government should be stimulating the economy and trying to grow jobs, a tax on jobs was simply the wrong thing to do. In a measure that would have crippled the gold industry, an industry that employs nearly 20 000 Western Australians, the government announced a 50 per cent increase in the gold royalty in an effort to raise an additional $392 million over the forward estimates. This is another example of Mark McGowan failing to understand the economy and the impact of those decisions on the economy, business and jobs. In 2015, Mark McGowan stood in front of Parliament House and called on the then Liberal–National government to not increase the gold tax because it would destroy the industry and jobs. However, like many things that he said in opposition, he did the opposite when he came to government. Mark McGowan and Ben Wyatt failed to consult with the gold industry and failed to understand the impacts of this decision on the gold industry, which funds exploration and, therefore, future gold production using current cash flows. The budget shows that gold royalties are forecast to decline over the forward estimates, reflecting an expected decline in production. It is essential that the gold industry continue to invest in exploration to provide jobs for the future. The Liberal Party was pilloried by the Premier and Treasurer as budget wreckers. However, we protected the gold industry and the economy from fundamentally bad policy.

Prior to the election, Ben Wyatt and Mark McGowan in opposition supported the boost to the first home owners grant, yet in Mark McGowan's first budget, he cut that boost. Once again, the Premier said one thing in opposition and did another in government. It is another example of Mark McGowan failing to understand the economy and the building industry. The housing and construction industry is one of the largest, if not the largest, employers in the state, with every new house built creating four new jobs. Prior to the 2017 election, it experienced a significant downturn that was driven by a number of factors. In 2014–15, the housing sector experienced an unprecedented 32 000 housing starts. This was followed by a sharp decline in the following year to just over 25 000 starts in 2015–16 and it continued to fall year on year. In 2016–17, there were just over 19 000 starts before the number declined to just over 18 000 in 2017–18. In the current financial year, the industry expects the number of starts to fall to 16 000. What is the government doing? In its April 2017 update, the Housing Industry Forecasting Group, a joint industry and government body that was established to assist the government and industry in their forward planning, found that dwelling commencements had trended lower over the year and population growth, one of the key drivers of demand, had been soft. Subdued labour market conditions with high unemployment growth impacted on the number of housing starts. In spite of these warnings and the advice from the Housing Industry Forecasting Group that the boost to the first home owner grant, together with the relaxing of the Keystart income limited by the former Liberal-National government, was working, Mark McGowan chose to cut the first home owners —

The SPEAKER: Member, can you call the Premier by his proper title, please?

Mr D.C. NALDER: Sorry.

As a result, there was a collapse in the number of applications for the grant with a fall of nearly 50 per cent from a high of 878 applications to 404 applications in December 2018. This is the lowest number of applications since April 2012. The first home buyers' market has not recovered since the government's decision to scrap the boost. Last month, the number of applications was only 443, which is well below the number when the boost was available. The latest report from WA Treasury shows that applications for first home owner grants have fallen by 22.8 per cent in annual average terms to March 2019. To make matters even worse, the government introduced a four per cent surcharge on properties purchased by foreign investors at a time when the housing and construction market was on its knees. It is incomprehensible that the government would introduce a measure that would put further downward pressure on the housing and construction market. At the time, the Treasurer criticised the opposition for supposedly supporting foreign investors over Western Australian investors. We reinforced and reiterated in the house that our concern was not the principle of the policy; rather, it was the timing of the policy. The housing industry was struggling and it was not the time to dampen further demand in the sector. To make matters worse, the government increased the surcharge to seven per cent with the new tax designed to reap $120 million over three and a half years. Once again, the government failed to understand the impacts that its policy would have on the economy and it failed to understand how the building sector works. Interestingly, answers to questions asked yesterday by Hon Rick Mazza in the other house show that in the 10 months to May, the surcharge has raised just over $4 million, which is well short of what has been built into the budget. Looking forward, it is not possible to understand what this measure is expected to bring because it is buried in other stamp duty. In fact, in its April 2017 update, the Housing Industry Forecasting Group warned the government of its concern about the foreign investor surcharge. Several members of the group noted that the potential implementation of a foreign investor surcharge could impact future demand and market recovery. The Real Estate Institute of Western Australia said the following —

> We are extremely disappointed that our concerns have been overlooked by the WA government. We strongly advocated against the bill and encouraged all members of parliament to oppose the foreign owner duty surcharge, with concerns it would further stifle the WA property market, right when it was on the cusp of a recovery.

The Urban Development Institute of Australia said the following about Mark McGowan's flawed policy —

> WA's current lack of a tax surcharge on foreign investment provides WA with a competitive advantage over other states in Australia and to take that away now, will only further hinder much needed investment into this state …

Ms R. Saffioti: Can you refer to him by his title?

Dr D.J. Honey: He was quoting a news article.

Mr D.C. NALDER: I was quoting. The quote continues —

> With the economy as it is, we think it is imperative that the Government rethinks this flawed policy and instead works with industry to ensure that the property development sector is supported to build a prosperous future for WA ….
>
> Without a strong land and housing development industry we will see further job losses and less money flowing into the state's economy from the land development, building and construction sectors as well as the suppliers that support them …
>
> …
>
> The industry also employs approximately 230,000 Western Australians and over 2 million Australians across the country … Why would a government jeopardise the health of an industry that's so critical to the state, for the sake of a few million dollars in taxation revenue?"

The concerns of industry and the opposition about the introduction of this tax and its impact on the housing and construction sector have proved to be true. Recent data from Urban Planning Design and research firm Urbis shows that the sale of new apartments to foreign buyers fell from 120 in the December quarter prior to the introduction of the tax to just 14 in the March quarter. In a recent Stuart McKinnon article in *The West Australian*, WA Property Council executive director, Sandra Brewer, said —

> … foreign buyers were typically the first movers in off-the-plan apartment sales, which was key to building sales momentum and getting new projects approved.
>
> Without those early sales, projects are at risk of not getting off the ground …

The Housing Industry Association of Western Australia said —

> The imposition of any foreign investor stamp duty surcharge is likely to negatively impact new dwelling supply at a time we can least afford it, in particular for apartments. The influence of foreign investor demand has been important in stimulating new building supply in this area of the market for WA. To suggest taxing this supply chain will have no effect on future rental prices, vacancy rates and investor confidence seems unrealistic at this point in the property cycle.

In spite of all these warnings, and with no modelling and very little information on the number of foreign property purchases in Western Australia, the Premier and Treasurer decided to implement the new tax. It is a failed economic policy that has raised very little revenue, stalled any growth in the housing and construction sector and destroyed jobs. It is pleasing to see that the government is finally responding to the plight of the housing industry through Keystart. However, the Liberal opposition feels that it is too little, too late. The increase to the income thresholds for Keystart is unfortunately only for six months and it simply falls short of what is required to support the industry. The government has been spruiking its announcement to increase the income threshold for Keystart. However, following questions asked by Hon Peter Collier in the other place, we have learnt that the stimulus will deliver only 250 to 300 new homes, which is well short of the stimulus required to support the housing industry at a time when it may well experience in this financial year the lowest number of dwelling starts in more than 20 years. At the very least, the government needs to increase the stimulus to at least 12 months and put a halt to the foreign investor surcharge to support the housing and construction sector.

The Uber tax is yet another disaster in the conga line of poor economic policies. We found out about it only a couple of months ago after the minister hid the economic modelling that was commissioned by her department that shows that the new tax will hurt the economy with hundreds of millions of dollars of lost revenue to industry and consumers and over five million fewer trips. This is exactly the policy that hurt the state's economy and jobs. To make matters worse, despite having the modelling that showed that the tax would have a detrimental impact on the economy, the minister still pushed ahead with the policy. It is little wonder that the economy has tanked under the McGowan government. This budget fails to deliver a plan for the economy and a plan for jobs. The government has trashed the economy and trashed household budgets in an effort to fix their own budget. Unfortunately for the people of Western Australia, debt continues to rise, and there is no coherent plan to return the economy to growth.

To sum up, this budget reinforces that this government has been lucky with its revenue windfalls. It has questionable expense management and questionable FTE growth. Debt has continued to grow to record levels, and not enough is being done for households and businesses at a time when they need it most. There is no economic plan—just the simple hope they will continue to benefit from windfall gains.

MRS L.M. HARVEY (Scarborough — Deputy Leader of the Opposition) [11.00 am]: I rise to contribute to this cognate debate on the Appropriation (Recurrent 2019–20) Bill 2019 and the Appropriation (Capital 2019–20) Bill 2019. I would like to raise a number of issues arising from the budget papers. The member for Bateman raised some significant issues that are affecting quite a few sectors here in Western Australia. In particular, the foreign buyers duty surcharge—the investor tax on foreign purchases of property in Western Australia—is now starting to have a significant impact. It is something that I am well aware of. Members will recently be aware that the twin towers development in Scarborough is no longer going ahead. The foreign investor tax was indeed part of the reason that the business case for that iconic development no longer made sense. The economics of that development were predicated on pre-sales of apartments to foreign investors, and the seven per cent surcharge basically turned the foreign investors away from investing in Scarborough, and, indeed, in Western Australia.

We heard the Western Australian division of the Property Council of Australia on the radio this morning talking about another development that looks like it is not going to go ahead—the Far East Consortium development of the Perth hub. That development is reliant on pre-sales to foreign investors in order to get the deposit required to get the development off the ground. The Property Council this morning said that foreign investor purchases of apartments in Western Australia are down 70 per cent—70 per cent, members. That is not all apartments; that is just the proportion of apartments compared with last year that were purchased by foreign investors. That actually aligns with the government's predictions of the income they thought they would receive from the foreign investor tax. The expectation in last year's budget was that the government would receive around $10 million of revenue. It has only received around $4 million of revenue. That is a 60 per cent reduction in the revenue projections, which aligns quite closely with the Property Council's assertion that foreign purchases of apartments are down 70 per cent.

The reason I raise this important issue is the Perth hub was going to take the workforce from the Elizabeth Quay project that Far East is just finishing up on. There are 600 construction workers who were going to transition straight across to the Perth hub and have continuity of employment; therefore, 600 workers are now out of work. The Perth hub could not get the pre-sales it needed because the seven per cent foreign investor tax has pushed foreign investors away.

Another issue raised by the Property Council is an issue that the opposition—the member for Vasse in particular—has been raising since this government came to power, and that is international students. In March 2017, when this government came in, it immediately sent a signal to foreign investors and international students that they were not welcome here. The government removed Western Australia from the regional sponsored migration scheme. That was a slap in the face. International students said, "Well, you want to take our money for our educational qualifications; you want to take our money when we buy an apartment or a car, or when we bring our family down three to four times a year and we travel; you are happy to pocket all of that, but at the end of our degree or our diploma, you are not prepared to let us work for a couple of years to bed down our skills and qualifications so that we can then go back home, not only with a qualification under our belt, but also with a couple of years of work experience in a great country like Australia on our CVs."

The government sent the message to international students that they are not welcome: "We only want your money. We do not want you to get any benefit out of coming to Western Australia." Then it put on the seven per cent foreign investor tax. The only competitive advantage that had been left to international students and to investors in Western Australia was that we did not have the foreign investor tax. We were the only state that did not have it. By virtue of that, for investors from overseas wanting to come here, we were cheaper than every other state. Now we are on the same playing field as every other state. Every other state had a heated real estate and property market when the foreign investor tax was brought in. In Western Australia, our property market is flat—in fact, it is in decline. People have negative equity. Housing prices are plummeting. It is the worst time to put on a tax to suppress demand, yet that is what this government has done. I would implore the government to rethink this policy—to do a backflip on it. We will support that. Keep the legislation aside, and when the property market starts to heat up again and prices start to become unaffordable, bring it in, with bipartisan support. Bring it in as a lever at that point in time when the market needs something to cool it down. At the moment, our property market needs all the help it can get. We know that the suppression in the construction sector as a result of this foreign investor tax and other issues is having a flow-through effect across every other sector.

Over the past couple of years, we have seen retail contract at an alarming rate. Big W have closed 30 stores. Ed Harry has closed down. Rosendorffs, an iconic Western Australia name, is closing its doors. Transit Clothing, which had 18 stores, reduced down to nine, has gone. We see it all over the state. Those are retail jobs that generally employ young people and women part-time. Those jobs have disappeared, and it is very hard for people to find jobs to replace them. It is a significant issue, and removing the foreign investor tax will send a signal, in my view, to people from other countries that they are welcome in Western Australia: "We welcome your investment, we need it at the moment. Please come to Western Australia and help Western Australia with a business and construction–led recovery from the funk that we now find ourselves in."

The other issue I raise is the grand claims made by the Minister for Transport about the record spending in the budget on Metronet and the roads program. It is true—there is a significant investment in Western Australia in both rail and road projects—but I must put on the record the churlishness of the minister in not acknowledging in any of these state budget media releases the contribution of the federal government, because it is Scott Morrison and the Western Australian federal members of Parliament who have secured this spending bonanza for Western Australia. It is a significant investment by the federal government.

On Thursday, 9 May, Hon Mark McGowan, the Premier, and Hon Rita Saffioti, the Minister for Transport, released a media statement titled, "METRONET construction on track in the State Budget". It stated —

- State Budget includes a record $4.1 billion investment for METRONET

Well, members, $2.3 billion of federal government funding is enabling that project. It continues —

- Six rail expansions totalling about 72km are being planned or now under construction

The Morley–Ellenbrook line has $500 million of federal government funding. The Armadale–Byford line has $241 million of federal government funding. There is no acknowledgement that this is a partnership project with the federal government—that is what it is. I find that incredibly churlish.

I will go through those projects individually because members need to understand that over the past two years the commonwealth government has been extremely generous to Western Australia. It put $83 million towards the Midland train station project and $2 million in a business case towards the Karnup station project. There is no state money in that; that is a $2 million gift from the federal government to allow for the planning of that. It put $226 million in other Metronet projects. The minister in a media release claims that there will be $536 million to build the Thornlie–Cockburn link and $520 million to build the Yanchep rail extension. Guess what? That adds up to $1.056 billion worth of federal funding. Not one cent is coming from the state government for any of those projects; it is all federal money. There is $146 million to build the new Bayswater train station and $207 million over the forward estimates to remove level crossings. These are all fantastic projects, but no acknowledgement is given that they are being made viable by that federal government spend.

I will go through this. From the federal government this year there will be $2.3 billion for Metronet, $944 million for roads, including Tonkin Highway, and $560 million for the Bunbury Outer Ring Road. The minister put out a media release about the Bunbury Outer Ring Road. That is an interesting project. It is an $852 million project. Last year the federal government gave $560 million for the Bunbury Outer Ring Road. Nola Marino has done a very good job with that. This year the state received a further $122 million. An amount of $682 million for an $852 million project has come from the federal government for the Bunbury Outer Ring Road. Clearly, that project would not be happening without Scott Morrison and Nola Marino working together to deliver that outcome.

I will stay on roads for the moment. The Tonkin Highway project received a $349 million bonus. There are quite a few good projects there: the Tonkin Highway Gap project, a $290 million project, 50 per cent funded by the federal government; and the Tonkin Highway–Thomas Road to Southwest Highway extension, which I think is in the member for Darling Range's electorate. I know she has worked very hard with our federal colleagues to get that on the agenda. The federal government put $253 million towards that project. An amount of $47 million from the federal government will go to the Welshpool Road–Leach Highway interchange, a $93 million project. A secondary freight route in the wheatbelt will receive $70 million. When those announcements were made, was there any acknowledgement of a partnership with the federal government to deliver those outcomes for regional Western Australia? No; not one. As I said, that was churlish and unnecessary.

The media statement headed "McGowan Government's record regional road budget continues" lists $310 million for the Karratha–Tom Price road. Guess what? There was also $248 million from the feds, but there is no acknowledgement of that here. The Great Northern Highway–Bindoon Bypass in the member for Pearce's electorate is to receive $275 million, but no acknowledgement is made of the $220 million contribution by the feds. An amount of $87.5 million is allocated to the upgrade of the wheatbelt secondary freight routes, with $70 million of that from the feds and a paltry $17.5 million from the state. The Ringer Soak and Northern Minerals' access road in Browns Range and the Great Northern Highway Broome–Kununurra upgrades are substantially funded by the federal government, with no acknowledgement by the churlish minister of the largesse of our federal colleagues and, indeed, their significant investment in Western Australia.

Under the urban congestion fund is a $20 million contribution from the commonwealth for the Lloyd Street extension at Hazelmere; $2.5 million towards the Shorehaven Boulevard–Marmion Avenue improvements in Alkimos; $13.2 million for improvements to Abernethy Road in Kewdale; and $50 million for transforming the freeways by widening the Kwinana and Mitchell Freeways. I do not know whether members are familiar with the

Thomas Road–Nicholson Road improvements in Oakford. I was out there a couple of weekends ago for my partner's daughter's wedding, and it is a very dangerous stretch of road. Thomas Road curves around at that intersection and there is a very poor line of sight. The $10 million for that project, which is there by virtue of the federal government, will save lives. No doubt the member for Canning, Andrew Hastie, has had some impact in seeing some funding go into that project.

The member for Dawesville will be interested to hear that Mandurah received $26 million from the federal government for the development of Lakelands train station, and $10 million and an extra $16 million for additional parking bays at Mandurah station. I know that that is a considerable issue because the Mandurah line has quite heavy patronage and the bus services do not adequately feed into the rail line so people need to drive and park.

Under the Roads of Strategic Importance Initiative is $22 million from the federal government for the Pinjarra heavy haulage deviation. The Karratha–Tom Price road improvements are allocated $248 million.

[Member's time extended.]

Mrs L.M. HARVEY: I am pleased that the federal government, in Scott Morrison, has put a significant effort into helping the economic situation in Western Australia by putting such a significant amount of funding into these projects, but what we are not seeing is the movement needed from the state government to get those projects off the ground; to get the businesses cases done, go through the tender process and get the jobs happening. We need the jobs to be created, in particular the construction jobs for tradies. If people do not have an extra 50 bucks in their pocket and if they do not know where their next job is going to be, they will not spend money. That is the problem in retail at the moment and that is why our retailers are suffering so much. People have negative equity in their homes, they do not know where the next contract is coming from, and they look to those projects and initiatives, and to the funding allocations, and they are waiting. They are sitting on their hands and they are waiting while the government is sitting on its hands, not getting those projects moving rapidly enough. We need the jobs now; we need this money flowing through the economy to help households that are hurting from cost-of-living charges.

The Treasurer stood up and said that this year, the state has had the lowest increases in fees and charges in 10 years. What he fails to mention is that in the lead-up to the Barnett government taking control in 2008, there had been no increases in electricity prices for many years—none. The budget we inherited from Eric Ripper, the then Treasurer, had increases in electricity prices of, I think, seven per cent and 15 per cent—massive increases—to try to bring electricity pricing back to cost reflectivity. When we came to government we did increase electricity prices quite rapidly; however, at that time unemployment was at an all-time low, wages growth in Western Australia was extremely high, our economy was flourishing and people could afford the increases. The increases this government put in place to electricity and water charges—all of the increases last year—happened at a time when Western Australia was experiencing extremely high unemployment compared with previous years.

Wages growth was stagnant and going backwards. People were losing their jobs. They had negative equity in their homes. They could not afford to make their loan repayments. To have savage increases in electricity prices at that time, when people could least afford it, was not the right thing to do. All those price increases in licensing, electricity, water and bus fare charges have now accumulated to more than $850 per household. The assumption is that the average household has two vehicles. If a family has a couple of teenage kids who are driving, there might be three, four or five vehicles at their home. The charges are hurting. They are hurting big families, particularly the water charges. It is not just rich people with big grassy tennis courts in the backyards who use a lot of water; it is actually families who have three kids, a backyard and a dog, who use a lot of water, because they need to. Those water increases are hurting those families particularly badly.

The other area of the budget I would like to raise is the $3.1 million to compensate regional taxidrivers for the value of their plates as a result of the government's on-demand transport reforms. We have raised this issue a number of times and I will continue to raise it. I have met with many of the regional taxi operators and they are absolutely furious. It is true that they were part of a meeting back in February 2018 at the Department of Transport. Those present included David Hay-Hendry from the office of the Minister for Transport, and other public servants—Paula Tomkins, Nina Lyhne, Linley Crackel, Jennifer Woollard and some others. There were a number of representatives from the Western Australian Country Taxi Operators Association—Shayne Murray, Janet Devenny, Julie Murray, Sue Davey from Bunbury, Neville Sly, Tim O'Donnell, Debbie Swarbrick, Phil May, Wayne Holland, Frank Maddaford, Maureen Maddaford, Ros and Ray Crabb, Graeme Liebeck, Rod Palmer, Doug Slater, Joanne Del-Fante, Terry Scullard and Muhammad Nadeem. The reason I will continue to raise this issue is that I have met with nearly every one of the attendees at that meeting. That meeting was convened because the regional operators did not want to be subject to the 10 per cent levy for the buyback scheme under the on-demand reform, because they were not eligible for compensation. The minister had said that their arrangements were completely different from the metropolitan plate owners; therefore, they were ineligible for compensation. The regional taxi operators said, "Fair cop. If we are not going to be compensated and be eligible for a buyback, why should we be slugged with the levy?" At the time, the government said it would exempt them from the levy. They thought this was great; that it was a win. However, what they did not know at the time was how the reform was going to work. They left that meeting believing that the on-demand transport reform would apply only to the metropolitan area and that the regions would be left alone. Little did they know that they were going to be broadsided by these regulations.

Dr A.D. Buti interjected.

The SPEAKER: Member for Armadale!

Mrs L.M. HARVEY: They got a bit of a shock. They wrote to the minister in October 2017. I will quote from the letter they received in reply —

> While taxis in regional areas have been subject to regulation, country taxi-car licensees are not being offered a buy-back as the circumstances in which country taxi operators acquired their plates is fundamentally different from owned plates in Perth

The minister also said —

> The Minister and the Department of Transport will shortly be engaging with WACTOA and other stakeholders to refine how the revenue collected from the state-wide levy on fares can be used to support regional transport services

I acknowledge that they have received some assistance to install cameras in their vehicles, but the transition arrangement assistance of $10 000 per licence is not going to help these people. They have given me a letter of advice from the Department of Transport that was signed off by a fellow called Rob Leicester, acting director of passenger services. This letter does date back to July 2002. It says here —

> From a legal and practical point of view there is little difference between the position of the owner of taxi plates in the city and the holder of a taxi car licence in the country.

Dr A.D. Buti interjected.

The SPEAKER: Member!

Mrs L.M. HARVEY: It continues —

> The rights of both owners and licensees continue —

Dr A.D. Buti: That is wrong. Get your facts right. You are wrong, you are wrong, you are wrong. You just found this issue at the last moment. Where were you when we were putting through the reform legislation?

The SPEAKER: Member for Armadale, I call you to order for the first time.

Mrs L.M. HARVEY: Thank you, Mr Speaker. I will quote from this letter —

Dr A.D. Buti: From 2002!

The SPEAKER: Member for Armadale!

Mrs L.M. HARVEY: It is from the government of Western Australia's passenger services directorate, and was signed off by Rob Leicester, acting director of passenger services. The member for Armadale can take it up with Rob Leicester!

Dr A.D. Buti interjected.

Mrs L.M. HARVEY: I am reading this paragraph, because this letter formed the basis of some of the decisions of the country taxi licensees when they purchased their plates. It says here —

> From a legal and practical point of view there is little difference between the position of the owner of taxi plates in the city and the holder of a taxi car licence in the country. The rights of both owners and licensees continue until there is a failure to comply with the relevant legislative provisions.

Except they do not have rights anymore; all the plates will be returned by the end of July 2019 and they will have nothing. These people are really angry. These individuals who purchased plates reported to me that when they used to go into the taxi services area of the Department of Transport to pay their licensing fees et cetera, there would be a sign up behind the service operators outlining the value of metropolitan plates and the value of regional plates in certain regional areas. The department itself identified a value. Based on that value, these plates were traded. These people have invested their savings in these plates and they are getting nothing; they are getting shafted.

Dr A.D. Buti interjected.

The SPEAKER: Member for Armadale, that is enough!

Mrs L.M. HARVEY: I have a receipt for the transfer of a taxi licence. The receipt is for an amount received from John Brennan—he paid $70 000 for one of his licences. Because there was an inherent value in these plates, which was recognised by the department, they have been traded.

Dr A.D. Buti interjected.

The SPEAKER: Member for Armadale!

Mrs L.M. HARVEY: Another example concerns people who managed to get a loan from the bank. An agreement involving Mr and Mrs Liebeck shows a gross purchase price of $190 000 for a taxi licence and shares. They paid $190 000 for the transfer of the plate.

Dr A.D. Buti interjected.

The SPEAKER: Member for Armadale, that is enough!

Mrs L.M. HARVEY: The value was in the plate—in being able to hold the plate as an asset and to lease it out or borrow against it. They could leverage that plate as part of an asset base to purchase property and other things.

Dr A.D. Buti: It was the business they leveraged, not the plate.

The SPEAKER: Member for Armadale, I call you to order for the second time.

Mrs L.M. HARVEY: It is exactly the same circumstances as the metropolitan plate owners.

Dr A.D. Buti interjected.

The SPEAKER: Member for Armadale!

Mrs L.M. HARVEY: The government did not do its homework, and now they are paying the price! It did not consult.

Dr A.D. Buti: I beg your pardon? I drove all the way down to Bunbury!

The SPEAKER: You will be driving to Armadale very soon. I call you to order for the third time.

Mrs L.M. HARVEY: These people have businesses. The operator I feel sorriest for is Mandurah Taxis, which has the worst of both worlds. It is paying the 10 per cent levy but is not eligible for the buyback. Not only that, but all the metropolitan taxis and Uber are just taking all the profit from that business. This regional operator has lost over 40 per cent of its business to part-time Uber drivers, because, effective this year, the minister removed the geographical protection, so now anybody can legally drive in regional areas, provided they are registered. These taxidrivers are the ones doing the unprofitable work—taking an elderly person 150 metres around the corner to visit their sister and spending 20 minutes of their time getting them in and out of the cab. They then have to go through the process of getting money from the taxi users' subsidy scheme —

Dr A.D. Buti interjected.

The SPEAKER: Member for Armadale, you are on three!

Mrs L.M. HARVEY: They have to go through a 30-point tick process to get their money from TUSS, and then they have to go through the regional fuel card process to get payment of $8 for a fare that has taken them an hour to earn. It is hardly even worth it. They are working for less than nothing. Bunbury Taxis Co-Operative advises me that it has a number of people with disabilities who do the dispatch work. But it says that it is a cooperative and that it has to fold because it cannot transition to the new scheme. That is what it is going to do. The government needs to act on this and to help these country businesses.

MRS L.M. O'MALLEY (Bicton) [11.30 am]: I rise to add my contribution to the Appropriation (Capital 2019–20) Bill 2019 and the Appropriation (Recurrent 2019–20) Bill 2019. I begin by acknowledging the work of the Treasurer and thanking him for the delivery of the third budget of the McGowan government. I would also like to acknowledge my colleagues for their contributions to this debate so far, and thank them, the Premier, ministers and the entire McGowan government team for their positive approach to the opportunities and challenges along the path to budget repair. Both are undertaken with equal gusto, in unity.

Delivering—that is what the McGowan Labor government is doing for the people of the electorate of Bicton and for people right across WA. This government is delivering on its promises. We are delivering on the commitments that we made prior to the 2017 state election and we are delivering on budget repair. We are keeping our word. As we review this third budget, we on this side of the chamber do so with optimism, energy and enthusiasm—in stark contrast with the miserable, negative and tired members opposite. The work of budget repair is far from done, and we are still a long way off reaching the summit of the mountain of debt left to us by the previous Liberal–National government, but with this Treasurer leading the way up "Mount LibNat Debt", we are making great progress.

This is a sensible and disciplined budget, which contains necessary safeguards against the possibility of future economic downturns. This McGowan government budget, like the two that came before it, is in stark contrast with the big-spending, careless approach of the previous Liberal–National state government. This government's approach to financial management has culminated in a return to an operating surplus one year ahead of schedule. It is the first time a surplus has been achieved in five years. The McGowan government is turning around the debt and deficit trajectory inherited from the previous Liberal–National government. We are now poised to deliver a cash surplus in 2019–20. In addition, at the beginning of this year, Moody's lifted our economic outlook from stable to positive. The constituents of Bicton and people right across this state elected a McGowan Labor government to turn things around, and that is precisely what we are doing.

I will use this time on my feet in reflection, as well as looking forward, because I think it is important that we look back to see where we have been in order to better navigate the road ahead. This is a government that never loses sight of the fact that we are here to serve the people of Western Australia. We are all too aware of the great responsibility that comes with this service. Further, as a Labor government, we commit to keeping foremost in mind with every policy decision the potential impacts of these decisions on the most vulnerable, whilst also getting on with running the state and repairing the finances.

With the delivery of this budget, we once again witness the inability of members opposite to accept any responsibility for the record debt left to this government by their woeful mismanagement of the books. In fact, there appears to be a general denial from those across the chamber that state debt actually exists at all. It is astounding to watch members opposite continue to engage in selective, collective amnesia and denial. To top it off, they are now calling for the government to start throwing money around—proving that they are incapable of learning any lessons from the $40 billion debt racked up the last time they were in charge of the books. Thank goodness the grown-ups are in charge now.

This is a budget that will see $508 million saved in interest; a $553 million operating surplus; net debt that is $4.1 billion less than was projected under the previous government; and the lowest increases in household costs in 13 years. As I look back over the past two budgets, and forward with this one, I see many, many great things that this government has delivered, is delivering and will deliver in my electorate and across our state—things that are making both an immediate and a long-term positive difference to the people of Bicton and beyond.

We are delivering to our schools. Many improvements have been delivered to my local school communities, from basketball court upgrades to ICT support, solar panels, nature playgrounds, shade structures, playground equipment and more. Whilst modest in funding terms, these commitments have been massive in outcome for the students, teachers and families of those schools, and for the local small businesses and contractors who were engaged to deliver those improvements. My local schools continue to enjoy the benefits of these commitments, including one of my primary schools, Palmyra Primary School, which has recorded a saving of around $17 000 on its energy bills since the installation of solar panels in 2017. This year the McGowan government will continue to deliver to my schools, with science labs in Bicton Primary School that are already up and running, as well as in Attadale and Palmyra Primary Schools by 2021. This government is preparing our kids for the jobs of the future by investing in science labs, STEM and coding.

Quality education for all continues to be a top priority for this government, with the commitment of an additional $40 million over the next five years to deliver support for students with a disability in public schools. As a mum with two school-age kids in local public schools—my daughter in year 6 at Palmyra Primary School and my son in year 12 at Melville Senior High School—I add my personal gratitude for these things, alongside those of all the families of Bicton with school-age children. As my own son and students right across Western Australia head towards the conclusion of their secondary school years, future work opportunities and further study options become a necessary focus.

The graduating high school classes of 2019 and their parents are looking for direction from the higher education and training sector, and to government for reassurance of job growth and employment stability. Along with all parents of children graduating high school in 2019, I was very pleased to hear the announcement on Monday, 1 April of the priority start policy, which aims to increase the overall number of apprentices and trainees in the building and construction industry. The new priority start policy meets the McGowan government's plan for jobs commitment to increase the number of apprentices and trainees on state government building, construction and maintenance contracts. The McGowan government is working to ensure there is a sustainable local supply of skilled workers for the building and construction industry by encouraging industry to invest in apprentices and trainees.

This budget contains many great initiatives for creating jobs through encouraging investment in key areas of the economy—initiatives that include a commitment of $182 million over the forward estimates to establish an employer investment fund and to increase training delivery for apprenticeships and traineeships. This is a great example of how the McGowan Labor government is leading the way in job creation, job security and career pathways for Western Australia's school leavers and job seekers.

Small business represents around 97 per cent of all businesses in Western Australia, from manufacturing and business services to retail, hospitality, transport and so much more. The sector is a significant employer and job creator. The employer investment fund will give the small businesses of Bicton the opportunity to access a base training incentive payment of $2 125 dollars per annum for each new apprentice or trainee. It will allow for better targeting of skill gaps to help promote stable job opportunities and sustainable growth across a range of industries.

This government is delivering for the small business owners of Bicton and beyond. As someone with a family-owned business, I know firsthand how important it is that small business owners have access to resource opportunity and support. In some parts of my electorate, income from small business ownership is the primary source of income for over half of the local population. I acknowledge the Minister for Small Business for his leadership in this area and the work that is being done in the procurement space through our commitment to local content via the implementation of the Western Australian Jobs Act. The small business owners of Bicton want the best opportunity to secure work and grow their businesses. The WA Jobs Act, which was passed in 2018, sets out the government's commitment to ensure that the $27 billion spent annually on state government procurement maximises opportunities for local businesses and creates more jobs for Western Australians. The Western Australian industry participation strategy sets out the pathway to this opportunity, which is greatly welcomed by the small business owners of my electorate. This commitment, along with the job-creating initiatives and a positive fiscal outlook across the forward estimates, is contributing towards renewed confidence throughout the small businesses of Bicton. There is a sense that our economy is on the up under this government's leadership. Good financial management is important to the people of my electorate. I know this because when I knock on doors in Attadale, Bicton, Melville, Palmyra and East Fremantle, I am told in no uncertain terms that this government is doing a good job managing the state's books—much better than the last lot. With this budget, the myth that Liberal–National governments are better financial managers is well and truly dead.

Protection of our natural environment is also very important to my constituents, and I am very pleased to note this government's continued commitment to its protection with the expansion of the conservation estate and a $14 million commitment in this budget for the establishment and ongoing management of the Abrolhos Islands National Park, as well as $7 million for the Ningaloo coastal reserves.

The electorate of Bicton is blessed to be bordered by the beautiful Swan River. We are incredibly fortunate to have several active and dedicated environmental community groups. I would like to acknowledge the work of these groups, which include the Swan Estuary Reserves Action Group, the Bicton Environmental Action Group, the Friends of the East Fremantle Foreshore, the Friends of Attadale Foreshore and Santa Maria College's Eco Sisters. I thank the many community volunteers who dedicate their time, knowledge and skills to care for the natural places throughout the electorate of Bicton. It is important that their voluntary contributions be acknowledged within the context of the budget.

I would also like to include my personal thanks to all volunteers across the electorate of Bicton and right across our state. One such volunteer is Robin Napier, who recently received an award for 15 years of outstanding contribution to the family support service as a long-term volunteer for the Australian Red Cross. Robin and her husband, Steve, are valued members of the Attadale community and have helped hundreds of families as part of their contribution to Red Cross, including the member for Southern River's family. Robin is always quick to put up a hand to help and is an essential part of the Red Cross team. Thank you, Robin, and all volunteers.

[Quorum formed.]

Mrs L.M. O'MALLEY: I would like to conclude with a reflection on a budget commitment that is very close to my heart. Mental health and suicide prevention is a deeply personal area for me and my family, following the loss of one of my brothers to suicide in 2014. I share my personal story to raise the point, as others in this place have before me, of the prevalence of mental ill health and suicide in our society. The latest statistics from the Australian Bureau of Statistics show that around 45 per cent of Australians will experience a mental health disorder in their lifetime, and death by suicide becomes the deeply sad story for too many families across our state. No-one is immune. It is incredibly important to me, as it is to every member of this Parliament, that we change the story. Crisis care and suicide prevention strategies are crucial elements of this change. I thank the Minister for Mental Health and the Treasurer for including in this budget vital investment in both.

We are investing $15 million on expanding the mental health program at Fremantle Hospital, with the establishment of a 20-bed secure adult mental health unit. This will provide vital crisis support at a time when someone with mental ill health is at their sickest. This investment will save lives and provide a valuable resource for the electorate of Bicton and beyond.

The other significant mental health initiative in this budget that I would like to speak about is the commitment of $3.6 million to establish recovery colleges in Western Australia. These colleges will use an educational and holistic approach to recovery from mental health and alcohol and other drug issues. The establishment of recovery colleges in Western Australia will see people with lived experience, carers, family members, those who work in the mental health and alcohol and other drug sectors, and interested community members come together to develop skills and share knowledge and experience about mental health and AOD issues. Co-designed by an independent expert panel, together with the Mental Health Commission, recovery colleges will operate using a hub and satellite design. They will be person-centred, with courses available for anyone who wants to learn more about improving general and mental health and about issues related to AOD use. Importantly, the model aims to provide a safe and welcoming place for people with mental health and alcohol and other drug issues. The Western Australian recovery colleges will operate using a hub and satellite design that will be progressively implemented statewide over a three-year period. The benefits of recovery colleges include creating positive change and hope by bringing together individuals from diverse backgrounds and communities in a safe, welcoming and flexible learning environment. These colleges will be places of holistic care and personal self-determination. The model is designed to enable the sharing of lived expertise and professional knowledge; will promote personal recovery, empowerment and personal choice; and will improve physical, social, emotional and spiritual wellbeing. The service will use inclusive educational approaches in a safe and welcoming environment to support personal recovery relating to mental health, addiction and substance use issues. Recovery colleges will also provide a mechanism for a cultural shift in existing mental health and AOD services, breaking down barriers, stigma and power imbalances between consumers and clinicians, providing clinicians with the opportunity to take their experience back to their clinical services and implement change. I strongly believe that the recovery colleges will be a story changer for mental health in this state.

I commend the Minister for Mental Health, the Treasurer and these bills to the house.

MR S.K. L'ESTRANGE (Churchlands) [11.49 am]: I rise to speak on the Appropriation (Capital 2019–20) Bill 2019 and Appropriation (Recurrent 2019–20) Bill 2019. Madam Acting Speaker (Ms S.E. Winton), as members all know and as the people of Wanneroo well know, Labor is not working. They can see that very well. There are many, many communities in Wanneroo that are desperate for change and are desperate to be supported. There are small business owners, small business operators and aspiring professionals who want to do well, but they are being held back by this Labor government. As you well know, Madam Acting Speaker, they need support, and they are not getting it from the McGowan Labor government. In 2017, the people of Western Australia started to see a glimmer of hope for the economic future of this state. By 2018, that hope was gone. We essentially had the shrinking of the domestic economy and people needing support. What did the Labor government decide to do in this state? It decided to kick the people of Western Australia when they were doing it tough. The government did not support them, help them get off the ground and get those green shoots of the economy going; it decided to kill it off. This budget, this third budget of this state Labor government, is frankly an immature party political budget that reads more like an opposition speech than that of a government supposed to be inspiring the people of Western Australia to look forward to the future. It is full of whingeing and it is full of complaining. The Labor Party spent eight and a half years in opposition whingeing and whining about the Barnett Liberal–National government. It got into power and its third budget it is still whingeing and whining. The Labor government is not presenting the people of WA with a blueprint for an optimistic future. Where was that? It was non-existent.

Mr M.P. Murray: The Chamber of Commerce and Industry thought it was wonderful.

Mr S.K. L'ESTRANGE: The blame game, member for Collie–Preston —

Mr M.J. Folkard: The farmers' federation said the same.

Mr S.K. L'ESTRANGE: The blame game continues from the members opposite. At the same time, they are failing to address the need to stimulate the local economy and to grow jobs in Western Australia, and it is a shame. This government only has one more budget to go. That is the Labor Party's government for four years. It has one budget to go and it has not done anything. It has actually not done anything. It has pushed everything into the out years. Our Treasurer is an aspiring Premier in waiting. We know he has the Deputy Premier breathing down his neck. We know he has the member for Morley, with her aspirations up there on the backbench. She has come into this place from the other place. She has her own *Game of Thrones* agenda. We know what she is up to—Cersei Lannister over there! We have the member for Willagee. The member for Willagee keeps giving these grandiose speeches that none of us, including his own side, can understand. He gets to his feet and pontificates. He thinks he is Whitlam-esque and he is not. He is also an aspirant. There is no shortage of people on that side of the chamber wanting the job of Premier McGowan, but I tell members what: the Treasurer's budget this year relied on the sycophantic support of his backbench colleagues. We have seen each of them get to their feet one after the other and roll out the lines they have been gifted by the Premier's or the Treasurer's office—they are lined up. The rubbish they have all been presenting to this place so far is appalling because it does not address the needs of the economy of Western Australia.

One of the key responsibilities of a Western Australian state government is to deliver essential services to the people of Western Australia. The government made big cuts to education and health in its first two budgets. I have to admit that in its third budget the government is making it look like it is spending more on health, but in actual fact it is only spending just enough, but not enough to match the consumer price index, even in a very, very low CPI environment. Therefore, the government is actually creating a real cut in health, even in its third budget. We have a state that has been boosted, as the shadow Treasurer said. As the Deputy Leader of the Opposition and the Leader of the Opposition have said, we have a state budget with an operating surplus that was achieved by a federal Liberal–National government. That is what the state government's operating surplus was achieved by—a federal Liberal–National government. The government has a $4.7 billion GST boost and iron ore prices reaching a high of US$90 a tonne, so it has had a 55 per cent increase in its royalty stream, going from $3.6 billion to $5.5 billion. These are massive amounts of money coming into the government coffers, while at the same time the government is hurting the mums and dads out there. The government has also been gifted a very unfortunate situation for the people of Western Australia, that being a stagnant wages economy out there. We know there has been very stagnant growth in wages across the country. The state government is claiming some great victory on restraining wages growth at a time when wages growth cannot occur anyway. If the government did push wages up, it would send businesses broke, which, by the way, is a key frontline policy of the man the Labor Party wants to be the Prime Minister of Australia. It just cuts to the chase that the people of Western Australia need to be very, very afraid, just like the people in Wanneroo, Acting Speaker. The people in Wanneroo need to be very, very afraid, because they face not only Premier McGowan, but also the possibility of a federal Labor Prime Minister in Shorten combined with a state Labor Premier in McGowan. That spells doom and gloom for the people of Western Australia.

Mr M.P. Murray interjected.

Mr S.K. L'ESTRANGE: I can tell the member for Collie–Preston why. It is because he and his federal colleagues are all about taxation—taxation, taxation, taxation. All the Labor Party is interested in is taxing people left, right and centre and offering no opportunity for businesses to get off the ground. That is what the Labor Party is about.

Mr R.R. Whitby interjected.

Mr S.K. L'ESTRANGE: I can tell the member for Baldivis that there was a famous leader called Winston Churchill. The member for Armadale will know this. Winston Churchill was a famous leader. The people in the public gallery will understand this. He said that a nation that tries to tax itself into prosperity is like a man standing in a bucket trying to lift himself up by the handle. That is what Winston Churchill said and that is what the Labor Party is about. It wants to tax the state.

Mr M.P. Murray interjected.

Point of Order

Dr A.D. BUTI: My point of order is that I would just like to say hello to the Armadale Primary School students in the public gallery. Hello!

The ACTING SPEAKER (Ms S.E. Winton): That is not a point of order!

Debate Resumed

Mr S.K. L'ESTRANGE: The Labor government wants to tax this economy of Western Australia into a domestic recession. That is what it wants to do. That is what this government is doing and that is what its budget tells us it is interested in doing. It is not at all interested in supporting the people of WA. I can tell you why the government is really, really hurting the people in Wanneroo, Acting Speaker. The reason the government is hurting the people of Wanneroo is that it has increased electricity prices by 19.6 per cent in its three budgets. That is a 19.6 per cent increase to electricity prices that coming into power the Labor Party said were already too high. The Labor Party spent eight and a half years telling the Liberal–National state government that its electricity prices were too high. The Labor government did not reduce them; it added 19.6 per cent to that—compounded over those three budgets. That is what the Labor government has done. The people in Wanneroo got whacked with a 10 per cent flat rate increase.

Mr M.P. Murray interjected.

The ACTING SPEAKER: Minister, calm down!

Mr S.K. L'ESTRANGE: I tell the member for Collie–Preston what: the people in his area also got hit with a 14.5 per cent increase in water charges in the government's three budgets, and in addition to that a number of his constituents, as he well knows, rely on water for their properties. They have had a 40 per cent increase in their water charges under his government's watch.

Mr M.P. Murray interjected.

The ACTING SPEAKER: Thanks!

Mr S.K. L'ESTRANGE: Public transport, member for Collie–Preston, has gone up 15.25 per cent on this government's watch, and motor vehicle charges have gone up 7.9 per cent.

Mr M.P. Murray interjected.

Mr S.K. L'ESTRANGE: So this —

Point of Order

Dr D.J. HONEY: It is completely unconscionable that the member for Collie–Preston has not stopped interjecting for the entirety of this speech. I cannot hear the outstanding words from the member.

The ACTING SPEAKER: It is not a point of order.

Dr D.J. Honey: It is a point of order.

The ACTING SPEAKER: I beg your pardon, it is not a point of order. Member for Churchlands, perhaps if you would not incite the minister, we might be able to hear better.

Debate Resumed

Mr S.K. L'ESTRANGE: I thank you for that advice, Acting Speaker. It is going to incite all members on that side of the chamber because of the incredibly poor way the Labor state government has been managing the economy of Western Australia and the way it is keeping people down. Let us face it, Western Australians are aspirational people. They are not takers, they are givers. They are people who want to get out there and have a go, but the government is a mob of takers. It just increases tax and introduces new taxes. The Labor Party is addicted to tax. The Labor Party's future Prime Minister, the Prime Minister it wants, is Bill Shorten. He is not ours; we want Scott Morrison to win on Saturday. Labor members want the fella who wants to increase taxes across the country.

I can tell members right now that Premier McGowan is out there with this budget as the poster boy for the Western Australian federal Labor candidates.

Mr M.P. Murray interjected.

Mr S.K. L'ESTRANGE: Guess what, member for Collie–Preston? Since the Premier has been the poster boy for the Labor federal candidates, his polling has gone from October last year to May this year from 54 points to 48 points. That is a six-point drop under McGowan's leadership of the state's federal campaign. No surprises, though, because when the Darling Range by-election occurred, Labor had a swing of 9.3 per cent against it. Members sit there with all their hubris thinking they can keep taxing their way into some budget operating surplus, when they cannot. The only reason the Labor government got its surplus was that the federal Liberal coalition government gave it all that help. Labor keeps doing this and the people are starting to wake up. The polls are moving against Labor, so members should just keep doing what they are doing and we will win more seats at the next election, the member for Bicton can go back to her small business and we can get a member representing the people of Bicton who genuinely cares about reducing their cost of living and supporting small business. That is what we want to see.

As I started to say earlier, the most important state government responsibility is the delivery of frontline services. One of those key frontline services is health. As the shadow Minister for Health in this place, I am not at all impressed with what this government has done for health in this budget and I will tell members why. The Australian Medical Association of Western Australia has given a very scathing —

Mr M.P. Murray: What about the chamber of commerce? What has it said?

Mr S.K. L'ESTRANGE: I am interested in the AMA of Western Australia. I am talking about health.

Several members interjected.

The ACTING SPEAKER: Minister! Calm down.

Mr S.K. L'ESTRANGE: The AMA of WA gave a scathing review of the health budget this year because it does not address all the needs in the health sector. It is the peak body representing our medical professionals out there. It is no wonder. Let us look at some of the key indicators that we have to review in health to see how the health sector is going. How is the four-hour wait time rule for our emergency departments going under this state Labor government? It is going backwards. In fact, waiting only four hours would be a dream for many patients who present to EDs these days, because they are having to wait a lot longer than four hours. Sir Charles Gairdner Hospital has performed consistently worse in 2018 than it did in 2017 trying to meet the four-hour rule. Only 74.3 per cent of patients in 2017 were seen within four hours and that dropped to 68.2 per cent in 2018. It is going in the wrong direction. It is much the same for Fiona Stanley Hospital where the percentage of people getting seen within four hours dropped from 51.1 per cent to 61.1 per cent. Royal Perth Hospital is much the same. We also have the ambulance ramping issue.

Ambulances turn up to the hospital but they cannot hand over the patient to the emergency department because the emergency department is full. That is no good because it means that while the ambulance is ramped up for hours outside the emergency department, that ambulance is not available to get into the community and rescue people in need of support. They are stuck at the hospital. The fact that the government is mismanaging the emergency departments is putting lives at risk and it needs to fix it. We have had record levels of ambulance ramping and exceeded the off-stretcher time. The off-stretcher statistic refers to how long it takes to get someone off a stretcher. The benchmark key performance indicator for the health sector is to get patients off the stretcher and into the ED within 20 minutes. That should be 100 per cent. It is pretty simple. On Monday, 11 March, that statistic was not 100 per cent. It was 36.1 per cent. Only 36.1 per cent of patients got off the stretcher within 20 minutes. On 23 February, it was 37.4 per cent. On Monday, 6 May, it was 37.77 per cent. The Minister for Health and the government say they are fixing things. They are not fixing things. Things are getting worse.

Furthermore, I noted the minister used some excuse that the reason for the increase in ambulance ramping and being unable to get people off stretchers within 20 minutes is that too many people are turning up to EDs. There is a bit of logic to that argument, but when we compare Monday, 6 May to Sunday, 5 May the number of patients turning up and presenting to the ED decreased, but the percentage of ramping increased. How does that work? It works because the government is not resourcing the emergency departments properly. It is not putting in enough staff and resources to make sure that these EDs work properly. The result is ambulance ramping and four-hour wait time blowouts.

Nurse safety is another really important aspect of our hospitals. What did we see? We saw a 55 per cent spike in assaults on nurses in the first half of last year compared with the first half of 2017, and a further 38 per cent spike in assaults on nurses in the second half of last year compared with the second half of 2017. That is a completely unacceptable increase in the number of assaults on nurses. What is the state government doing about it? We do not know. It said it would look at it and come up with a plan for it. It would make it a lot easier for nurses not to be assaulted if the government resourced EDs properly with whatever number of staff is required to allow them to work efficiently, effectively and safely. If the government resourced EDs properly, there is a pretty good chance that the number of assaults on nurses would decrease. The pressure cooker environment of an emergency department would become less pressurised if it were resourced properly. We do not want people turning up with illnesses and injuries or affected by drugs and alcohol waiting around for more than four hours in an ED where they feel they are not being listened to or treated, because they get angry and agitated. That creates pressure and then that becomes contagious. When that pressure-cooker environment starts to kick off, we get problems. That is why we are seeing a big increase in the number of assaults on nurses. Absolutely, there should be people looking at the specifics for each case. That is why we have the Department of Health and the minister's office with all the resources at their disposal to do something about it. But they are not doing something about it. They know the problem exists. The government is not allocating enough resources. It needs to do more.

[Member's time extended.]

Mr S.K. L'ESTRANGE: What about patient safety, member for Balcatta? Last year, the head of emergency medicine at Sir Charles Gairdner Hospital in a leaked email to the media said that there would be a preventable death at Sir Charles Gairdner Hospital unless something is done about resourcing that hospital. That is pretty serious. A senior public servant doctor said that. What was the minister's response under questioning in this place this year when that was brought to his attention? His response to that was: it is not my responsibility. Here is a message to the state government of Western Australia. It is your responsibility. Here is a message to the Treasurer to the Premier and the cabinet ministers in the Labor government of Western Australia: it is your responsibility to ensure that the hospitals of Western Australia are resourced properly. That is the government's responsibility. It cannot handball that responsibility to doctors, nurses and bureaucrats. It is the executive government. It drives what happens in those service areas through its budget and directions by its ministers. That is how the system works. That is why we are elected to this place. If we get 50 per cent plus one in this place, we govern. But we do not abdicate our responsibility to the people of Western Australia when things go wrong. We step up, accept responsibility and do something about it. The Deputy Premier failed on that front, and he knows he failed. The Treasurer and the Premier also failed by not ensuring enough resources were put into our hospital sector to deal with this issue—and this continues.

As members can see, the health sector is not in a healthy state. There are blowouts in the four-hour wait time rule, spikes in ambulance ramping, a deterioration in off-stretcher admission statistics, dangerous increases in assaults on nurses and unsafe environments for patients. That is not a good situation in health for the people of Western Australia. For the third budget in, that is the government's scorecard—its report card. It is not good enough. In fact, it is quite astonishing that those key performance indicators are simply deteriorating and not being met. Do members want to know what is worse? The government is not doing anything about it. Do members want to know what the evidence is to show that the government is not doing anything about it? The evidence can be found in the budget papers themselves. If members compare the budget from last year with this year, they will see that the government underspent the health budget by $9 million. Despite all the problems I just outlined, the government underspent in its own health budget by $9 million. Members opposite will stand up and say, "That's good, member for Churchlands; we're saving money." Yes, but at what cost? Where is the government putting that $9 million it saved? Is that $9 million savings in the health budget being reprioritised to something more important than the health of the people of Western Australia? If that is the case, I would like to hear what the government thinks is more important that needed that $9 million. There is silence from members opposite.

In fact, here is a first. A shadow Minister for Health is on his feet on budget speeches and not one minister is in the chamber.

Mr D.R. Michael: There is one.

Mr S.K. L'ESTRANGE: Where?

Mr D.R. Michael: In the back row.

Mr S.K. L'ESTRANGE: Right up there, okay. Lucky it was brought to my attention that the member is in the back row there; it is hard to see back there, but it is good to see that a minister is here. I will tell members what, the people of Western Australia would want to know why only one minister is in here, who has nothing to do with health, while the shadow Minister for Health is on his feet, particularly with this scorecard. If the member for Armadale were promoted to minister, he would not be skiving off. He would be in here listening to the shadow ministers of his portfolios to make sure he understood.

Ms S.F. McGurk: You've only got one volume.

Mr S.K. L'ESTRANGE: The quality of the member for Fremantle's interjections are all about the volume of my voice, not the content of the speech. I can tell the member for Fremantle that the content of my speech is what she should be focussed on because she is supposed to support women's interests and communities and the communities are being let down by her and her government.

Ms S.F. McGurk: How's that, member?

Mr S.K. L'ESTRANGE: I will tell her now. In 2019–20 she cut $3.798 million from last year's to this year's forward estimates. In 2020–21, she cut $20.591 million.

Ms S.F. McGurk: From which line item?

Mr S.K. L'ESTRANGE: In 2021–22 she cut $14.068 million.

Ms S.F. McGurk: Are you talking about health or communities?

Mr S.K. L'ESTRANGE: I am talking about health. She sits in cabinet.

Ms S.F. McGurk: Be consistent with what you are saying; you started off talking about communities and then you jumped over to health. It's a bit hard to follow you.

Mr S.K. L'ESTRANGE: The cuts from the health budget over the next few years total $38.457 million, plus the underspent $9 million in the year just gone. That is what the government is doing in health. I have outlined very clearly the result of those cuts.

There are some very serious issues confronting the people of Western Australia, brought on by members opposite's social re-engineering efforts—their mad, left-wing United Voice mob to which more than half of them belong.

Ms S.F. McGurk: Boom! That's crazy! You are obsessed about United Voice. It is a union representing a large number of low-paid women who, without that union, would be very much worse off in terms of their wages and their conditions.

Mr S.K. L'ESTRANGE: Under the leadership of the Minister for Community Services; Women's Interests, women cannot get jobs, communities are not being supported; they cannot get the right health services they need; hospitals are not performing at the level they need to perform at to look after their so-called union members.

Ms S.F. McGurk: You're obsessed. You are obsessed about United Voice. You do not like the idea of having ambitious women in the Parliament. You continue to point out that there might actually be ambitious women in this Parliament. God forbid!

Mr S.K. L'ESTRANGE: You can keep trying your soap.

Ms S.F. McGurk: I know we do not have the same care profile you have over there.

Mr S.K. L'ESTRANGE: How is the government going with its palliative care efforts? Let us get back on track here. Palliative Care WA, the peak body, estimates a $100 million shortfall in state government funding a year.

This budget provides a $41 million package. Even with that package, it is 60 per cent short of what is needed. What is worse, the government has included euthanasia in this package. A bill for that has not even been passed by the Parliament.

Mrs R.M.J. Clarke interjected.

Mr S.K. L'ESTRANGE: The government has created what it calls a palliative care and end-of-life-choices package all linked to its euthanasia bill, which it wants to bring on later this year. It has not even been debated. We do not even known what it will look like. It has got me somewhat confused about why the government is budgeting for an outcome that has not even been passed by the Parliament, and on which the government's own side is calling a conscience vote. I do not understand why on earth we would be confusing two completely separate issues by joining them together as a budget item. It does not make sense. The number one priority the government should be focusing on right now with palliative care is that—palliative care—and making sure it is funded properly and that people are supported and looked after as they near the end of their life. That is what they should be focussing on. When and if a bill to change anything regarding euthanasia occurs, we should deal with that then. It should be budgeted for then.

Mrs R.M.J. Clarke: It is for voluntary assisted dying. It is not euthanasia.

Mr S.K. L'ESTRANGE: The member can call it whatever she likes; she can look up the definition of euthanasia in a dictionary and it says what it says. This is not me.

Mrs R.M.J. Clarke: It's voluntary.

Mr S.K. L'ESTRANGE: Look up the definition, member. I do not want to get into a debate on that today. I am talking about the budget.

I can tell the member now that this budget is irresponsible. Mental health also misses out on much-needed funding. In fact, the government's own mental health, alcohol and other drugs services plan 2015–25 update indicates that four per cent of the Mental Health Commission budget should be allocated each year to prevention. That makes sense. We do not want people committing suicide; we want people being supported. Prevention measures are important. It refers to four per cent of the Mental Health Commission budget, yet only 1.38 per cent has been allocated this year, when the government's own report is saying it should be four per cent. The following year it goes to 1.19 per cent. In 2020–21 it drops to 0.92 per cent and in 2021–22 it drops to 0.91 per cent. There is a prevention budget collapsing to almost zero, yet last year there was the highest suicide spike in Western Australia in something like 20 years. Rather than working on improving prevention measures and allocating what the government's own paper has said it should be allocating—four per cent of the Mental Health Commission budget—the rate is collapsing to almost zero. It does not make sense.

The government's approach to governing Western Australia is to not support the people of Western Australia. The sustainable health review, which the government commissioned and which comprised a panel chaired by the esteemed Robyn Kruk, a very senior public servant from New South Wales, did an outstanding job of pulling together what is needed. However, the government has not even addressed the key requirements of that report, which it sat on for four months. That could have been done in this budget. It certainly could have added to the prevention aspect of this budget. The government has to stop making up stories and whingeing and whining, but get on with the job of governing. Get on with setting a direction for Western Australia so that the people of Western Australia can see some hope in their own futures under this leadership. Stop whingeing, whining and blaming us. Get on with it. There is one budget to go and then an election. The government is pushing everything to the out years and doing nothing now. All we are seeing is a plan for a plan to deal with methamphetamine action, a plan for a plan for Graylands psychiatric hospital, a plan for a plan for King Edward Memorial Hospital for Women and a plan for a plan for step-up, step-down mental health support facilities in regional Western Australia, to name a few. The government is very good at saying that it plans to do something but not doing it. It is not making sure that the money and resources are where they need to be in the health sector to deliver health services to the people of Western Australia. We are three budgets in; the government needs to stop talking the talk and start walking the walk. I urge it to do so on behalf of the people of Western Australia.

MR S.J. PRICE (Forrestfield) [12.19 pm]: I rise to make my contribution to support the Appropriation (Recurrent 2019–20) Bill 2019 and the Appropriation (Capital 2019–20) Bill 2019. I am a glass-half-full person as opposed to the previous speaker who is a glass-half-empty person. I congratulate the Treasurer and Premier and acknowledge the great work done by everyone in cabinet and Treasury to produce one of Western Australia's best budgets for some time and delivering the first real surplus in over five years. This budget positions Western Australia firmly on the road to recovery after the reckless spending of the former Liberal–National government and places the state in good stead for future economic stability. I take this opportunity to highlight and outline some of the key initiatives and outcomes of the Treasurer's third budget and touch on some of the specific elements that relate more directly to my electorate of Forrestfield.

In his budget speech, the Treasurer said that Western Australians had elected the McGowan Labor government on its pledge to fix the financial mess left by the former Liberal–National government; build Metronet, a first-class public transport system; and create jobs and strengthen the state's economy. We have delivered on all these pledges with the 2019–20 budget. In this budget, we are projected to record in this financial year a $553 million general government operating surplus, the first surplus since 2013–14. The strong fiscal resolve of the McGowan Labor government has resulted in a $3 billion turnaround in the disastrous $2.5 billion deficit left by the former Liberal–National government in its last year in office in 2016–17. In addition, the budget also forecasts a surplus of $1.5 billion in the 2019–20 budget year, rising to over $2 billion per annum in the forward estimates, which is unlike the forecasts of the former Liberal–National government, which had no forecast surpluses in the forward estimates. Unusually, yesterday, the Leader of the Opposition referred to this budget surplus essentially like winning lotto. Winning lotto has nothing to do with running a budget surplus. The challenge has been to get general government expenditure under control to enable the surplus to be achieved, which will help us reduce debt levels in the future. A government should not need to borrow recurrent expenditure to run government. With the previous drunken sailors in charge of the state's finances, there was no control or restraint in sight. In this budget, general government expenses are forecast to grow by just 1.5 per cent in 2019–20, an average of 1.3 per cent per annum over the next four years. This has been achieved through tough decision-making and strong fiscal discipline by the McGowan Labor government, which is in stark contrast to the 6.4 per cent average growth in expenses under the former Liberal–National government, including an 8.6 per cent per annum growth in its first term of office. An additional benefit of getting government spending under control is, of course, stopping the growth of debt and starting to reduce it in the future. The reduction in interest payments is an immediate return to the government and the people of Western Australia. By 2019–20, the reduction in net debt achieved by this government will have saved the Western Australian economy around $508 million in interest payments.

As we are all acutely aware, the cost of living is one of the biggest issues in our electorates. In a nation in which wage growth has stalled and the cost of living continues to consume more of a family's take-home pay, trying to limit these increases and charges is one of the top priorities of any government—and it is for this government. I find it ironic that when the member for Scarborough was on her feet earlier, she said that when the Liberal Party and Nationals WA were in government, they made significant increases in costs and charges because at the time people could afford them. They did so with no forethought to the compounding effect that would have on fees and charges in the future. The Liberal–National government increased prices by a staggering 57 per cent in its first three years of office and by 90 per cent during its two terms of government. It is very pleasing to read in the budget that the McGowan Labor government is doing its bit by limiting the increase to Western Australian household fees and charges. Household electricity price increases have been kept in line with forecast inflation, with an increase of just 1.75 per cent in 2019–20. This is the lowest rise in power prices since 2008 and it represents an increase for the average household of less than 10¢ a day. Standard public transport fares will increase by two per cent in 2019–20, with no increase in student fares. There will be a 2.5 per cent increase in household water charges, a 2.7 per cent increase in the emergency services levy, a three per cent increase in vehicle licensing and a 3.1 per cent increase in vehicle insurance. Overall, these increases will cost around $127 a year, a very low increase for a large suite of fees paid by Western Australians. Once again, it is testament to the great work done by the Treasurer to achieve fee increase control. This would not have been achievable without the prudent and fiscal management demonstrated by the McGowan Labor government.

Since the McGowan Labor government came to office just over two years ago, 57 000 jobs have been created, including 27 000 full-time jobs. Members can compare this result with the record of the former Liberal–National government, which created no new jobs during its entire second term. To keep the McGowan Labor government on track to meet its target of 150 000 jobs created by 2023–24, the 2019–20 budget contains numerous initiatives to boost jobs and encourage investment in key sectors of the economy. This includes a commitment of $182 million over the forward estimates to establish an employer incentive scheme and increase training delivery for apprenticeships and traineeships; the contribution of $10 million over 10 years to help develop a world-class microscale LNG plant as part of the LNG Futures Facility in Kwinana to capitalise on the opportunity in the LNG industry as Western Australia becomes the world's largest exporter of LNG; a record investment of $4.1 billion over the next four years on the government's flagship Metronet project, which includes $536 million to build the Thornlie–Cockburn Link, $520 million to build the Yanchep rail extension and $146 million to build a new station in Bayswater in the first stage of the Morley–Ellenbrook line; $207 million over the forward estimates to remove level crossings on the Armadale line at Oats Street, Mint Street and Welshpool Road; and a $1.2 billion allocation for projects in detailed planning stages, including the Byford rail extension, the Morley–Ellenbrook line, the Midland station project and a new station in Karnup. In addition to all this, the budget provides $1.3 billion for road infrastructure, bringing the government's total investment to $4.2 billion over the next four years, including more than $2 billion on building, upgrading and maintaining roads in regional areas.

This will create a pipeline of projects for years to come and is expected to create 28 000 new jobs in the Perth metropolitan area and regional areas of Western Australia.

Additionally, the McGowan Labor government has committed to the regions by including an additional $131.5 million to restore the capacity and capability of the Department of Primary Industries and Regional Development—the former Liberal–National government slashed $100 million from the department—proving once again that the Labor Party is the party for regional Western Australia.

Education is dear to my heart. In my electorate, unfortunately, a high number of students are socioeconomically disadvantaged. Education is key to socioeconomic mobility. We must continue to invest heavily in our schools to ensure that every child is given the same opportunities regardless of their postcode. A constant struggle is the ongoing recognition of the need for more investment in older schools to ensure that the students who attend those schools have the same opportunities and learning experiences as those who attend a newly built school. It is pleasing that in the 2019–20 budget, the McGowan Labor government will spend $5.2 billion delivering public education. On top of this, a further $453 million will be invested in building and improving school infrastructure, with more than $1 billion allocated to this over the forward estimates. It is also very pleasing to see additional support for students with disability in public schools, with an additional $40 million over five years.

Our health services are some of the best in the world. The McGowan government continues to invest in our hospitals and allied services, ensuring that patients are put first. Spending on hospital services will increase to $6.7 billion in 2019–20, with an additional $217 million for hospital services. We will also continue the support that has been going into our mental health initiatives. Addressing the prevalence of family and domestic violence within our communities continues to be a priority of this government. I would like to acknowledge and commend the Minister for Prevention of Family and Domestic Violence, Minister McGurk, for her continued dedication to ridding society of this scourge. Following an investment of over $22 million in this government's last two budgets, the McGowan Labor government is investing an additional $31 million over the next four years into initiatives to address family and domestic violence and prioritise community safety. This commitment includes $15.5 million for an electronic monitoring trial to monitor high-risk domestic violence offenders; importantly, $11.7 million to establish two new family and domestic violence one-stop hubs—one in Mirrabooka and one in Kalgoorlie—to make it easier for domestic violence victims to access services; and $2.1 million to deliver training to frontline police officers and develop a family violence code of practice. In addition, there is also $1.1 million of continued funding for the Kimberley Family Violence Service and $415 000 of continued funding for the very important Pets in Crisis program.

Keeping our community safe is another key priority of the McGowan government. This budget provides funding for a number of initiatives, a key one being $11.3 million to support and expand the sustainable service delivery of police and community youth centres across the state, including a new Kununurra PCYC and a major redevelopment of the Carnarvon PCYC, which the member for North West Central should be very happy about. Police and community youth centres have a very important impact on our communities and it is great to see that we are prioritising community support and investment; once again, fixing a funding cut by the previous Liberal–National government.

The McGowan government has a strong methamphetamine action plan and is focused on removing that horrible drug—ice, methamphetamine, whatever we want to call it—from our streets and getting it out of our communities. I would like to congratulate the Minister for Police, Michelle Roberts, for her tireless commitment to the removal of this hideous drug from our communities. The government's resolve has been demonstrated by our commitment to a coordinated and integrated response to the Methamphetamine Action Plan Taskforce report by the inclusion of a further $42.5 million over the forward estimates, including $20 million to continue the north west drug and alcohol support program. This brings the McGowan government's total investment to $244.8 million in trying to address the methamphetamine issues within Western Australia.

The budget also contains a number of commitments for my electorate of Forrestfield. I will touch on a couple of them. These commitments include infrastructure projects; continuation of previously funded education initiatives; community resource allocations; and, of course, Metronet investment, with the ongoing construction of the Forrestfield–Airport Link project. In addition, construction will commence at Darling Range Sports College this year, providing a $10 million upgrade to the school's design and technology, food technology and science areas. This was an election commitment that was well received by the people of Forrestfield and the Darling Range Sports College, and it is very important to the future development and ongoing education of the students who attend Darling Range Sports College. In addition, the ongoing $12 million investment in science programs continues, allowing 200 primary schools to convert existing classrooms to science or science, technology, engineering and mathematics laboratories. That is a very important commitment that continues in this budget. The conversion of an existing classroom into a science or STEM lab, plus the additional $25 000 of funding to purchase equipment for the new facility, is a great initiative by the McGowan Labor government. Four primary schools in my electorate have been fortunate enough to have been allocated one of these grants: Woodlupine Primary School, Edney Primary School and Orange Grove Primary School have already had their STEM labs converted, and the High Wycombe Primary School lab is due to be converted later this year. Further provision of $9.5 million has been made in the budget for administration upgrades, library resource centres, toilet upgrades and replacements, and covered assembly areas. These are all areas that need attention within some of the schools in my and many other electorates, so it is great to see that an allocation has been made to address those issues.

An area that has received ongoing funding and is extremely important to my electorate is the reinstatement of the funding of the financial counselling services back in the 2017–18 budget, which the previous government once again had cut. That was an election commitment from us, and can only be carried on due to the strong fiscal restraint that has been shown by the McGowan Labor government. This was and still is extremely important to my electorate, in particular to a local service called the Foothills Information and Referral Service, or FIRS, as it is referred to. I have spoken on a number of occasions about FIRS and the importance of its services to my electorate; however, I want to give a quick update on how the additional financial counselling funding has benefited constituents in my electorate. FIRS provides not only financial counselling services, but also emergency relief, advocacy, supportive playgroups, community programs and groups, and tenancy and law advocacy. Prior to the funding that was cut by the previous Liberal–National government, FIRS offered financial counselling as one of its services. This stopped when those funding cuts were made. With the reinstatement of the financial counselling funds, FIRS was able to partner with Anglicare WA to provide financial counselling services once again. As a result of the financial counselling services recommencing, FIRS sees over 900 people come through its doors each year looking for financial counselling support. It has already seen over $4 million of debt come across its table this financial year. People come to FIRS in crisis and without access to immediate professional support. More and more people are losing their homes; having interaction with justice over unpaid fines and debts; and, unfortunately, in some cases, are taking their own lives. These services have an impact in an area such as Forrestfield, and the McGowan government and the minister need to be commended for making sure that money was reinstated into those financial counselling services.

Another area of funding in the budget is the transformation of Perth's eastern corridor. The Tonkin Highway corridor upgrade runs right through the middle of Forrestfield and includes the extension of stage 3 on the southern end from Thomas Road to South Western Highway. It will also include the widening between Guildford Road and the Great Eastern Highway, which are either side of my electorate—very important improvements that need to be made on that system network. The third component of the Tonkin Highway corridor is the construction of grade separations at Hale Road, Welshpool Road and Kelvin Road, where they all intersect with Tonkin Highway. These are very busy and congested intersections that delay a lot of the people in my electorate getting to and from work, or wanting to go somewhere along those particular roads. These are very welcome initiatives, and it is good to see that they are getting the funding that they require in the budget to get these projects underway in the future.

Roe Highway is another major arterial road that runs along my boundary. The Roe Highway–Great Eastern Highway bypass grade separated interchange is another very important project to the free-flowing traffic movement throughout the electorate, and once again is very welcome by the electorate.

[Member's time extended.]

Mr S.J. PRICE: Of course, the funding for the Roe Highway and Kalamunda Road intersection grade separation is contained within the budget, and construction should commence on that project in the coming months. Once again, that will be an integral project to ensure the reduction of time lost through congestion and travelling within the Forrestfield electorate. This network of intersection projects will remove a number of significant congestion and delay-causing bottlenecks along these very important transport networks for many of my constituents and many of the transport users, in particular the freight and logistics vehicles and companies that operate along those roads. I would like to thank and acknowledge the great work being done by the Minister for Transport, Rita Saffioti, in this area.

Another area which is very important to my constituents and to me personally and which has been responded to by the McGowan government in this budget relates to how we treat our working men and women in Western Australia. A number of initiatives that have been undertaken to address some of the most pressing areas needing attention are in this budget. In this regard, a significant number of issues have been progressed by the McGowan Labor government in relation to the occupational health and safety laws of Western Australia. According to the budget papers, tragically a total of 11 work-related traumatic injury fatalities were recorded in Western Australia during 2018. One death at work is too many, yet workers continue to be killed. We need to stop that and work out why it is happening.

The development of modern safety and health laws for Western Australia, incorporating mines, petroleum and general safety into one work health and safety act based on the national model work health and safety laws, is a high priority of the government. The department has conducted an extensive consultation process and the work health and safety bill is expected to be introduced into Parliament in 2019 for consideration in 2019–20. The legislation will be supported by three separate sets of regulations applying to workplaces generally in Western Australia: the mines sector, the petroleum sector and the geothermal sector. In mid-2019, the department will undertake comprehensive statewide consultation to provide recommendations for the development of the three sets of regulations.

Another area is the response to the recommendations and findings of the Legislative Assembly's Education and Health Standing Committee's final report on the impact of fly-in, fly-out work practices on mental health. This year the department has released the code of practice for mentally healthy workplaces for FIFO workers in the Western Australian resources and construction sectors. This is a very important document, and health and hygiene management plans are now required for mining operations and are maintained on the safety regulation system. Mining companies have six months to comply with this requirement. It is a great outcome for the government that it ensured that that code of practice was released as quickly as possible.

I was fortunate enough to assist Mr Mark Ritter in the review of the state industrial relations system. The department will implement the recommendations of the ministerial review of the state industrial relations system that have been adopted by the government. The government is seeking to provide a way forward for the state industrial relations system that is fair, accessible and contemporary.

The protection of subcontractors is a key election commitment for the government. In February 2018, Mr John Fiocco and Hon Matthew Swinbourn, MLC, were appointed to undertake an inquiry and targeted consultation with key industry stakeholders and provide a report with recommendations for law reform to improve payment protections in the building and construction industry. These are all very important initiatives that protect the rights of working Western Australians. I acknowledge the Minister for Mines and Petroleum and former commerce minister, Hon Bill Johnston, and the current Minister for Commerce, Hon John Quigley, for their great work on this.

In just two years, the McGowan government has delivered a $3 billion turnaround from the record $2.5 billion deficit in the final year of the Liberal–National government to a healthy surplus this year, with surpluses forecast into the next four years. The return to surplus was underpinned by reining in the wasteful expenditure of the previous government. Had spending continued at the rate of the previous government, not a single surplus would occur. Even without the McGowan government's breakthrough victory to obtain a fair share of the GST for WA, surpluses would still be forecast in each financial year. The state's net debt is more than $4 billion lower than forecast under the Liberal–National government, saving Western Australians $508 million in wasted interest payments. Western Australia is the only state in Australia with debt decreasing. Recent history proves that only Labor governments can manage the state's finances, and we have done so without privatising Western Power.

I once again thank the Premier and the Treasurer for the prudent fiscal management of the state's finances—something we all should acknowledge and be thankful for. I commend these bills to the house.

MRS R.M.J. CLARKE (Murray–Wellington) [12.44 pm]: I, too, rise to speak on the Appropriation (Recurrent 2019–20) Bill 2019 and the Appropriation (Capital 2019–20) Bill 2019. The 2019–20 state budget shows that the McGowan government is delivering for Western Australia and bringing the state's finances under control. The budget includes the lowest increase to household fees and charges in 13 years and is focused on job-creating projects for the state. It also delivers a surplus—the first in WA for five years and achieved just two years into the McGowan government's first term.

The regions have certainly not been left out of this budget, with $4.2 billion in royalties for regions funding included, and over $5.6 billion to be invested into regional infrastructure over the next four years. Pleasingly, this budget provides funding for a number of important road infrastructure projects throughout my electorate of Murray–Wellington. Stage 1 of the Pinjarra heavy haulage deviation has received $27.5 million in this year's budget, allowing the much-needed project to get underway. The deviation will take trucks and heavy haulage traffic out of Pinjarra's George Street—a road that at the moment is set to exceed its capacity by 2023. By removing trucks from the town centre, local businesses and cafes along the strip will have new growth opportunities through the opening of options such as alfresco dining and outdoor signage. This road will also provide the ability for town beautification and increased safety for local traffic and pedestrians, effectively transforming Pinjarra's town centre. Crossing the road is often difficult, and both sides of traffic regularly have to be stopped to allow for oversized vehicles to pass through town. This project will increase local jobs and benefit the local economy and I commend the state government for funding stage 1 of the deviation.

Two other road infrastructure projects that are funded are the Bunbury Outer Ring Road and the extension of Tonkin Highway from Thomas Road to South Western Highway. The outer ring road will relieve congestion for commuters travelling into Bunbury and provide easier access to industrial points at Picton and Bunbury port, and extending Tonkin Highway south will provide easier access into Perth and to the airport. My electorate contains a high number of fly in, fly out workers, so providing quicker access to the airport means that workers can spend more valuable time with their families. In nearby Mandurah, $32 million has been allocated towards a multistorey car park at Mandurah train station. As a terminus point, providing more parking at the station benefits people across the Peel region. Many people who live outside Mandurah in areas such as Pinjarra, North Dandalup, Dwellingup and even as far south as Waroona regularly travel to Mandurah to use the train. These people rely on parking being available, but regularly find very little available from 7.00 am on weekdays. Thanks to a commitment from federal Labor, and an eventual matching commitment from the federal government, detailed planning on this project can now go ahead.

Upgrades to the *Australind* rail service are also underway, which, once completed, will completely revitalise the line and the railcars that service it. Providing an upgraded service will encourage tourism into the region, as well as offering a better service to regular commuters on the line, many of whom live in my electorate. Those upgrades will ensure disability access at all stations, making it easier for those with disabilities, as well as those with prams and gophers, to use the service.

The Peel and south west regions have ageing populations and health care is becoming increasingly important to the local community. After years of inaction, $4.6 million is being spent on upgrades at Peel Health Campus, with a further $4.9 million to reconfigure the hospital's emergency department. Continued planning for the redevelopment of Bunbury Hospital is also taking place, with $11 million allocated in this year's budget. This hospital services the greater south west region, and its redevelopment will ensure that patients within my electorate can access services closer to home rather than be transferred to Perth.

Along with improved health services, this government is delivering better community services to regional areas. Domestic violence is, unfortunately, still a pressing issue within the Peel region. Extra support is being provided to victims of domestic violence through the establishment of a new women's refuge within the region. There is currently one refuge in the region—Pat Thomas House. Although that refuge does an incredible job, it cannot keep up with demand in the area. A second refuge will relieve pressure at Pat Thomas House while also meeting the high demand in the region from areas including Dwellingup, Waroona, Pinjarra and surrounding Peel towns.

Right across my electorate are beautiful and environmentally important waterways. Protection of these waterways is important to the local community.

Debate interrupted, pursuant to standing orders.

[Continued on page 3575.]