

ESTIMATES OF REVENUE AND EXPENDITURE

Consideration of Tabled Papers

Resumed from an earlier stage of the sitting.

HON COLIN HOLT (South West) [5.09 pm]: I have only 11 minutes, so I will start to wind up my contribution. I was talking about priority projects that came out of the budget estimates hearing with Main Roads Western Australia. There are 18 priority projects. I was talking about some of them. They are all in metropolitan Perth. I raise this in the context of the Albany ring-road. In estimates I asked about the contribution in the budget of \$35 million towards the Albany ring-road with the requirement that that will be 20 per cent of the funding. At the moment, \$137 million is being requested from the federal government to fund that road.

Hon Alannah MacTiernan: This is from the Perth Freight Link money?

Hon COLIN HOLT: No. I raised it for a different reason. The government has committed \$35 million and will go to the feds to get the other 80 per cent. That has not gone to the federal government yet. The state government is still working on the business case for it. My question in estimates was about what would happen when that was submitted. Would that project have to compete with other priorities within the Main Roads bailiwick or responsibilities? The answer to that was yes and that it would be submitted as part of some funding towards the Bunbury bypass road and a heap of funding projects in metropolitan Perth under a busting jobs and busting congestion type deal. It seems to me like there is a big risk here. There are a couple of risks to that project ever getting funding. One is that the federal government might say that it is not a priority for it and not fund it.

Hon Jim Chown: That is what it said last time.

Hon COLIN HOLT: As we know, it says that a fair bit.

The second risk would be the development of the business case that goes to the feds in context of all the other cases that go to Infrastructure Australia for funding. I was surprised at the 18 priority projects in Perth. It raises the question of where the Albany ring-road and those other regional Main Roads funding priorities fit in that priority list. It seems to me that \$35 million is a great commitment, but although it is in the budget, it may never happen. In estimates I asked a question about what would happen to that. I got a reasonable answer from the responsible minister. I wanted to get down to the nub of it because I wanted to see it funded too and I would like to see the best business case possible go to the federal government for funding. I am worried that because the 18 other projects that this government is focused on are all in metropolitan Perth, it may be on the bottom of the list. How will it promote this project amongst all that? That was my question. I asked what would happen to the \$35 million if it did not get funded. Understandably, the answer was that the government did not know yet. The minister representing the Minister for Transport during estimates was Hon Stephen Dawson. In my question I asked —

... if the federal government does not give the 80 per cent, what happens to the state's 20 per cent? Does it go into some other project or does it build 20 per cent of the road?

I thought that was a reasonable question because there are stages to the Albany ring-road so maybe they can get a start on the project. It would not be ideal; it would be good to get in there and do the whole lot all in one go. Hon Stephen Dawson answered —

In the unlikely event that that does not happen, a decision will be made at the time. But the money is in the budget at this stage, and the minister has a level of confidence that the feds and Infrastructure Australia will come to the party and fund this very important initiative in regional Western Australia.

I asked —

When the submission is made to Infrastructure Australia when all those other projects go in, does that become public?

The answer was yes, that it publishes them on its website. I was pretty encouraged by the response from the representative minister, who said that he was basically of the belief that it is an important initiative and that he thinks that Infrastructure Australia will fund it or at least look on it favourably. When those submissions go to the federal government and Infrastructure Australia, I look forward to seeing how high on the list the Albany ring-road will be. That \$35 million certainly would be useful on that project. Maybe there are other things to do in the great southern if that \$35 million does not come to fruition.

I will sum up my contribution but I want to raise one related issue about Local Projects, Local Jobs. Royalties for regions funds important regional projects; that is exactly why it was established. It is lucky that it was established so that all the commitments made by this government to regional Western Australians can be fulfilled through that funding. To make sure it could fund the Local Projects, Local Jobs projects it committed to, the government had

to find savings in other areas. Government makes choices about priorities; it is allowed to do that. Our job is to ensure that some of the other cuts, such as the budget savings measures that have occurred in royalties for regions and the redirection of funding away from what other people consider important priorities, is highlighted. The government can stand up and defend its decisions. Through these processes in Parliament, in which we ask questions for transparency on behalf of the community, we expect answers to come on how those decisions were made. I do not think we ever got the answer in a real way about how decisions were made about Local Projects, Local Jobs. We know that they were election commitments. Whether there were some rigorous guidelines and assessments about how many jobs they will create are all questions that still need to be answered by this government.

HON CHARLES SMITH (East Metropolitan) [5.17 pm]: As efficient as I am, I do not think five minutes in this session will let me fire my way through.

The PRESIDENT: No, but you can give it a really good start.

Hon CHARLES SMITH: Thank you, Madam President. I appreciate that. Let me start by acknowledging the incredible fiscal challenge facing this new Labor state government. The incoming government inherited a truly dreadful set of red ink–stained books. I am cognisant that some difficult decisions will need to be made. We need to restore the budget and prevent Western Australia’s debt from further ballooning. Unless urgent action is taken, Western Australia’s total public sector debt will soar to nearly \$50 billion. That is unprecedented and totally unacceptable. Of particular concern is the interest bill, which will cost Western Australian taxpayers millions of dollars. It was reported earlier this year that interest alone on the state debt will almost double to \$1.2 billion by the end of this decade. Failure to put our finances in order will have serious repercussions for all ordinary Western Australians. It will mean less funding for infrastructure and services and will ultimately lower our living standards. It beggars belief that we are in this fiscal situation at all. As we all know, Western Australia underwent a massive mining boom. It was a once in a century economic expansion. What do we have to show for it? We have a mountain of debt and a whole lot of economic pain. It behoves us, in this current climate, to take the appropriate measures, to help restore the health of the state’s finances and to prevent Western Australia from sinking further into debt and economic stagnation. We also need to ensure that Western Australia never finds itself in this position again.

We believe in sensible and fair budget repair. We believe in being up-front with the Western Australian people about the problems we face and the steps we need to take to resolve those problems. I note that the government has stated that everyone will need to share the burden to help get Western Australia back on track, and that it is committed to minimising the impact on struggling families and small businesses. It seems odd, then, that the state government chose to target certain areas and sectors for increased charges, while shielding others. Surely the burden could be spread across sectors.

Debate adjourned, pursuant to standing orders.