ESTIMATES OF REVENUE AND EXPENDITURE

Consideration of Tabled Papers

Resumed from 16 June on the following motion moved by Hon Stephen Dawson (Minister for Emergency Services) —

> That pursuant to standing order 69(1), the Legislative Council take note of tabled papers 1270A–D (2022–23 budget papers) laid upon the table of the house on Thursday, 12 May 2022.

HON COLIN de GRUSSA (Agricultural — Deputy Leader of the Opposition) [2.43 pm]: I rise to contribute to the debate on the noting of the budget papers, as moved by the Minister for Emergency Services representing the Treasurer back in May. This is the sixth budget of the McGowan Labor government, and I will start by looking at some of the good bits. On the face of it, there are some pretty good metrics around this budget on the back of a record surplus last year and the eye-wateringly large surplus predicted for this financial year of $5.7 billion. Of course, that is largely underpinned by very strong commodity prices, particularly for iron ore. I will go into that a bit later. The former federal coalition government's GST floor will also contribute significantly to the predicted surplus, as will a strong state tax take. That is one of the significant revenue aspects over which the state obviously has control, and one that I will look at a little more. I do not intend to go into great detail in these areas of the budget—my colleague Hon Dr Steve Thomas did that in his contribution to the debate prior to the winter recess—but I do want to talk about some of the key drivers of the budget and what really drives our state's financial performance in general.

We know that the estimates of general government revenue have been revised up relative to the midyear review. One of those key revisions is due to higher royalty income, which is largely due to stronger than anticipated iron ore prices. I guess what that means is that the government conservatively estimated the iron ore price, and that is a good thing. Also contributing to that revision are an increase in taxation revenue, higher health-related funding from the commonwealth government and an increase in GST payments thanks to the floor put in place by the former federal coalition government.

I want to talk about some of the specifics of the budget. I turn to the fiscal outlook in budget paper No 3 and in particular the operating statement on page 32. We are looking here at general revenue and growth, and the breakdown of the sources of that revenue. Interestingly, the estimated actual state taxation take for the 2021–22 financial year was around 27 per cent. In other words, income taken from taxation was estimated to be about 27 per cent of the state's income sources. That is predicted to rise to 29 per cent in the current financial year, 2022–23. We are seeing a reliance on tax take, and there are some comments about that in the budget paper as well. Commonwealth grants make up around 37 per cent of the state's income sources. Obviously, one of the other significant ones is royalty income, and I will go into that a little later. Royalty income was predicted to make up about 80 per cent of the revenue sources of the state in 2021–22. The reason for that was the strong iron ore price. We know that if a conservative estimate of the iron ore price is used in the budget, royalty income will be reflected as a slightly lower percentage of the budget than it will possibly turn out to be, depending on how the iron ore price performs in the long run.

If we move on to looking at a breakdown of royalty income in terms of where it comes from, we see that iron ore was estimated to make up around 90 per cent of the royalty income for the 2021–22 financial year. We are seeing that drop to around 80 per cent in this budget year. Of course, the point here is not the quantum—whether it is 90 per cent or 80 per cent—but the fact that it is our most significant driver of royalty income. That indicates a very strong reliance by the state on iron ore, and that is a risk. Globally, we know that other iron ore producers will come onstream in the not-too-distant future. There are tensions and other uncertainties in various parts of the world. What impact will that have on our iron ore exports? Are we going to see any significant changes, and what risk will that pose to the state? That needs to be taken into account to make sure that the reliance on iron ore for our royalty income is managed well so that we do not expose ourselves to too much risk in that respect.

I want to turn to some specific areas of the budget and focus on some of the portfolio areas for which I have responsibility. I will start that conversation by talking about the ports portfolio, which is one of the more interesting aspects of the portfolio work that I do, which includes the Mid West Ports Authority project and the Geraldton port maximisation project. There is a $332 million allocation in the budget from 2022 to 2026 and that is a commitment to undertake works that are consistent with the Geraldton port master plan, which is a good thing. That plan was completed in June 2020 and it aimed to maximise efficiency and development opportunities within the existing port and increase the throughput of that port to the maximum level that can be obtained without any significant changes to the port environment. Of course, that is pretty important. It is a sensible approach to incrementally increase that throughput to the potential maximum of 25 million tonnes. The key is, from there, what will happen down the track? We know that beyond that growth of 25 million tonnes per annum the forecast high-growth identifies iron ore as one of the primary drivers, and that is good. Although the incremental optimisation of the berth, utilisation and development of the infrastructure on the landside is identified in the master plan, the challenge will be in the decision-making process that comes out of that. It will then precipitate the next step change required to develop a deepwater port. We know that those constraints exist at the port of Geraldton and we know that the Cape-class vessels, which are needed to drive the efficiencies in iron ore export, need a home, and it is that next step change, if you like, after the plan is implemented, that will be quite important in making sure that the midwest has the capacity it needs for the export of the commodities that will drive the economy up there.

I move on to talk about the Southern Ports Authority's port of Esperance. In 2017–18, the McGowan government put in some subsidy arrangements for mineral resources. The 2022–23 budget has an allocation of almost $6 million, which is based on the iron ore exports by mineral resources reaching its threshold of $30 million a tonne. This is an interesting threshold, and I will go into that in a little bit more detail shortly. It is important to note that that port has a long history of junior iron ore miners, particularly in the Yilgarn iron ore province, who have worked really hard to seek access to the Esperance port to export their products and, as a consequence, develop their businesses. This is a unique port. It is the only port in southern Australia that can accommodate Cape-class vessels, and I just talked about the importance of that in the context of Geraldton. The Cape-class vessel size drives the efficiencies that those organisations need to ship their product, in a competitive manner, around the world.

As I said, the subsidised arrangements are forecast to come to a close early next year or perhaps later this year when that $30 million-a-tonne export target is hit. What will be really important there is, as a result of that, the Southern Ports Authority must be able to provide open-access arrangements to other potential exporters of product through that port. Therefore, the opposition believes that it is absolutely imperative that the government takes all necessary steps to assume control of the ingoing iron ore port infrastructure upon the cessation of that contract because, at the moment, that infrastructure is the bottleneck. It is owned by the company exporting the iron ore, and the reality is that those junior miners and others need to negotiate third party access arrangements to use that equipment, which should be owned by the port. If it were owned by the port, we would have a truly open-access arrangement and the state could facilitate trade. The state should be unencumbered by the commercial interests of one particular entity over another in doing that so we do not have one entity controlling that critical infrastructure and blocking access for other exporters.

I move on to further items in the budget. The great project that was announced back in 2017 was Westport. The budget has an allocation of $11.5 million in this financial year and $4.5 million in 2023–24 for a feasibility study for Westport. We have all observed—the opposition certainly has—the very slow progress of this project. It commenced back in 2017, not long after the McGowan government first came into office and right after this government killed, stone dead, any consideration of any freight and light-traffic solutions required to alleviate congestion on the freight network that services Fremantle port. Obviously, the Carrington Street and Stirling Highway upgrades were already planned, but, beyond that, this government came in and killed, stone dead, those necessary freight route upgrades. We then spent three valuable years watching what is nothing less than the theatre of Westport. There was the *Future port recommendations—Stage 2 report: May 2020*. Obviously, we are going to end up with only one outcome from that report, so it was really just a three-year long theatre. In August last year, I asked the government to provide the results of its traffic modelling for the restricted access vehicle 4 freight network, essentially the existing road freight network for the Fremantle port. Taking into account the projected container movements that were set out in that stage 2 report, I asked: what is the government's modelling suggesting for traffic along the RAV 4 freight route, along the Leach Highway area? The reason for the question was simply to see what planning had been done, how we were going to deal with the expected increase in container movements—it is no secret there; it is all set out in the report—and how that existing network would cope with the expected increase in freight given that Westport has, at the very best, at least 10 years before it is complete.

Hon Dr Steve Thomas: You're an optimist!

Hon COLIN de GRUSSA: I think that we are at least 10 years away from seeing Westport complete, and I will go into that in a bit more detail later. The point is that the government has come in and killed off the alternative freight network. Whether members agree with that is not the point. Whether members agree with Roe 8 is not the point. The point is: if the government is going to do that, it has to have another plan. What is the other plan? We asked a simple question to gain an understanding of what planning the government has done to deal with that expected increase in container movements that it is talking about. In all likelihood, this project is, at best, 10 years away. The response I received to that simple question was —

> … the Westport office is continuing to develop updated long-term container trade forecasts. Following this process, further refinement of truck and rail movement assumptions will be undertaken.

That was in August 2021. It was not a trick question, and I was expecting to get a very comprehensive answer, such as, "Here are the results of all the modelling we have done. Go and have a look at that." That would have been great. I expected that that sort of work would have to have been done if the government were going to eliminate one particular freight route. It would have to get some work done to show what an alternative route would be and what works would need to be done in the interim before the completion or even the commencement of the project. Instead the answer we received was: "Well, we do not trust the trade forecast in which our original decision was made, and, by the way, we have not actually done any modelling. We do not really know what the impact is going to be so we are still waiting on an answer." We are still waiting on an answer to that simple original question, and hopefully someday soon this government will come clean on what the actual projected container movements are and what the impact will be on the existing freight network over the next 10 years.

The problem here is that if we do not have that modelling, if this planning is not being done very soon, we are going to reach gridlock on Leach Highway. We are going to have Leach Highway as a giant car park, essentially. It will also be a road safety risk if the expected increase in traffic is not properly planned for. To put the whole Westport debacle into perspective, it has been five and a half years since the election of the McGowan government back in 2017 and we are still a long way away from even developing a business case that will inform any decision to progress with this project. In five and a half years we do not even have a business case. I said 10 years before, but I think that was probably being generous. At this rate, if we do not even have the business case now, there is a very real prospect that we will not see an operational and fully constructed Kwinana outer harbour before 2035.

Hon Dr Steve Thomas: Decades!

Hon COLIN de GRUSSA: It is decades away, and I do not think that is an unreasonable estimate. This government has a 100 per cent success rate in presiding over delayed, stalled and over-budget infrastructure projects. As I am sure my colleague the Leader of the Opposition will agree, I cannot think of any major infrastructure project that the McGowan government has actually delivered during its time in government. I cannot think of one. Apart from projects that were started or initiated by the former government, there are none.

Hon Dan Caddy: Like a children's hospital.

Hon COLIN de GRUSSA: Like the Perth Children's Hospital.

Hon Dan Caddy: We are happy to talk about that all day.

Hon COLIN de GRUSSA: You are happy with that? You are happy with the fact that kids cannot get appointments to see paediatricians?

Hon Dan Caddy: If you were still in government, it would not even be open!

Hon COLIN de GRUSSA: You are happy with the fact that you have wrecked the health system?

The ACTING PRESIDENT (Hon Jackie Jarvis): Members! Hon Colin de Grussa has the call.

Hon COLIN de GRUSSA: You are happy with the fact that you can stand up with Optus Stadium and say, "Look at us; we are great"? It has nothing to do with this government. None of the infrastructure projects this government has talked about or commenced have been delivered. None of them will be delivered on time and none of them will be delivered on budget. None of them, not a single thing. So I am categorically prepared to state —

The ACTING PRESIDENT: Member, I will remind you to direct your comments to the chair, and perhaps even face the chair.

Hon COLIN de GRUSSA: Thank you, Acting President. I am prepared to state categorically that we will not have an operational and fully completed outer harbour delivered to the state of Western Australia before 2035. There is no way that will happen. As a result of that, let us see if the government is prepared to be transparent with the communities along Leach Highway, which will be impacted by the government's failure to deliver this project in a timely manner, its failure to plan and its failure to find alternative traffic routes to handle the expected increase in the volume of container traffic. Let us hope that those people who live along the current freight route are communicated with by this government. I do not think they will be.

I want to move on to another part of the budget now, and that is the agriculture and food portfolio. I have to say this is a pretty light-on budget when it comes to agriculture and food. It is more of an attempt to make it look like something is being done, when actually there is not much happening here. I acknowledge the government's $25 million commitment over three years to the Western Australian agricultural research collaboration. This project, as the budget papers say, will invest the money over three years to grow agricultural research and development in Western Australia. It is a good investment. I have no problem with research and development. As I am sure Hon Darren West will attest, our farms are all laboratories. I cannot remember how many research projects we had going in partnership with universities, departments, private entities and so on. There were six, seven or eight different projects every year, all over the farm. They were great. We learnt a lot from those as well as from the ones we did ourselves. That is the beauty of that sort of work, as long as it is practical and can bring a real practical application of that research to farmers. This is a collaboration. It will build on the current research effort and get behind growers to adopt new practices and so on. It is always a good thing to be looking ahead. Our growers are known for being innovative and very efficient, and I am sure that producers right across Western Australia would welcome more research funding. That is a good thing, but we do not have much detail—what it actually is, how it is going to work for producers and what communication and consultation the government will have with producers.

Another project listed in the budget is the National Water Grid Fund. This is not a WA government-funded initiative; this is an Australian government initiative. There is nothing wrong with it; it is just not a state government initiative, and it is not right to pretend it is. In terms of climate action, the Department of Primary Industries and Regional Development component of the whole-of-government strategy on emissions reduction to comply with the Paris Agreement is a $750 000 commitment over the current financial year and the next one.

There is quite an interesting project with the Katanning Research Station whereby the livestock branch of DPIRD is working to better understand and develop methods and techniques to mitigate greenhouse gas emissions from the livestock industry in Western Australia. It is a good thing that they are looking at that out there. It is nothing particularly exciting, but it is nonetheless welcome. The carbon farming strategy—again, this is the WA component of the carbon farming and land restoration program.

My colleague Hon Dr Steve Thomas will be very familiar with the Paid Escape project for international working holiday-makers, a project that he champions.

Hon Dr Steve Thomas: Escape and wander.

Hon COLIN de GRUSSA: Escape and wander, or work and wander. We are being told that this is not the "linen and boat shoes skipping down the vineyard" project—that this is a new initiative—but it is more or less just a continuation of the state government's failed strategy from the previous year, which did not deliver much. In fact, there was almost nothing of any benefit to Western Australia farmers.

Hon Dr Steve Thomas: Not many workers.

Hon COLIN de GRUSSA: Absolutely—not many workers at all. We asked those questions in estimates. It seems as though the government is hell-bent on pushing more money into this project than actually investing time and money into efforts to work with the federal government to fast-track the skilled workers that are needed in our agriculture industry, and other industries, too. That is where the focus needs to be, not in a flashy advertising campaign. We have continually questioned the merits of this approach. Very little benefit has been shown to have been delivered, and it seems as though the strategy was built more around maintaining the "fortress WA" narrative at the time, rather than working on strategies to provide real solutions to the industry. I really do not see how this could be characterised in the budget as a new initiative. It is not. It would be better to see this funding repurposed towards attracting and retaining the skilled workers that WA needs for the agriculture sector.

I move on now to biosecurity. Obviously, this has been very topical over the winter recess. I raise this issue in the context of the recent outbreaks of foot-and-mouth disease and lumpy skin disease in Indonesia and the importance of a very well resourced and properly skilled biosecurity capability within the Department of Primary Industries and Regional Development. The government has taken every opportunity it can to laud its $15 million investment from the 2021–22 state budget. Apparently, this funding is aimed at providing an additional 22 FTEs to resource biosecurity efforts by that department. I say "apparently" because there has been absolutely no clarity on what those positions are, where they are located, how many people will be located in what regions and what they will be doing to provide the proactive capacity and capability that we need to avoid incursion and spread of any potential pests and diseases. There are a number of threats not just from lumpy skin and foot-and-mouth disease, but to the biosecurity of Australia and Western Australia. I have no issue with extra spending on biosecurity. Over the break I met a professor who has spent his entire life—50 years or more—researching foot-and-mouth disease and has been involved in planning processes for this state, our nation and other nations. He has observed that there is a tendency for biosecurity to wane in importance until something happens and then spending starts again. It would be better if those resources were funded evenly and strongly, even though that may not be particularly attractive to the punter out there, so that it does not drop away and that there is capacity.

Hon Darren West: That's hilarious. You gutted the department.

Hon COLIN de GRUSSA: In a minute I will go on about how this government has gutted the department.

Notwithstanding that, apparently, there will be an additional 22 FTE in the department, the government has already done damage by having a lack of experience in the department thanks to machinery-of-government changes. Issues have been raised continuously—we have raised them in this place—about a lack of experienced veterinary officers within the Department of Primary Industries and Regional Development, especially officers with experience with large animals and good knowledge on how to manage outbreaks such as FMD. For example, there is no DPIRD veterinary officer located in the Esperance region. The nearest one is stationed more than 500 kilometres away. That has resulted in local farmers and private veterinarians having to deal with and monitor issues themselves and it puts great strain on local resources. It is incredibly important that veterinarians have knowledge in and experience of working with large animals, as well as local knowledge about the area in which they live and work, to manage those diseases. It is about knowing who the farmers are, how they operate and assisting them to make sure that biosecurity plans are put in place. We need local knowledge in the department. Unfortunately, the dysfunctional way in which DPIRD was established has led to the gutting of its most experienced biosecurity personnel. The department now does not have the necessary experienced staff to respond to an outbreak, even in an environment in which it is difficult to find anyone for any job. It took the government far too long to realise that and it made an allocation only in the 2021–22 budget. That has left us seriously exposed. As I said, the department has to be funded continuously and adequately every year and not just when it has to respond to any one outbreak. The FMD outbreak has highlighted the government strategy of shifting responsibility onto private veterinarians to assist with outbreaks, rather than having that embedded in regionally located departments with the capacity to proactively manage those risks. It means that we need to call on already stretched emergency services personnel to assist when there is an outbreak. We do not want an outbreak, but the way that the department was established has really gutted the department of any experience and created more problems that take far too long to resolve.

Of course, in talking about FMD I cannot leave out of my contribution today the Minister for Regional Development's gaff and how the "cheap meat and milk" affair played out in the media. I acknowledge that the minister offered an apology, but it is worthwhile addressing the real issue. I understand the minister said following the release of those statements that her remarks were made to a journalist as essentially background information and that they were not for publication. For that, the minister apologised—that is, the minister apologised that her statements were made public. She did not apologise for the statements. She made an apology for the fact that her statements were made public. What is not lost on anyone is that she said it in the first place and that they formed the basis of her disdain and disregard for the industry for which she has portfolio responsibility. Distilled in its most brutal form, "Don't worry. The export market will be destroyed as a consequence of any outbreak, but everyone in Labor's constituency will get cheaper meat and milk", was the context of those remarks. That is the kind of disdain that this minister has for her portfolio, and it is too bad for the absolute destruction of a valuable industry in our state, too bad for the destruction of all the livelihoods, families, regional economies and so many things. Make no mistake, the minister's statements reflect not only her views, but those of the Premier and his government. Just look at how flippantly the Premier has disregarded and dealt with this issue and the minister's conduct and at the way the agriculture portfolio has been funded and how DPIRD has been managed as an agency since the McGowan government has been in power. The only really new initiative contained in this budget essentially relates to the Western Australian agricultural collaboration, and although that proposal has merit, it is difficult to make any judgements on it until we see further details of what that project will deliver. But the balance of any new initiative projects contained within the budget in the agriculture portfolio essentially amounts to DPIRD's commitments to a whole-of-government zero emissions strategy; a failed scheme to attract holiday-makers to work in the agricultural sector; free existing initiatives like the Rural, Remote and Regional Women's Network of WA, which can hardly be called a new initiative—it is a great initiative but not a new one—and the funding of the National Water Grid Authority, which is federal government funding anyway. Put simply, the list of agriculture-related new initiatives in this budget is very short and can be narrowed down to essentially one project, which is in itself is a research partnership.

I now turn to another portfolio for which I have responsibility—that is, the fisheries portfolio. I note that in the budget there is no appropriation set out for the compensation of fishers who will be affected by the south coast marine park under the Fishing and Related Industries Compensation (Marine Reserves) Act. During estimates hearings in the other place, the Minister for Fisheries advised that this was due to the marine park process not yet being completed and the quantum of affected fishers being determined. The question was intended to bring into sharp focus that there is a need for a very fair and transparent process through which licensed fishers affected by a proposed marine park would be compensated. It is no secret that professional fishers have lost confidence that they will receive their fair share of compensation under the FRICMRA, as administered by the Department of Primary Industries and Regional Development, and almost without exception professional fishers will have to try to argue the quantum of fair compensation well after they have lost access to their fishing ground and after they have suffered financial losses. It is quite a perverse circumstance, but it seems that it is working that way almost by design. Those fishers will have to try to negotiate a fair outcome when they are already at a significant negotiating disadvantage. It will be extraordinarily difficult for those families to die in the ditch to fight for a fair outcome that will take many, many years when they do not have any resources because their financial resources have already been depleted. It is a bit like someone who wants to build a freeway on-ramp on someone's front yard offering to buy a house at a very discounted price because there is already a freeway on-ramp in the front yard.

We need to have that process set in place so that the compensation process is based on the value of that resource prior to the marine park, and it must be done in a timely way. As an example of that, Ngari Capes Marine Park, which was gazetted over 10 years ago, has not reached a resolution with affected licensed fishers on their claims for fair compensation. Over 10 years later, having lost access to those fishing grounds and already having significant financial losses, we still do not have a resolution to that issue of compensation for those fishers. With that in mind, the fishers in the south coast and other areas of our state are looking at the process and saying that this is not fair. They are pretty much reaching a point where they are fatalistic about it, basically being resigned to either going out of business or suffering huge financial losses. They are not going to receive fair compensation from the McGowan government.

What we need with the implementation of the Aquatic Resources Management Act and subsequent amendments to the Fishing and Related Industries Compensation (Marine Reserves) Act are changes to the methodology used for evaluation, and that that is based on a reduction in the total allowable catch and that we get a simpler, fairer and faster outcome for those affected fishers. In that respect, I really do implore the government to provide full transparency to professional fishers who will be affected by the proposed south coast marine park. I ask them to provide transparency, firstly, on how the respective changes to the valuation methodology and the compensation process will be amended as a consequence of the implementation of the ARMA; secondly, on the time frame within which compensation will be determined following the gazettal of the proposed marine park; and, thirdly, that any changes to compensation methodology resulting from the implementation of the ARMA be undertaken in full consultation with the professional fishing industry such that all the parties involved have full confidence that a fair outcome can be achieved.

I have some more general comments now about the budget rather than focusing on those portfolio areas. I want to make the point that the budgetary process for the state should not be a device which is used cynically by the government of the day to maintain power or obtain political leverage. It certainly should not be a process of smoke and mirrors whereby the opposition is required to forensically investigate what it is that the government is actually hiding. The nature of this budget, and the ones that have preceded it, are a sad reflection of the McGowan government. It is a budget that does not adhere to the hallmarks of transparency and good governance; rather, it aligns with a wafer-thin political narrative. It is one that is not aimed at providing the best outcomes for the people of Western Australia, but one that aims to repair the significant damage that the government has wrought since it came to power in 2017. The people of Western Australia should not be fooled by the government's continual claims that the current crises playing out in our health, education, police, emergency services, communities and agriculture sectors are merely a result of the COVID-19 pandemic. If anything, the pandemic really has brought to light the catastrophic failures of the McGowan government and the consequences of its failed machinery-of-government initiative—an initiative that took a razor sharp knife to the public sector during its first term. The McGowan government is merely reaping what it has sown in the first four years of its government in terms of the crises playing out across those many sectors.

Make no mistake, if one stops to ask our healthcare workers, our police officers, our emergency service workers, our teachers or any other public sector workers for that matter—and I have—they will all tell a remarkably similar story. Those who have not already left are contemplating their future very seriously, and whether they should also leave. It is their unwavering dedication to serving our communities that is the only thing that stops them from leaving. Despite the way that this government continues to treat those public sector workers, they do that job because they are in the service of the public of WA. They stay in a job despite the pressures that are on them after having endured the brutality of a government that would not listen to anyone, and which has no regard whatsoever for the people through which absolutely critical services are delivered. People have been left broken, disillusioned and lost to the public service. This is why we are in the situation that we are in; not because of COVID, and absolutely not because everybody wants to work in the mining industry. The enduring legacy of the McGowan government to the people of Western Australia will be a broken public sector and a system of government that will take generations to fix. Unfortunately, the Premier and his government are too self-important and too fixed on maintaining a cynical and ultimately destructive political narrative to acknowledge their own failures.

HON STEVE MARTIN (Agricultural) [3.25 pm]: I rise to make a contribution on the debate that notes the budget papers 2022–23, and I look forward to that opportunity. I will start by making a few general remarks about the budget and then deal with some specific portfolio and electorate issues. The good thing about making a budget reply speech in the second week of August is that some time has transpired between the delivery of the budget and today. That has given us some time to focus and see what has happened. Sadly, we have seen another Labor project, at least in my area of interest of housing, put on hold. There were plenty of announcements in the budget, but so far there has not been a lot of delivery, at least in certain areas. Another huge surplus—we are up to about $11 billion over two years I believe, $5.7 billion approximately this year. The iron ore price remains high, which is great news.

Looking back to when our budget was delivered in late May, not much has changed for the McGowan government. The budget is still in rude good health, and that is a good thing for this state. But a lot has changed in the lives of Western Australians in two or three months. It seems like a long time when we talk about the interest rate, the cost-of-living pressures and the inflation that are now bearing down on us after years of flat, very low interest rates. We have now seen the Reserve Bank move rapidly and hard, and that will have an enormous impact on Western Australians. We have seen that the bite of inflation and cost-of-living pressures are real and enormous. On the one hand we have a state government that is positioned very well with a large surplus—the second one in a row—and on the other we have the population of Western Australia facing pressures and things really starting to get tough. The government is in a position to pull some of the levers that would relieve some of that pressure—there is not a lot that it can do about interest rates; that will run its course. Anything it can do around the cost-of-living stuff will be useful, and the surplus will be key in that.

This is my second budget in-reply speech and I raised some of these topics last time. Given the size of the surplus, I think it is disappointing that structural tax reform has again been largely ignored—so with payroll tax and stamp duty, we are about where we were. If we cannot make moves on those two taxes in this particular circumstance when the government is as flush with funds as it is, then it is difficult to see that anything will be done in the near term. I think that is a missed opportunity that we might look back on in years to come.

I want to make a couple of comments about some of the Premier's remarks regarding our budget situation and some of our fellow Australians in the east. I understand it was a good budget with a great result, but I hope that some of the gloating, particularly about how some of our Labor and Liberal colleagues in the eastern states are suffering, does not come back to bite us. The iron ore royalties and the GST return from the federal Liberal–National government are the structural changes in our budget circumstances. If iron ore dropped to $60 a tonne and the GST dropped back to what it was, we would be in a mess. It is a good result, but hubris has a way of coming around and biting you on the what's-her-name.

Regarding iron ore, I do not know, because I do not live there, but I wonder whether the residents of Port Hedland and the Pilbara might have a view on the Premier gloating to the eastern states about our financial circumstances when we know where the iron ore comes from. It comes from the Pilbara. Do residents of the Pilbara feel that they are being adequately looked after, given the massive contribution that region makes to this state's finances and export income? I have seen some of the social housing situations in Port Hedland, for example, and it does not look like it is getting the attention it deserves.

The other point I would like to quickly touch on, which was raised by my colleague Hon Dr Steve Thomas in his reply, is the growth in funds that have been put aside in special purpose accounts. I will touch on some of the numbers. There are a number of new special purpose accounts, including the climate action fund, which contains $1.25 billion; the $500 million digital capability fund; the women's and babies' hospital account with $1.8 billion; $350 million for the remote communities' fund; $750 million for the social housing investment fund; $350 million for the softwood plantation expansion fund; and $400 million in the Westport account. Not much of that has been spent. It is clearly a large amount of money, and we have to wonder about the timing as we get closer to the next election. I assume there is a fair bit of flexibility in those special purpose accounts about where that money will eventually end up, but at the moment, not much of it is hitting the ground. It is sitting in the budget from year to year. I will be keen to see what that looks like as next year rolls around.

The other point that was raised in my budget reply speech last year, and by Hon Dr Steve Thomas this year, was the capability of any government in Western Australia to deliver more than $5 billion or $6 billion in asset spend. The budget has close to $9 billion in asset spend this year; we will see how we go. It appears that given the supply chain issues and the workforce issues that we are currently experiencing, anything close to that would be extraordinary. It would not stagger me if we were to spend again somewhere between $5 billion and $6 billion. Let us hope we get close to $7 billion, but to get to what is in the budget seems overly optimistic.

I move on to a couple of areas of specific interest to me, in a portfolio sense. I start with forestry. We are nearly at the anniversary of the decision announced last September by the McGowan government to shut down the logging of hardwoods in native forests. The impacts of that are still rolling through. We have seen some budgetary implications of that. I want to mention the performance of the minister, who is not here today, at estimates. Hon Alannah MacTiernan was the minister in charge of the Forest Products Commission's performance at estimates. She put on a brave face. Obviously, the hardwood forestry sector has been rocked by this decision and its world is very uncertain at the moment. It does not know what is coming around the corner, literally, in the next couple of months, let alone after 2023, when a new forest management plan will be announced.

According to the out years of budget paper No 2 for the Forest Products Commission, it will be business as usual. It states that revenue from operations in 2023–24 will be $153 million. So that members can gauge that, the 2021–22 budget estimate was for $136 million. In 2024–25, revenue will be $153 million and a bit more. In 2025–26, it will be $153 million. This is despite the hardwood sector being shut down at the end of next year. It was put to the Forest Products Commission during the estimates process that that seems awfully optimistic. At this stage, the minister was starting to grasp the gravity of the situation and was getting a little agitated and was seeking clarification from the staff behind her. The response from the Forest Products Commission was, "That's okay. We realise it will not look anything like that, but Treasury just said to put in the old numbers, roll them out for a couple of years and we'll sort it out later." That is extremely lazy work from the Forest Products Commission, in a budgeting sense, which means, effectively, that it is worthless. Those budget papers pertaining to the Forest Products Commission provide us with no useful information. It is also staggering to the people in the timber industry who are trying to do their budgets that the government can be that lazy with its budgeting, because it does not matter to the government. It will just roll on. The forest management plan will change and it will just change the figures. The people actually in the sector—the private businesses trying to work out what their business will look like in 2024–25 for example—who will go to their bank on that basis, have no idea. I thought that was very disappointing, and we are about to hand the Forest Products Commission $350 million to spend over the next 10 years. I thought I would touch on that.

As I mentioned, it is coming up to 12 months since the original decision on forestry was made. I have spent the last six to nine months visiting as many impacted businesses and communities as I can, as I am sure you have, Acting President (Hon Jackie Jarvis). The real concern at the moment is the enormous amount of uncertainty in those businesses. When the Premier made the announcement last September, we were told that it would be business as usual until the end of 2023 and that the government would announce, probably before then, a new forest management plan for the subsequent 10 years, which will work out what that looks like. But a very few short months after the 6 September announcement, things started to go astray. The logs were not available, as they had been. Certainly, firewood has not been available as it had been. I have been to a number of firewood suppliers in recent months who are either out or about to be out of supply for this year. It would be a good afternoon today to be selling firewood. Most of them do not have any. That is it for this year. Firewood businesses get their timber for the following year about nine to 12 months in advance. Almost none of them have any greenwood that will be deadwood next year, when they should be selling it. Those guys were told it was business as usual, and it is anything but. They are desperately trying to hang on to their staff and keep those businesses alive in those small communities, but that is very hard work.

Similarly, furniture manufacturers, a small but vibrant business sector in this state, do some wonderful work. Jarrah is a very marketable product here and around the world and we have some outstanding local furniture manufacturers. A number of them have jarrah in the business name—"jarrah this" or "something jarrah". That will be a very tough sell if there is no jarrah to put in their tables or furniture. Again, the level of uncertainty in that sector is very high. It has been trying to get responses from the minister about what its industry will look like in coming years, but that has been difficult to achieve. Then we get to the sawmillers and logging contractors. We heard again from FPC that volumes were down because of market conditions, operating additions and the availability of logging contractors. It is no enormous surprise that shortly after a minister or Premier announces that an industry is effectively gone, people start looking elsewhere. They start to wonder whether they should repair a piece of equipment. When something breaks down, they ask themselves whether they should spend $30 000 on a gearbox for a front-end loader or an old truck, or whether they should just cut back. I know that a number of mills are considering whether they have a future in the business, and that is flowing through immediately, not at the end of 2023, obviously. Businesses do not have the luxury that the Forest Products Commission has. The FPC can just roll out its budget and it does not really matter. That nonsense in the budget papers does not really affect anybody, but a small business that goes to a bank with a budget that says for November 2023, "not sure", or, "nothing", will have some very tough decisions to make, and they are being made.

That brings me to some items in the budget around what post-2023 will look like and how the Forest Products Commission will manage that. The Premier announced that there will be environmental thinning and clearing and, obviously, substantial clearing of mining hectares. Evidently, that is fine. That is okay. But who will be around to do that? Will the logging contractors who are needed still be around to do the environmental thinning and deal with the timber that is cleared from those mining hectares? There is every chance that Minister Kelly might get to the end of next year and proclaim his new forest management plan only to look around and see that the sector has gone because of his and the Premier's decision last year. One of the reasons for that is that we do not know what environmental thinning means. We and the sector have been asking whether it means a handful of tonnes or 50 000 tonnes. We simply do not know. The other people who do not know are Simcoa and Parkside Timber. Parkside Timber is a large investor from Queensland. It is a family business that made a significant investment in the Western Australian timber sector. Minister Kelly claims that he did not encourage that investment. He made a very good —

Hon Dr Steve Thomas: He put out a nice press release.

Hon STEVE MARTIN: He certainly put out a lovely press release in 2019 saying that there is a great, long-term future and that it is good to have Parkside here, but now Parkside is very unsure about what the future holds for it. Because of the way the industry works, we cannot have a business like Parkside but nothing underneath it. That large mill is set up to do some work with a certain standard and quality of log, and the other smaller mills operate around that to use what is left over, effectively. The future of that family's investment in Western Australia is in doubt. For those members who are not aware—although I am sure most members are—Simcoa's silica business at Kemerton is a great business. It is an export earner. Simcoa relies on jarrah in the form of charcoal that it burns in the process to produce silica. I am assuming that Simcoa is having quiet discussions with the government and is trying to guarantee the large number of tonnes that it needs, but where does it rank? Is the ranking Simcoa, furniture, firewood and then the small sawmills? Who gets what first? I think that in an answer in the estimates hearings the FPC advised that there would be a bidding process. Does that mean that the person with the biggest chequebook, which I assume might be a large business like Simcoa, will suck it all out of the market and the smaller firewood operators, furniture manufacturers and the very small timber mills will have nothing to bid for, or will they not be able to afford to match the top end of that market? Again, we are now into August 2022, and we do not know. We are hearing that later this year we will see what the management plans will look like. My guess is that it will be very vague and unclear. Again, that will make it very hard for those businesses to plan.

That brings me to some of the other things mentioned in the budget. A $350 million fund has been put in place to plant pines in the south-west corner of the state. Again, we asked during the estimates hearings, and have been asking for months, what the break-up is of freehold farmers versus leaseback farmers. It is quite clear that the Forest Products Commission and the government's preference would be for the land to be freehold. The FPC and the government do not want farmers changing their minds after the first harvest and going back to growing grain, canola or livestock. Of course, the farmers would make that decision only if there was more money to be made from growing grain, canola or livestock, which is interesting. The FPC and the government are nervous about this plan stacking up financially for private enterprise. Obviously, the FPC will be attempting to purchase that land in some form. We attempted to find out from the Forest Products Commission whether it has an estimate of how much those hectares are worth. We are talking about land with 650 millimetres or 700 millimetres of rainfall. That is very valuable land. Even if the soil type is poor, if the land gets 750 mils of rain, it can produce something. I just made the trip from Frankland across to Manjimup. That land used to be used for farming cows and a few sheep, but it is now wall-to-wall canola for feed barley. Two and a half tonnes or three tonnes of canola at $1 000 a tonne is a fair gross margin, Hon Darren West. That means that the land is much more valuable than it was even three or four years ago. The estimate of $10 000 gross a hectare does not include planting the pines, which apparently costs $1 500 or $2 000 a hectare to rip it, plant it and maintain it. We are looking at $8 500 a hectare on land that gets 700 millimetres of rainfall. The FPC simply will not get the hectares that it estimates it needs, which is 33 000 or 34 000 hectares. Land with that amount of rainfall could not be bought today for that amount of money, but, according to the plan in the budget, the FPC will be buying that in nine years for that sort of money. That simply does not add up. It has been put to me from people in that part of the world who should know that if the FPC could get half or two-thirds of that number of hectares, it would be a staggering result. I think the Forest Products Commission needs to reassess what that $350 million will actually buy and the number of pines that can be planted.

Another thing that was mentioned in the budget was the community fund. A certain amount of money will go to those affected communities. We have seen the government spend a large amount of money in Collie, which is one location with a couple of mines. Quite clearly, the fund will have a large impact on that community, but it is a very localised spend. The timber sector covers an enormous amount of territory from just out of Albany, where we have the Redmond Sawmill, to Nannup, Manjimup and Greenbushes. We also have a logging business in Cunderdin in the wheatbelt called Mortlock Timber. We have a firewood operator in Northam, furniture manufacturers in Osborne Park and a firewood business in Malaga. It is a much larger spread, yet nowhere near the amount of money that has been allocated to Collie has been allocated to those communities. I think $30 million has been allocated for those communities. I know that the Shire of Manjimup has its eye on all of that. How will those other communities get anything done? I have to say that the lack of consultation with the communities about how to achieve that spend has been disappointing so far. I hope that the minister will spend some time in those communities and find out the best way to try to rebuild after those jobs are lost. Again, he will probably get to the end of next year and turn around and say that all the workers have gone and there is nothing to rebuild because they were offered a substantial amount of money to leave. A few are starting to do that, and by the end of this financial year a lot more will have left.

I want to move on to the housing portfolio and some of the things that have happened since the state budget was released. Minister Carey is now in charge of another stalled housing program. The Common Ground program was a key part of the state government's response to homelessness in this state, and we have a significant homelessness problem. Last week was National Homelessness Week and we heard from a number of people about the lived experience of what is happening on our streets. A key plank in this state government's response has been Common Ground. As early as 15 July 2020, then Minister McGurk announced—I am reading from a press release from the minister —

> … the location for the new supported housing facility, along with additional funding for homelessness services in response to the COVID-19 pandemic.
>
> People with complex needs will be housed and supported alongside low-income earners in the purpose-built Common Ground complex, which will include at least 70 self-contained apartments.

That was the one in East Perth. It continues —

> The East Perth facility is one of two Common Grounds funded as part of the record $71.7 million State Government funding boost for homelessness services announced in December to support the implementation of WA's first 10-year strategy on homelessness.

That press release is from 15 July 2020 and this project was first mentioned in late 2019. As I said, it is a key plank of the state government's 10-year strategy to combat homelessness. We are now two and a half years in. This is interesting. It was Minister Carey's decision, but he received advice from his department that it could not go ahead; it could not accept the tender.

Hon Sue Ellery: What's bizarre about a minister receiving advice?

Hon STEVE MARTIN: A couple of days before National Homelessness Week, the minister said that we could not accept the tender and we had to go back and seek better value. Minister Carey's release states —

> "As disappointing as this is, this was done upon the advice of the Department of Communities and ensures that value for money is not compromised, under the heated construction market and to the WA taxpayers.
>
> "The State Government will go back out to market shortly, with a new request for tender to deliver Common Ground Perth.

That is interesting. The minister has the money in the budget. According to Minister McGurk, we had the money in the budget in 2020. It sat there for the entirety of 2020; the next year, it was still there. Minister Carey re-announced it with some fanfare in this budget, yet a couple of months later the government has not accepted the tender because it will seek better value. There was no mention of the scope of works changing; it was still 112 beds in East Perth and 50 beds in Mandurah. Has the minister stuck his nose out the window and looked at the construction market? The government is not putting it on hold indefinitely; it will go back out shortly to seek better value. That would be optimistic in the current housing market. Perhaps there will be a change of scope of works. Maybe it did not get any tenders, but that would be hard to discover, or maybe they were 40, 50 or 60 per cent higher than the $70-odd million that was in the budget. We simply do not know.

If we talk to the sector—Ruah Community Services and Shelter WA, for example—and both Ministers McGurk and Carey, we are told that Common Ground is a wonderful concept and will go a long way to easing the enormous pressure facing rough sleepers in Perth. But in an extraordinary decision, the minister, on the advice of the department, is seeking better value. I hope that process is quick and his optimism is repaid and he can find someone to build it for less than the recent tenders.

I want to touch on National Homelessness Week, which was held last week. It highlighted for all of us the issues facing rough sleepers in our community. It brought that home, particularly to me when I heard from some of the people who shared their lived experience of homelessness, and I thought I might share that with members. We heard from Anthea Corbett at the Shelter WA launch on Monday last week. The weather was similar to today's weather, which puts in perspective how tough it would be for those people. The good news about Anthea Corbett's story is that there was a happy-ish ending. She has reached a point in her life that is admirable and she worked hard to get there. It showed us that there is a way through this. Things such as Common Ground would be of enormous help. Through the support of Ruah, the state government and other agencies, she has been able to make great strides, but she had a very tough time, and I will share some of her experiences with members.

She was homeless. She is from Northampton, from memory, and she moved to the city and back and forth. She was homeless when she received a diagnosis of cancer on her foot. That makes living anywhere tough but living in Northampton made it particularly tough, so she had to move to the city. That put her at risk of being on the streets, but she needed to be here to get treatment. I had a chat to her. A friend of mine who has gone through a similar thing made a poor call—this is a bit gruesome—to slice off bits of his foot to try to get rid of the cancer and keep it at bay. Anthea took the very brave decision to say, "No, I want this done. Take it off below the knee." She was fitted with a prosthetic leg. She charged up the steps of the podium the other day like she was a 22-year-old. She made that decision and that effectively saved her life, but it made her transition from homelessness to living in appropriate housing a really tough one. She basically got through with the support of the sector around her. The message was that if enough support is in place and appropriate housing is available, there is a way out of homelessness for Western Australians. She sent an inspiring message to all of us.

I want to talk about the social housing waitlists. The numbers continue to grow, sadly. Minister Carey is doing what he can, but we now have over 19 000 applicants, which is approximately 34 000 people on our social housing waitlist. That is a significant increase since June 2019. We now have more than 4 100 on our priority waitlist. Despite announcements of record spend, the social housing waitlist continues to grow. Quite clearly, not everyone on that waitlist is on the streets. The vast majority have a home; they simply seek more appropriate housing. But that number continues to grow and the average wait time is now years. I will just reinforce the numbers. On 30 June this year, there were 19 070 applicants. That is a 38 per cent increase since June 2019. The priority waitlist had 4 141 applicants. That is a 163 per cent rise since 2019. At the same time, we have a very low rate of rental vacancies in the private market.

We were in Manjimup last week and the shire CEO informed us that that morning Manjimup had zero rental vacancies—0.0. Regional Western Australia for some reason is at least as bad and usually worse when it comes to private rentals, and the social housing market is tough as well. That adds to the housing stress. Rents have gone up. We are still affordable compared with Sydney and Melbourne and the other larger eastern states capitals, but availability is the issue in Western Australia. It does not matter whether people can afford it if there are no properties to buy or rent. At the moment, we do not have enough rental properties.

I will go back to the Common Ground story, which was recognised by the state government as being crucial to the pathway out of homelessness and was a key plank in its strategy. Crisis accommodation beds are focused in the Boorloo Bidee Mia facility. We are about at the one-year anniversary of the opening of Boorloo Bidee Mia, which has been successful. It has worked really well in getting people who have very complex needs into a bed and off the streets. I have been asking questions about its capacity, which is appropriate. The minister announced at the time that it had a planned capacity of 100, clearly based on need. The government thought that it needed to cater for 100 people; therefore, it built a facility that could hold 100 people. The number of people in that facility appears to be steady and consistent in the mid-60s. The people who run that facility suggest that that is about the maximum that can be accommodated to run it safely for residents and staff. That appears to be a safe, well-run facility capped at about 65. That is fine, but money was allocated for 100. We are not going to get to 100 and that might be appropriate. That tells us that there is still a need. We really need Boorloo Bidee Mia mark 2. The emphasis with that facility is the CBD, but there is also Fremantle, Midland and Armadale. I think smaller might be better. We might need three, four or more of these 20, 30 or 40-bed facilities, which would ease the problem. Most of the services congregate around the CBD. There is an argument about whether that is because there is homelessness here or the homeless are here because the services are here. That does not really matter. We know there are homeless people in the eastern suburbs and in Fremantle. Boorloo Bidee Mia is doing a great job, but it is capped at 60-odd residents. Given there is $2.4 billion in the housing and homelessness budget, I urge Minister Carey to look at spreading that response around Western Australia.

I will just mention another issue that was brought to light last week as part of National Homelessness Week. We do a reasonable job at responding in the city—the services do a good job, the not-for-profits do a good job and the government responds—but in regional WA, the response is sadly lacking. The *Ending homelessness in Western Australia 2022* report was headed by Professor Paul Flatau and released by the Western Australian Alliance to End Homelessness. The report found that people who live in rural and remote Western Australia experience homelessness at a much higher rate than people who live in Perth or Mandurah. I am not referring to raw numbers but to a higher rate. That makes sense; there is a large population in the city so there will be more homelessness here. But as a percentage of the population, people in Perth, Mandurah and Bunbury experience homelessness at a rate of 27, 26 and 25 people per 10 000 population, whereas for outback north—I am not quite sure what the distinction is—the rate is 142 people per 10 000; for outback south, it is 73; and for the wheatbelt, it is 31.8. That rate is 400 per cent higher than in the city. Our response needs to be a little more nimble and tailored, and we need to do more in places like Esperance, Busselton, Geraldton and so on because there is a real need there. Coupled with that, of course, is that the private rental vacancy rates in those areas are even lower than in the city. It is about one per cent in the city. In Manjimup, it was zero last week. It currently sits around 0.6 per cent in most regional areas—Albany, Geraldton, Kalgoorlie et cetera. There is work to do there. As I have said, the minister has a large allocation in this budget and we need to see some results.

I have a couple of other more Agricultural Region–specific issues. Hon Colin de Grussa touched on the response to foot-and-mouth disease. I do not need to go over the minister's missteps, but I think it is important that we all understand the significance of this. If a large outbreak were to happen in Australia—I think it is still a small chance, but it is not a chance we can take—the Australian Bureau of Agricultural and Resource Economics and Sciences has estimated that the impact would be $80 billion over 10 years. After 10 years, ABARES estimates that our export market access would recover by 80 per cent for beef—so, after 10 long years, we would get only 80 per cent of our current market back—87 per cent for pork and 92 per cent for sheep meat. That tells us how important this issue is. It needs the full attention of the minister and the government.

This is one of a couple of issues that are obviously not in the budget because it has happened quite recently. As we have discovered with COVID, the tracing of a disease in a pandemic or an epidemic is crucial. Western Australia is not well placed to electronically trace sheep. The Victorians electronically tag every sheep, which reduces the time that it takes to track down what goes where, effectively. Estimates vary, but it would be somewhere between three or four days to three or four weeks depending on the type of tagging. The Victorian state government makes a contribution to that process. I think that was made possible through the sale of Melbourne port some years ago; that has assisted with that rollout. Now that FMD is on our doorstep, we are obviously aware of the need to act. I am sure the government will look at making a contribution to an electronic tagging process, because it would then be much quicker and easier to contain an outbreak if it gets here—let us hope it is an "if".

Hon Colin de Grussa also touched on biosecurity funding. From my reading of the numbers, some of the state governments in the east have made a greater jump in response to the outbreak in Indonesia. I think it should absolutely be the focus of the Department of Primary Industries and Regional Development this year to spend more on biosecurity in the short term. I just want to touch on one of the reasons that I think we have taken our eye off the ball in that area. I am not talking about the borders in this instance; I am talking about our feral animal population. If foot-and-mouth disease got into the feral pig population, for example, it would make it almost impossible—Hon Dr Steve Thomas would probably have a better idea—for us to stand up and say to our trading partners, "It's gone. We're clear of FMD and we can now get back to trading." If FMD was in the feral pig population and/or the feral goat population, its eradication and control would be a much harder task. Previous governments, both ours and yours, let state land run amuck with feral animals and weeds. Feral pigs can be found throughout state forests. In the north of the country, there are feral animals everywhere. If FMD got into those populations, it would make the task of controlling an outbreak so much harder for industry and government. A little bit of prevention over the past 20 years might have made that situation look a little better now.

The other issue, of course, is compensation. There was an initial flurry of questions about whether people would be compensated, because there was a bit of panic initially. A bit of messaging from the state government around the issue of compensation would be useful. My understanding is that it is an 80–20 model—the government would provide 80 per cent and industry would provide 20 per cent. I am not sure about the split between the federal and state governments in that component. I assume the state government knows what its share of it is. I would be surprised if it is 50–50, but it would be significant. If we start culling tens of thousands of animals, the state government's contribution will be enormous. The 20 per cent share from industry is interesting. I do not know whether there is a levy in place at the moment that is putting aside any money for the potential culling of large numbers of animals. I do not know where the industry will find that in a hurry. I am guessing it will be able to park it and pay a levy for the coming 15 years, which will be interesting if no-one gets back into livestock because they cannot trade. The state and federal government's contribution might be larger than they anticipate. I think some clarity from the government around that would be useful, when it looks at the budget for that department.

There are a couple of other things I would like to touch on. We saw a record 24 million-tonne grain crop in Western Australia last year. That is an outstanding result. It is wonderful news and great for the state and rural and regional communities. Getting the grain on a boat to get it to a market as quickly as possible presented a significant challenge to Co-operative Bulk Handling Ltd grain handlers and marketers. Western Australia was in a very unusual circumstance in that our grain prices were trading at a significant discount to world prices because we could not get it to market quick enough. Obviously, there are supply chain issues in every sector and in every port across the world at the moment, but only a few short years ago 24 million tonnes would have seemed well out of reach. Now it has been achieved and CBH has quickly responded and put some work into what the average crop might look like going forward. It estimates that it might be a 22 million-tonne average and, by 2033, they might be harvesting 28 million tonnes of grain in this state. Hon Darren West has stepped out on urgent parliamentary business, but if it keeps raining like it has been for the last week in Northam, he might contribute a fair bit of that. It is looking like there will be at least another 20–million tonne crop on top of a fair carryover from last year, so CBH will be trying to get grain out of port very quickly.

That brings me to the topic of the agricultural supply chain improvement program. ASCI is the state and federal government contribution to rail, which is being spent in the budget. We asked in estimates about the time line on some of this. There are three tranches to the ASCI money, which is mainly federal money. There is a $40 million contribution from the state and a significant contribution from CBH. It is being spent on various rail lines, sidings and facilities across the state, except for $72 million that is parked in the southern wheatbelt region, waiting for a study to assess whether the line from Narrogin to Kulin will be upgraded. It is a study. I asked in estimates whether that meant that some of the federal money is being parked as well as some of the state money. The Leader of the House assured me it was. We are not spending all the federal money up-front on the three projects that are to be done. Most of the $72 million is commonwealth money with a state contribution. That is stuck there, I assume, until this study finds out whether there is a need for the line or the costs of the line. It is my understanding that, even if the report comes back positively, $72 million gets us halfway to Kulin. Now, I happen to live in that part of the world and there is not a grain bin between Narrogin and Kulin on that railway line—not one that has operated in the last five years. That is interesting. Do we build that line? Some of the proposed uses for the line are stated in the minister's press release. It states —

> … it will provide the capacity for other primary producers, for example hay exporters, to use a rail service.

Again, this is interesting. There are a lot of hay plants in Western Australia. A large number of them are on the Great Southern Railway line. That is about the middle of the hay belt. None of them use the Great Southern Railway line to transport hay, yet somehow this new upgraded line from Narrogin to Kulin will attract the hay export market onto rail. I know exactly what that study will say when we see it in six months: the grain growers do not want it and it is not needed. I do not understand the delay. A kaolin mine was mentioned. I should declare that that kaolin mine is a couple of paddocks from my farm at Wickepin. That mine might be a user of the line. That will be a great result; it will get half a million tonnes off the road network. Has the government spoken to the kaolin operators about whether that would be appropriate and when, and so on?

Unfortunately, Acting President, it does seem it will be some time before that $72 million is spent. I might be a little biased but I think the main freight task is getting those extra tonnes that growers are about to produce to a port as quickly as possible. If that is not an outcome of that $72 million spend, then I think we are missing the point of this program. That would be disappointing. I will make one more point on the ASCI funding. We have seen a change in the federal government recently and we have heard about the dire budget position and "huge spending pressures" from Treasurer Chalmers. This is what new governments do; they always say the other mob stuffed it up. Five and a half years later we are still hearing that from across the chamber. That is fine; that is what incoming governments do. There is no difference here.

We are seeing enormous spending pressures. Aged care is about to get a much deserved increase in funding. Child care will also get an increase in funding, and there is a significant budget deficit and large debt looming. My point is, if we have not spent ASCI mark 1, years after getting it, it is going to be very hard to get ASCI mark 2. Minister Chalmers has a long shopping list in front of him. He has "huge spending pressures"—his words, not mine. I hope the wheatbelt rail network will get his attention in 18 months. I urge the government to get the report done quickly and spend that money. If it is spent on that section of line, that is good, unless there is a better spend for that. ASCI funds can be spent on road and rail but, so far, every cent has gone to the rail network. There are enormous pressures on our road network in the grain freight task around Chester Pass Road. I think about a million tonnes a year go to Albany port on that road, so that might be a useful spend. If members think the Narrogin–Kulin line is worthy of an extra $70 million, get it in ASCI mark 2, but get it in front of the Treasurer right now. He is facing huge spending pressures and we do not want those vital transport links to slip down the list.

I just have a couple of quick things before I run out of time. Hon Colin de Grussa mentioned Westport. I do not know whether it will happen in five years or 10 years. That is fine. There is $400 million in one of those special purpose accounts for Westport. That is great. Oakajee is in the Agricultural Region. It is a shame Minister MacTiernan is not here. We hear a lot about Oakajee, but we do not see anything in the budget for it. I think we got $7 million last year for a road upgrade. Talk about the road to nowhere! The road to Oakajee does not go anywhere. There is nothing at Oakajee—nothing. Another budget and another year down the track, if the government wants to put it out of its misery and let everyone know it is dead and buried, that is fine. The government brings it up every year. Oakajee is a potential hydrogen hub and a great port that we need, but, sadly, we do not see anything in the budget. It has just slipped through again, which is disappointing.

I know the Leader of the House has been to Esperance Senior High School; she went there quite recently. I believe there is $1 million for a STEM facility. I hope that is spent on the bit of the TAFE building that the Leader of the House has claimed back into the high school. Do not spend it on that. The rest of that high school is falling down. In fact, this afternoon, in this weather, those kids will be running from classroom block to classroom block without shelter. It is in need of a serious upgrade. It is great that the million is there in the budget, and it is great that it is going to STEM, but do not waste it on something that will have to be bowled over in a couple of years when the government gets around to realising that it should be on the list of schools that need some work. I have been to a fair few high schools and schools in the Agricultural Region, not in the metro region. But if there is a worse set of buildings anywhere than at Esperance Senior High School, I would be keen to go and have a visit. It reminds me of the old ag department buildings from a few years back that were much unloved for decades. Esperance Senior High School is similar.

I will draw my remarks to a close shortly. I want to mention that the Geraldton Health Campus project—I could not help myself—is in another budget. I think it has been included in five budgets now. This is similar to the Common Ground story; we have gone back to the market for better value. As far as I am aware, we have not upped the money. We still have a nice car park. We have still had the funding announced and a series of media releases from various ministers, local members, the member for the Agricultural Region and the Premier. It is all good. It is all about to happen. We are now six budgets in for this government and the Geraldton Health Campus project remains parked, which is unfortunate. Even a start date would be good. Just give us a start date. I do not expect to know when the tough building market is going to end, but draw a line in the sand and say, "Let's start it on 1 February 2023", or something. At this stage, we have no idea when that project will commence.

I wish the government well. I have a feeling that in 12 months the world will again look very, very different from what it does now. The interest rate stuff is still happening. The inflation story is still to be resolved. Cost-of-living pressures are enormous. We are seeing wage rises, after a period of wage stagnation, starting to be delivered. I wish the government luck with getting this budget on the ground. The next one might be a seriously different beast.

Debate adjourned, on motion by **Hon Colin de Grussa**.