

Extract from Hansard

[ASSEMBLY — Thursday, 14 September 2017]

p4144a-4170a

Mr John McGrath; Mr Shane Love; Mr Colin Barnett; Mr Peter Katsambanis; Mr Ian Blayney; Mrs Jessica Stojkovski; Mr Kevin Michel; Mr Ben Wyatt

APPROPRIATION (RECURRENT 2017–18) BILL 2017

APPROPRIATION (CAPITAL 2017–18) BILL 2017

Second Reading — Cognate Debate

Resumed from 13 September.

MR J.E. McGRATH (South Perth) [5.11 pm]: I feel I am one of those footballers who comes out after the game in the semi-dark and run laps of the oval. Once everything has happened and all the excitement has gone, I have to give my second reading contribution to the Appropriation (Recurrent 2017–18) Bill 2017 and Appropriation (Capital 2017–18) Bill 2017.

The SPEAKER: Member, I am sure we would all like to see you run laps of the oval!

Mr J.E. McGRATH: It is a convention of this place that every member gets to speak on the budget before the Treasurer gives his closing address. Next week is estimates week, which is really consideration in detail of the budget. I have heard speeches by a lot of the new members. Congratulations to all the new members, and some of the older members, in the McGowan government. I do not think any member gave a speech without attacking the former Liberal–National government. I did not hear anything about the \$650 million that in the first year of our first term we put into the not-for-profit sector. I did not hear anything about the new stadium, Elizabeth Quay, sinking the railway, the Forrestfield rail link, Fiona Stanley Hospital, regional hospitals and Perth Children’s Hospital, which will be one of the great children’s hospitals of the world when the government finally opens it and sorts out a few minor problems.

The former government even spent money in Labor electorates. I know that the Premier made a big thing about building a new school on Kitchener Park. I will tell members some of the things the Liberal–National government did in Labor electorates. I am a Fremantle boy. There are not too many Liberals where I come from in Fremantle. The former government spent \$35 billion on South Fremantle Senior High School. By merging Hamilton Senior High School and South Fremantle Senior High School we gave Fremantle kids an opportunity to go forward if they were gifted and talented students. In Armadale, we built a new police station and court complex for \$86 million. Armadale is a seat that the Liberals will never win in a hundred years. We spent that money because there was a need. Also in Armadale, we spent \$9.4 million on Armadale Senior High School and Cecil Andrews Senior High School to provide a better pathway for young people. That is what good, responsible governments do.

Dr A.D. Buti: It has a good local member!

Mr J.E. McGRATH: We listened to the member for Armadale’s calls. I will make a call soon and I hope that the new government listens to my call. At Armadale Senior High School, it was about focusing on providing vocational education and training. At Cecil Andrews Senior High School, it was to focus on providing academic programs for students wishing to go on to tertiary study.

I want to mention quickly a school in my electorate that I cannot believe governments of both persuasions have neglected for over 20 years—Como Secondary College. The Liberal Party went to the last election with a commitment to spend \$20 million on Como Secondary College and on Kent Street Senior High School, which is now in my electorate. That school moves in and out of my electorate depending on boundary changes. The state government announced that it will invest \$465 million in school infrastructure across the state. It will build 11 new schools and upgrade 28 schools. Como Secondary College has 830 students. Of those, 437 live in the intake area that is in my electorate, and 393 come from outside the electorate. They come from places like Victoria Park, East Victoria Park, Kensington, St James, Bentley, Cannington, Lathlain and Carlisle. Most of their parents are Labor voters—most of them would be; not all. The students who attend Como Secondary College’s specialist programs travel from suburbs such as Leeming, South Lake, Hammond Park, Meadow Springs, Canning Vale, Kenwick, Seville Grove, Ballajura, Duncraig and Currabine. Como Secondary College has specialist programs such as enriched mathematics, information technology, and science. It has a school of contemporary jazz music, a golf academy and a hockey academy. It is a school that punches well above its weight.

Now I want to tell members about some of its problems. Children go to this school in the hope that today, in the twenty-first century, they will be able to go on to university. Recently, the school library needed to close for three weeks due to a water leak above the main electrical switchboard. Some work had been done on the roof and water was pouring into the main electrical switchboard so the library had to be shut down. Water leaks on to the gymnasium floor from an air conditioner installation on the gym’s roof. The school had a rat infestation! Rats were nesting in the straw insulation in the school’s roof. It has had communication and wireless network problems. The outdoor basketball courts need resurfacing and line marking. It needs an additional change room facility. This is a school that, in the twenty-first century, needs some help. I implore the McGowan government, now that the

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Premier has said that he will spend money in Liberal electorates, to put Como Secondary College high up on the list. I know that the member for Victoria Park, the Treasurer, is very close to the electorate of South Perth. He is a neighbour of mine, we get on very well, and he will see that this is a need.

I will now talk about my shadow portfolios. One of the most interesting things that happened in the portfolio of racing in recent times was our government's decision to privatise the TAB. I am sure that the McGowan government will sell the TAB; I am very confident of that. The TAB will be sold and I think there will be significant changes in the racing industry as a result. The government has already appointed a company called Investec to become an adviser. This company has been asked by the McGowan government to look at privatising or selling the TAB. It oversaw the privatisation of the TAB in South Australia. When we wanted to sell the TAB, the now Minister for Racing and Gaming, Minister Papalia, said the following about South Australia —

What has happened elsewhere in this country when the equivalent of the TAB in those states has been sold? Invariably the returns from the industry have diminished. What will happen with the distribution?

That is, if you people sell the TAB —

It will become completely bankrupt, as happened in Tasmania through the grubby deal done between the Premier —

A Labor Premier —

... and the Tatts representatives, and resulted in a complete collapse of the industry there ... what happened in South Australia?

Said the now Minister for Racing and Gaming. He continued —

I have been told by the professionals in the industry in South Australia that the big operators are packing up and leaving because they just cannot make a living. The trainers are leaving that state because the returns to the industry, the distributions to the industry, have collapsed.

The company that helped put the Totalisator Agency Board deal together in South Australia—the deal that sent South Australian racing broke—has been hired by this government —

Mr P. Papalia: To do what?

Mr J.E. McGRATH: To look at putting a deal together to sell the TAB.

Mr P. Papalia: No, that's not what it's been hired for.

Mr J.E. McGRATH: That is what it has been hired for. It has been hired for that.

Mr P. Papalia: Are you going to take an interjection so I can —

Mr J.E. McGRATH: No; no interjections from the Minister for Tourism tonight.

Several members interjected.

Mr J.E. McGRATH: I stand here on 14 September and say the TAB will be sold. You guys will sell it because you know in your hearts of hearts it has to happen.

Mr P. Papalia: What if the due diligence comes back —

Mr J.E. McGRATH: Why would the government need to run a gambling company?

Mr P. Papalia interjected.

Mr J.E. McGRATH: The other one the Treasurer announced in the budget was that the government will bring in a point-of-consumption tax. I am not against a point-of-consumption tax because the TABs are being badly affected by corporate bookmakers. If we want to protect our WA TAB we need to bring in a point-of-consumption tax so that anyone from outside—any operator from interstate or overseas—who takes a bet from a Western Australian punter has to pay a tax. That is fair enough. My question is—we will ask this during consideration in detail—what the return to the industry will be. The Treasurer said in the Treasury document that all other taxes would be waived, and there would be one tax.

Mr P. Papalia: I can tell you.

Mr J.E. McGRATH: We need to know how much this will raise. I think in the budget —

Mr P. Papalia: You ask me in estimates if you want, and I'll tell you.

Mr J.E. McGRATH: I will hold the minister to that.

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Mr P. Papalia: I can tell you now.

Mr J.E. McGRATH: Yes, okay; that is very good. I would like to ask the minister. According to the budget papers, the point-of-consumption tax is estimated to generate revenue of \$19.4 million in 2018–19, \$39.7 million in 2019–20, and \$40.5 million in 2021.

Mr P. Papalia: You wanted to know the net returns, didn't you?

Mr J.E. McGRATH: That is over the forward estimates. That equates to about \$100 million over the coming years. When the South Australian government announced its point-of-consumption tax—we know what Treasury are like when it gets its hands on tax money; it does not like giving any back—it said it was going to get \$9.1 million or something in the first year, but it had not said anything to the industry about whether the industry would get any of that money. I know the new Minister for Racing and Gaming is down there with all those racing people at the Lark Hill facility, and they all get into his ear and tell him what a bad person I was for the racing industry —

Mr P. Papalia: I never said that.

Mr J.E. McGRATH: “He’s going to send our industry broke. You go out and fight for us”, and that is what he did. He came in and championed the cause; stopped this evil member for South Perth from selling —

Several members interjected.

Mr J.E. McGRATH: Yes, they all loved me.

We are looking forward to this. We are obviously on board with the minister and his government on whatever they do in this area because we want what is best for the industry. The industry is under a lot of pressure. Times are changing, people do not go to the races anymore, it is hard to attract crowds and the cost of having racehorses is prohibitive for a lot of people. We want to make sure the sector is looked after. One thing the member for Cottesloe as Premier said to the industry meetings I was at was, “You guys have to look at setting your industry up for the next 50 years. If we sell the TAB, this might be your opportunity.” The world is changing all the time. Back in the Roman days they had chariot racing; they do not have it anymore. We do not know what will happen in years to come with people going to racetracks and watching little guys jump on horses and ride them around. We do not know where the world is going.

Dr M.D. Nahan: Aren't the trots the chariots?

Mr J.E. McGRATH: The trots are chariots, yes. The trots had other names that some disgruntled punters used to call them!

I cannot believe the audacity—I do not think the Minister for Tourism made this announcement—on liquor licensing. The government put out a media release on liquor reform that reads —

As part of the McGowan Government's priority to elevate the importance of tourism in our State, changes to the Liquor Control Regulations 1989 have been approved.

From tomorrow (September 13) tour operators, who gain accreditation, can supply alcohol on their tours.

This means accredited tourism businesses can now offer hospitality experiences such as providing self-serve beer and wine to guests at a barbecue dinner or creating a dining experience with alcohol while touring an attraction.

What a great announcement by the McGowan government!

The truth is that this has all come about as a result of the review of the Liquor Control Act and the liquor control regulations that was undertaken in 2012 under the Barnett government.

Mr P. Papalia: That's not right.

Mr J.E. McGRATH: Talk about stealing the credit! I cannot believe the Minister for Tourism would ever do that; he is not that sort of person!

Mr P. Papalia interjected.

Mr J.E. McGRATH: He is a frogman!

Mr P. Papalia: The regulation changed yesterday. The regulation changed yesterday because we changed it!

Mr J.E. McGRATH: In November 2014 —

Mr P. Papalia: You might have done a report in 2012, but you didn't do anything about it.

Mr J.E. McGRATH: In November 2014 the former Liberal-led government responded to the review committee's recommendations and proposed to make amendments to the act and regulations that included an exemption for the

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sale and supply of liquor by accredited tour operators in prescribed circumstances. We would have done that if you blokes had not kept us so busy fighting you off and being so negative about anything we tried to do in this state. I said earlier —

Several members interjected.

The SPEAKER: Minister for Tourism, I call you to order for the first time. You have had the opportunity —

Mr P. Papalia: He is talking to me.

The SPEAKER: It does not matter. Minister for Tourism!

Mr J.E. McGRATH: I am aware of the time, so I will take only a few more minutes. I have spoken about the great Como high school with its hockey and golf programs. Here is a local story. This will touch members. A good member of Parliament hears these stories. Members heard about Doug Shave buying someone a fridge. I do not know how many fridges I have bought, but I am a generous member.

Several members interjected.

Mr J.E. McGRATH: About three months ago, the McGowan government announced it was increasing the daily electricity supply charge from 48.6c a day to 94.91c a day. We in the business of politics know that before the state election Labor said it was going to stop electricity prices from increasing. It ran a scare campaign that told people “Don’t support the government because they want to sell half of Western Power. They’re going to sell half of Western Power. Prices will go through the roof. They’ll get some company from Russia to come in and buy it.” A lot of people out there were blindsided by this. I received a call from a constituent this week—a 65-year-old lady. She is recently retired and is in the process of applying for a pension. My constituent told me that leading up to her retirement she wanted to be prudent and responsible in managing her household costs. She therefore made a lot of effort to reduce her electricity use. She keeps an eye on the meter and the bills, and they have been coming down. She has been acting very frugally and with restraint. It was of course a shock to her when she recently discovered that compared with her previous electricity bill of \$121, her latest bill is \$143. She knew that could not have come from her consumption because she is watching it. She does not turn the heater on at night and all that. She lays there freezing so that her bill does not go up. Mr Speaker, you would be feeling sorry for this woman—I know that—because you are a compassionate person —

Several members interjected.

The SPEAKER: Point of order!

Mr J.E. McGRATH: That is an example. We are not in government, we know that. We lost the election, and I congratulate the McGowan government for winning the election. But this government is not giving us credit for the fact that our government did a lot of good things. I think in time to come history will judge us very kindly for the changes we made in and around the City of Perth and the state in general. I can tell members that if we had not done those things —

Several members interjected.

Mr J.E. McGRATH: I will talk to you, Mr Speaker.

The SPEAKER: As you should, member.

Mr J.E. McGRATH: If we had not done those things, the ministers would not have anything to do. Whenever they want to get a fuzzy feeling, they put on a hard hat and go to the new stadium. Now they will also be able to go to Forrestfield and open the tunnel. I remember that members opposite said when in opposition that our figures were all wrong on the train line to the airport, because we did not know how many people would catch the train at the various stations.

I will close now, because I know that other members want to speak. Thank you very much.

MR R.S. LOVE (Moore) [5.30 pm]: I rise to speak on the second reading debate on the Appropriation (Recurrent 2017–18) Bill 2017 and the Appropriation (Capital 2017–18) Bill 2017. The budget has confirmed what we in rural Western Australia have known for many months—that royalties for regions will be gutted into the future. That has been confirmed in budget paper No 3, because in the final year of the budget out years, there is recurrent expenditure for things that we would normally expect to be funded by consolidated revenue. One example is country water, sewerage and drainage fees of \$284 million per annum. I believe that is not the final figure. That is expected to increase further in later years. The recurrent costs also include funding for TAFE. Those recurrent costs add up to \$430 million. We would normally expect those costs to be picked up by the government.

The budget shows that the expected value of royalties for regions is \$997 million. In 2017–18 and every year after that, at least 43 per cent of royalties for regions funding will be expended on what are the normal activities of government. It is very clear that the idea of putting 25 per cent of royalties into the regions to fund new and

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innovative projects, drive growth and deliver benefits to regional communities is long gone. It will not happen anymore. Royalties for regions was always about regional development, not funding regional services.

The Nationals went into the election campaign with a plan that had a few different arms. One of those arms was finding a new revenue source by looking again at legacy state agreements, and looking again at one or two of the most profitable areas of the state's enterprises and asking them to pay a bit more. We were pooh-poohed about that and told it was bad idea. That was from a government that has now turned around and slugged a relatively small and less profitable sector in the gold industry with an increase in the gold royalty. When that was considered in the last term of government, it was vigorously opposed by my colleague the former member for Kalgoorlie, Wendy Duncan. Wendy Duncan went to war to ensure that the gold royalty did not increase, and she did a great job for her constituents in doing so. However, unfortunately, it has been brought in almost straightaway by a government that said it was not going to increase taxes and charges. But what has it done? It has increased both.

Mr P. Papalia: You know that a royalty is not a tax?

Mr R.S. LOVE: I did not say it was.

In the budget there are a number of cuts to programs that will affect my electorate dramatically. Before I get onto those programs, I would like to acknowledge the support of the government for upgrades to Indian Ocean Drive. I also acknowledge the support of the opposition spokesperson for road safety, the member for Hillarys, who accompanied me recently to meet members of one of my communities. That was a bipartisan approach, and we have achieved a great outcome, with increased funding in the budget for Indian Ocean Drive. I would like to think that spend of \$7 million is not the end of the matter. There is still an urgent road safety issue on Indian Ocean Drive.

Toodyay Road has an equally shocking road safety record. Although much of the metropolitan section of Toodyay Road has been improved greatly, work needs to be done on the wheatbelt section. The former Minister for Road Safety, the member for Scarborough, ensured that money was put into that road for planning, land acquisition and environmental clearances, as well as some urgent roadworks. That investment has enabled the government to further improve the wheatbelt section of Toodyay Road. I hope subsequent investments will be made from the road trauma trust account into that road because that is another urgent road safety issue.

I am very disappointed as a local member about some aspects of the budget. The Turquoise Coast Health Initiative is a \$22.5 million program that had been approved by cabinet and was announced by the then Minister for Health and Minister for Regional Development. That program would address what for many people in the Shire of Chittering and the coastal shires in my electorate has been a second-rate standard of health delivery for many years. That has come about through no fault of the health professionals in the area. It is the result of under-funding by successive governments of all colours—I am not singling out any particular government—that have largely ignored this growing population. Many times I have encountered constituents who have endured great difficulty and have often been unsuccessful in getting the help they need when they are most vulnerable, such as when they have young children, become old and infirm, need post-operative care, or, most distressing of all, need palliative care. The stories I have heard are both moving and distressing. I worked assiduously during our last term in government to bring to the attention of the government the plight of the people in my region. That culminated in the announcement of the Turquoise Coast Health Initiative to deal with those issues. I am very disappointed that that initiative has largely been cut, with funding of only \$1 million, which is a one-year figure and will not go very far towards addressing the needs in that area.

I have outlined in a grievance today my bitter disappointment for the families whose children attend Central Midlands Senior High School from across the electorate of Moore. For the benefit of the Premier, I said that Moore was the catchment for those students, not the town of Moora. I know that students in Moora do not go to the residential college. The families in the electorate of Moore are bitterly disappointed about what has happened with Moora Residential College. That situation could be overcome. There is a bucket of money in royalties for regions—about \$250 million—that is uncommitted. That money is under a line item for the funding of future election commitments. I would suggest that although it was not a commitment of this government, the decent thing to do would be to fund Moora Residential College and give those children the opportunity for a decent start in life by having a decent place in which to get their education.

I talked earlier about roads. Indian Ocean Drive and Toodyay Road have attracted funding largely because of urgent road safety issues. Those roads carry a high amount of traffic and have become very dangerous. There are other sections of road in my electorate that also need attention. One of those roads is the Pithara–Northam road. The northern section of that road is in my electorate, in the Shire of Dalwallinu. There was an allocation of \$18 million towards that road. That was agreed to by the cabinet of Western Australia and announced by the relevant ministers. Planning had started for the development of that road. That project had now been pulled and that road will not be developed. I doubt that members would have travelled on that section of road. It is a very isolated area of the wheatbelt. In the area between Ballidu and Pithara, the road is less than the width of

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a decent-sized truck. The road carries a lot of traffic, because at Great Northern Highway near Dalwallinu at Pithara it is an alternative road to Great Eastern Highway. It is a very important link. It could actually alleviate the problem of moving heavy traffic around the Perth metropolitan area. If that road was developed as a decent road with a RAV 7 or even a RAV 10 network rating, it would alleviate a lot of the problems in trying to get east–west traffic up north. At the moment, road trains have to be broken up to go through the Perth metropolitan area at Greenmount and then at Apple Street out past Gingers Gull Roadhouse in the member for Swan Hills’ electorate.

That area is a transport bottleneck which could be addressed by the development of the Pithara–Northam road, and that was the vision behind the expenditure of that money—not just to improve safety for residents, but also to greatly improve transport efficiency for the state. Instead we have a disgraceful rabbit track.

Toodyay and other shires in the southern end of my electorate, shires such as Chittering and Gingin, are on the edge of the metropolitan area and are under a great deal of pressure from development. They need to be given consideration in planning and infrastructure. Chittering, in particular, is growing rapidly. The growth rate in Chittering at the moment is about six per cent per annum, which means that every 10 or 12 years it doubles in population. The Shire of Chittering is the ultimate destination of NorthLink WA, which starts in Morley and goes to Muchea. Muchea is one of the communities in the Chittering shire.

When that road is completed one would expect there will be rapid development in that area. Once you come off the NorthLink, both Brand Highway and the Great Northern Highway immediately feed off and there are already plans for large transport facilities for a range of industrial activities in what is known as the Muchea employment node. That has sat for many years as an undeveloped node and, despite the best efforts of the Chittering shire, it has not until now attracted the attention it deserves from the Department of Planning, Lands and Heritage and other state government agencies. They are needed to bring together some of the infrastructure it lacks.

It is always surprising to me that that area supposedly has a lack of water. I have some cattle agisted in the area just next to the employment node and I cannot walk around there unless I am wearing gumboots. Unless there is something seriously wrong with our bureaucracy and the way we allocate water, I do not know how there can be a lack of water there; it is beyond me. All you have to do is dig a bit of a hole and water bubbles into it, and it is fresh, clean and drinkable, but apparently it is not available to use, so water has to be pumped great distances from elsewhere for the area to be developed. I think that is bizarre; I could never understand it and I have never been able to get to the bottom of why there is a supposed lack of water in the Muchea area. If there is, there needs to be some effort made to address it.

There are other pieces of infrastructure nearby, but not immediately available. There are two gas pipelines that run very close to the employment node, but the gas is not yet available. Some of the very heavy powerlines that run up through the midwest project that was done three or four years ago are not very far away but they are not right at the site. There is a bit of effort needed to actually activate that site, but when it does activate, I am sure it will be a great employment boon that will actually assist the member for Swan Hills and me. It would fit very well with the government’s supposed narrative of jobs and growth. If the government is looking for somewhere to park some royalties for regions funds in the future that will actually yield some jobs, I would suggest it look no further than the Shire of Chittering and the Muchea employment node.

The other area I just mentioned, the Shire of Toodyay, is also on the edge of the metropolitan area and, like Chittering, is under a bit of pressure, but it is pressure of a different sort.

Sometime ago the “Perth and Peel Green Growth Plan for 3.5 million”, which discussed the environmentally sustainable development of the metropolitan area, was developed. That plan was great for Perth but it ensured that the Shires of Chittering, Gingin and Toodyay provided environmental offsets to Perth so their development would be stymied to enable the development of Perth. It continued with the mentality that those areas exist as places to collect sand, clay and gravel. Eventually, when a big hole has been made and the sand, clay and gravel has been taken out, one day some rubbish is taken back there, dropped in the hole and covered up. That is not the aspiration that people of those areas have for their shires. The Shire of Gingin has actively pursued large-scale waste sites but they need to be put in areas that are well planned and suit the objectives of the local community. We now have an ad hoc development. There might be an opportunity to fill a big hole in one of those areas.

Since my election in 2013, a constant source of irritation to the people of the Shire of Toodyay is the proposal for a site called Opal Vale, about halfway through the shire along Toodyay Road. That site has been approved for use as a waste site over the top of the wishes of the local community. The previous Minister for Environment put some very strict conditions on any development of that site. If filled, I think these conditions would have ensured that the site was safe and certain things could never be achieved by the site. This was because the presence of water in the area makes it a problematic site for waste disposal. People asked that there be no moisture close to where the

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waste would be put. Monitoring would need to ensure that that did not happen and that there would be no leachates into the groundwater et cetera.

Unfortunately, I understand that those conditions were overturned recently. It was brought to my attention that people in that area are once again faced with the development of that site.

[Member's time extended.]

Mr R.S. LOVE: Today I received an email from a constituent. I will read it out. These are his words, not mine. This is a feeling that people have in the area. He states —

Would they (The Parliament) be aware that a cowboy outfit with a dodgy environmental record is set to make a fast buck from dumping millions of tonnes of rotting Perth garbage in a fragile Hills ecosystem because there is no coherent State waste management policy?

Or put another way, what modern capital city in the world has no waste management plan?

He sent me some pictures. They are probably too small to see but anybody can see that there are areas of blue in the middle. It was proposed that rubbish would be dropped in those areas. As members can see, there is quite a bit of water in this area. It worries me and the community that eventually that will be problematic and will lead to issues with the groundwater. How such a facility was ever supported by Main Roads in the first place back in 2013 is beyond me. It was nothing short of abysmal as it encouraged extra heavy traffic, with hundreds of thousands of tonnes of waste coming up Toodyay Road at a time when its safety record was already questionable and at a time when there were numerous fatalities along that road.

I will finish by calling on the government to review the waste strategy, especially as it applies to areas just outside the Perth metropolitan area. It is not just in terms of my electorate. I know that for the member for Central Wheatbelt, there are often proposals and counterproposals in York that cause community concern et cetera around sites that are mentioned there. I call on the government to review the waste strategy and particularly the requirement for landfill over time, given the significant rise in applications of interest for this type of thing for sites within an hour or so of Perth and the metropolitan area.

MR C.J. BARNETT (Cottesloe) [5.50 pm]: I will make a few comments on the budget in the debate on the Appropriation (Recurrent 2017–18) Bill 2017 and the Appropriation (Capital 2017–18) Bill 2017. To this point, a lot has been said about the major items of budget expenditure under the major portfolio areas. I do not intend to do that. I just want to make one comment about that; that is, to perhaps remind members that for the first six budgets of the previous government, there were strong surpluses—year in, year out for six budgets. The state could have survived and managed the super-cycle that occurred in commodity prices—prices went very high, particularly for iron ore, and then collapsed to very low—without going into deficit, but what we could not survive was the fall in GST revenue. It went from close to a dollar in the dollar for Western Australia when we were elected in 2008, and then fell to 30c in the dollar. As I have said in this house and publicly a number of times, there was no circumstance under which a significant deficit could be avoided and, therefore, there was no circumstance under which debt would not rise. As I have said, with due respect to the Treasurer—he is not here; that is fine—the same applies. There is no circumstance under which Labor could have avoided a significant deficit or a further rise in debt. That is a reality. I know people will play up the politics and I know we will be blamed for everything, but I remind members of those six budget surpluses in a row. This government has had an unfortunate start. It could not avoid it; it has started with a massive \$2.3 billion deficit in its first year in government. However, that is not what I want to talk about.

As a Premier for the best part of nine financial years, obviously I had my own portfolios to concentrate on as well as the oversight role of Premier, but of the portfolios that I did not hold, the two in which I personally took the greatest interest and had the most direct involvement were disability services and the environment. That might surprise some people, but that is the reality. It is the environment that I want to talk about. One of the most significant achievements in recent years has been the protection and conservation of the Kimberley. There is no doubt that the Kimberley is one of the world's great wilderness areas. I am proud that during the time I was fortunate enough to be Premier, the protection and conservation of iconic areas of the Kimberley—of Camden Sound, the Mitchell Plateau, the Horizontal Falls, Roebuck Bay, Eighty Mile Beach—occurred. There was a massive expansion in the protection of the marine and coastal areas and parts of the inland area. I would contend that that has been the most significant environmental achievement in perhaps the last 100 years. It will ensure that the Kimberley and that vast coastline and unique landscape will be protected forever. There is still a lot of work to be done. As a government, we spent about \$100 million on the Kimberley science and conservation platform.

I want to talk this evening about three aspects of the environment that are not anywhere near the scale of the conservation of the Kimberley nor will incur anywhere near the cost that has been incurred in the Kimberley and

will continue to be incurred, I hope, for years to come. The three issues I want to talk about are the Abrolhos Islands, an open-range zoo and the proposed headquarters of the Department of Parks and Wildlife in Bunbury. I want to give a particular interpretation. Each of those projects, if I can say so with due respect to my ministers at the time, were ones that I probably played the major role in instigating, for very specific reasons and maybe not the obvious reasons.

I admit that I have not been on land at the Abrolhos Islands. I have flown over them a few times at very low altitudes and I have seen lots of material and read about them and so on. The Abrolhos Islands is, in a sense, the jewel in the crown for the midwest, not only in terms of conservation but also, particularly, for tourism.

The Abrolhos Islands are made up of 121 islands, 21 of which have fishing infrastructure. Most of them are pristine and are not visited or habited. The Abrolhos is also the most southerly coral reef in the Indian Ocean. It has a unique biodiversity, particularly in the marine environment, and the birds on the islands are also unique. It is a major breeding ground for birds. The islands are important environmentally and for tourism and have an extraordinary history of shipwrecks. There are a number of shipwreck stories, but it is particularly noted for the *Batavia* shipwreck in 1629. The *Batavia* shipwreck is one of the world's most extraordinary shipwreck stories of disaster, murder, rape, execution, escape and rescue. I do not pretend to be a name-dropper, but when I was talking to Robert De Niro a few of years ago, as you do —

Several members interjected.

Mr C.J. BARNETT: My mate Robert! I thought he could maybe instigate some interest in Hollywood to make a movie about the *Batavia*. Who knows? It may still come. I sent him a book and we chatted about that shipwreck.

Mr D.A. Templeman: Where did you meet Robert?

Mr C.J. BARNETT: He was in Perth.

Several members interjected.

Mr C.J. BARNETT: I know Robert De Niro is far more interesting than I am—he is an interesting guy—but he was interested in the Kimberley and the *Batavia* story, so I gave him a book to read on the plane home.

The Abrolhos has extraordinary tourism potential. It is an extraordinary conservation biodiversity area and the site of absolutely amazing historic circumstances. The previous government announced just over a year ago that it would move to make the Abrolhos Islands a national park. It has been a product of history whereby the Department of Fisheries has managed the Abrolhos Islands. The islands have been very important for the crayfish industry in the area. However, the time came when it needed to go into the conservation estate properly and come under the management of the former Department of Parks and Wildlife. The former government instigated a discussion that went on for a number of months between different departments. Obviously, they talked about that, and eventually an agreement was reached whereby it would become a national park—the Abrolhos Islands national park. The Department of Biodiversity, Conservation and Attractions would manage all the land areas and beach and immediate coastal environment; the Department of Fisheries would continue to manage the marine environment; and, the fishing industry would continue to use the islands on which fishing infrastructure exists. In days gone by, the Abrolhos has been critical for the rock lobster industry. It is not really used that much anymore for the rock lobster industry. I think the member for Moore would concede that a lot of the rock lobster fishermen just like having their shacks out there.

Mr R.S. Love interjected.

Mr C.J. BARNETT: Is he one of them, is he?

It was time to bring those departments together to manage that unique place. The Environmental Protection Authority has also formally approved the development of an aquaculture zone because there is a lot of potential for that industry on the Abrolhos. If we look around Western Australia, the Abrolhos is the glaring area that should become a national park. To some extent, I think it also has been an enclave for fishermen and wealthy individuals, some of whom live in my electorate, who like to fly helicopters there and back. That is literally what it is about. The islands should be more available and accessible to the people of Western Australia; indeed, they will become the iconic location in the midwest. Even if the majority of tourists do not go to the islands, the islands will attract people to the midwest. The most popular holiday destinations in Western Australia outside Perth are in the south west. The south west is expensive and it is also highly developed. The midwest coast from Lancelin to Geraldton and Kalbarri is the family holiday destination for Western Australians. People take their caravans, tents, boats, trailers or whatever else there and it does not have the exclusive environment of a Margaret River or elsewhere. If we look at the people who visit that area, that is obvious to see. I hope that is done soon, and I hope that that will help the midwest adopt a consistent label. The member for Greenough referred to the Turquoise Coast. I like that name, but when I drive up that way and see the signs for the Turquoise Coast, the Silver Coast, the Coral Coast

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and the Shipwreck Coast, it confuses me and I do not know where I am. The Abrolhos Islands needs a clear identity. In my view, the Abrolhos Islands has the big tag of a world-class attraction. It needs some money spent on it. During the last election, we were conservative. The Liberal–National government allocated only \$2 million to build a safe jetty, for the sole purpose of cleaning up the rubbish on the island. There was a lot of rubbish, a lot of asbestos, and a lot of junk just left there. Step one is to clean up the island. Step two is to establish some decent camping areas, ablution blocks, and whatever else, and to look after conservation. I know that there is some money in this budget for the Abrolhos, and I am sure that those tasks are probably pretty similar, but I would urge this government to reconsider its decision not to proceed with the Abrolhos national park. It had got to the stage at which the park was virtually ready to be gazetted. All the lines had been drawn, and all the responsibilities had been determined. We ran out of time, I guess, but it could be gazetted in a matter of months. I urge the government to do that; it is an important part of Western Australian history and conservation, and it is important for the tourism industry.

The second topic I want to address is Bunbury. There has been a lot of talk over many years about decentralisation and the like. So many of us have spoken about that. From my perspective, for at least 15 years I have been talking about Bunbury as becoming, if you like, the second capital, as the second major centre of administration in Western Australia. It is close by, it has a diversified economy, good communications in every respect, and a greater Bunbury population of around 60 000. We looked at that very carefully, and selected the then Department of Parks and Wildlife to progressively relocate to Bunbury, and that Bunbury would become its state headquarters. The reason for choosing Bunbury is pretty obvious. There is already established infrastructure, a population and workforce, but, more particularly, Bunbury is the centre of the most popular tourism areas. There are a large number of national parks in the area and, in extraordinarily close proximity, different ecosystems and environmental situations. There are coastal areas, the marine area, sand dunes, estuaries, river environments, and heavy forest, all very close together. Moving the Department of Parks and Wildlife there seemed to be the best choice. We made that decision and allocated \$29 million to build a facility, and for the first 100 staff to be transferred from Perth to Bunbury. It may not mean moving 100 people; it may be that some would move from DPaW to other government departments and new people would be recruited, but essentially it would mean 100 full-time equivalent positions moving into Bunbury, with the objective of getting to 300 over a number of years. It was to be progressive, and stage one was to cost \$29 million. Construction started early this year, and has been underway for over six months. I am not sure whether I am right, but my understanding is that this government has ceased construction. I think it is a short-sighted decision if that is what has happened. Maybe it is under review, but a lot of the work has already been done.

I suspect that one of the issues has not been properly understood. The first choice was to look at the Gap area, which was a fair way out of the Bunbury town site—probably a 10 or 15-minute drive—but we settled on Koombana Bay, which is the ocean side of the estuary in Bunbury. I am sure everyone is familiar with that. It is opposite the Dolphin Discovery Centre, which is a major attraction, and also right next door, and almost overlooking the conservation area of mangroves. My understanding is that this is the most southerly population of mangroves in the Indian Ocean region. Again, it has unique biodiversity, it is close to the estuary systems and close to the river systems. But the concept was not simply to put up a building. It was in a large open area of already conserved land. The vision, if you like, was to have a major significant government department, not a minor one, located in Bunbury, close to a wide diversity of significant national parks, in a picturesque setting right on the edge of town. It is not far out of Bunbury; it is just across the estuary. It would become a showcase for conservation, park management, science and biodiversity.

It would be an attraction in itself but it would also give the town something to be known for. Members may not agree with me but one of my views for many years, before I was in politics, has been that regional centres and towns need to be known for something. Every town has a bit of everything, but it needs a clear identity. I could see the scope for this relocation, over time, and maybe that is in 10, 20 or 30 years' time, but if that were to happen, Bunbury would become recognised not only in this state and hopefully nationally, but also internationally as a centre of biodiversity, science, park management training and all of that. It is a huge opportunity. It would give Bunbury a clear identity—something special. It would not be just another town. It could grow into becoming that second capital, if you like, for Western Australia. Again, I hope that this government will reconsider that relocation and go ahead and not fall for the temptation of simply putting the building in the commercial–business district. To build a regular office building like a West Perth building and put 300 people in it would do nothing for Bunbury. Sure, it is 300 people, and that adds to the economy and it means jobs, but it will do nothing to give an identity to Bunbury and a focus that will attract national and international attention. It is a huge opportunity, so, again, I urge the government to reconsider that relocation.

Finally, I will talk about something that was dropped by this government almost immediately after the election, and that was the work that we had started to do, right at the beginning—I admit that—to create an open-range zoo

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for Perth. I am sure that members, particularly the younger ones who have children, are visitors to Perth Zoo. My little granddaughter was a visitor to Perth Zoo last weekend. What a wonderful thing it is for children to see animals. Not many families can afford to go on a safari in Africa, but to see all sorts of animals live—all creatures great and small, if you like—particularly those large savanna animals, is something very special. I am not in any way being critical of Perth Zoo. It does a fantastic job with its breeding programs and the way in which it presents the various animals, but a bit of reality is striking here. For Christmas, I brought my wife, Lyn, a visit to play with the elephants, basically, which we both did for two or three hours.

[Member's time extended.]

Mr C.J. BARNETT: It was quite a unique experience. Lyn has always been absolutely crazy about elephants for some reason, maybe I might qualify as the elephant in the room. Anyway, that is what we did for Lyn's Christmas present.

Mr B. Urban: In Africa?

Mr C.J. BARNETT: No, here, at the Perth Zoo. Everybody is aware of Tricia the 60-year-old elephant. That is very old for an elephant. Tricia is not going to be around for much longer because she is very old.

Mr J.N. Carey: Do not laugh at the misery of Tricia.

Mr C.J. BARNETT: Well, it is true. Tricia is not going to live for much longer. She is far older than most animals in captivity would be.

Mr D.A. Templeman: They were planning for her demise when I was minister.

Mr C.J. BARNETT: That is right. The reality went something like this: what I learnt on that day is that the two female elephants can be in the same enclosure but the male cannot. The male was in an enclosure that was probably one and a half times the size of this chamber, and he was cared for magnificently. He had been taught or shown circus tricks as a way of keeping stimulated, but to stand there and watch this elephant walk up and back and up and back, and to think that that elephant might be doing that for 50 years; I do not think that is what I want to see. I do not want my grandchildren to see that, and that is not being disrespectful to the Zoo. When Tricia ultimately dies, it is very doubtful that the Zoo will be able to replace her. The facilities at Perth Zoo now do not meet the international requirements for a creature such as an elephant. To see the rhinoceros in an area about as big as this end of the chamber—a massive creature—is not what we want. We do not want to see that. The concept of an open-range zoo was that our children, our grandchildren and our great grandchildren would be able to see these magnificent animals in as natural an environment as we can create.

About three or four years ago I visited the Werribee Open Range Zoo in Victoria—very impressive. It was planned for something like 40 years. A group of civic leaders in Melbourne decided years and years ago to put money aside, they bought the site, and it has been in operation now for probably about 15 years. It is a beautiful setting. The Werribee River flows through the middle of it and the natural environments are either there or they are recreated for savanna animals, big cats and all sorts of things, including Australian animals. I went out on the back of a bus or open utility-type vehicle and had a giraffe put its massive head—about this big—inside so we could feed it a carrot! It was a fantastic experience. I enjoyed it, so I am sure that kids would.

I came back more determined to pursue the concept of an open-range zoo. I spoke to the Minister for Environment at the time and we spoke to the Department of Parks and Wildlife and the Department of Lands. Numerous sites were suggested and, almost out of the blue, a site came up in Lower Chittering, in the Chittering Valley. I think that very few people have been there. It was a farm of about 700 hectares that the Department of Parks and Wildlife purchased back around 2010. It is totally surrounded by the Avon Valley National Park—it was purchased to complete the park. Of the 700 hectares, about 280 hectares have been cleared for farmland. Sheep and cows are running around on it. There is also a substantial amount of infrastructure, including roads, powerlines, buildings, a conference centre and farm sheds. It was built by a very wealthy Perth builder and it is magnificent. We all look at and go to the Perth hills—other members will know this a lot better than I do—and they are not that spectacular; it is hardly the Snowy Mountains or the Alps. I did not expect this site to be absolutely extraordinary. It looks like the foothills of a mountain range. A person can stand there and turn around 360 degrees and not see a single sign of civilisation—not a building, phone tower or powerline. There is nothing; they could be anywhere. It is 40 minutes by car from the centre of Perth. It is an extraordinary site.

We nominated that as the future site for an open-range zoo. The Liberal government allocated I think \$250 000 to start the very initial planning. I really urge members opposite, if they care about conservation, animals, the enjoyment for children and others, and a potentially huge tourism attraction, to please reconsider this. Do not abandon it. It was never going to happen quickly. It will not be cheap but the first step would be for Perth Zoo to have the ability to expand some of its breeding programs and move them to that site. We do not have to cut down any trees; it is all cleared. It is a beautifully landscaped farm area. The Zoo is looking at painted dogs, giraffes and

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different things. It would probably take five years, through the exhaustive and exacting process of international zoos, to get more animals to start the breeding program. All going well, it would probably be three to five years before any breeding programs would really be underway. It would probably be closer to 10 years before we would have something that reflected a significant open-range zoo. This is not pouring in \$50 million, \$100 million or \$200 million. It would be like Werribee Open Range Zoo; if we start now, in maybe 10 or 15 years, we would have a world-class, open-range zoo. If we do not do that, there will not be a replacement for Tricia. Perth Zoo will have to have small animals, which can be properly catered for on its small site. The big animals will not be there and Perth Zoo will not be able to fully engage, as it should, in the breeding and protection of endangered species—some Australian, but principally from Asia—because the protocols between zoos are very exacting. It cannot simply go out, get an animal, and start breeding it. I really urge members opposite to do this. I will probably finish with this but the people at Perth Zoo were a bit sceptical about it, and I was a bit sceptical, even though I was advocating for it, until I saw the site. It is almost mountainous. It is extraordinary. It comes down with an almost sheer drop of a couple of hundred metres to the Avon River, which flows along one boundary. There are 21 natural springs on the site, so there could be hippos. Wetland environments could be created very simply. The water sources flow for 365 days a year; they do not stop. All sorts of environments could be created.

Mr D.A. Templeman: Which river was that?

Mr C.J. BARNETT: The Avon. The rail line along the Avon River is at the base of the site. At some stage, a rail siding could be built. People could come by train and it is a bit of a steep walk or drive up but it has so many natural advantages, and it is so close to the city.

I was just going to say that the Zoo was a bit sceptical until some of the managers looked at the site. They could then see what I was pleasantly surprised to see—the extraordinary potential. I will not attribute it to any of them, but a comment was made by a prominent person that this arguably—I am not exaggerating—could be the best open-range zoo site in the world, surpassing San Diego. Most of them are on urban fringes surrounded by buildings, powerlines, noise and pollution. This one, 40 minutes from Perth, is completely pristine.

Mr D.A. Templeman: How big was the site again?

Mr C.J. BARNETT: It is 700 hectares. That is about 1 600 acres, far bigger than Werribee. It is a massive area of which about 280 metres to 380 metres is cleared.

Mr D.A. Templeman: How does that compare with Dubbo?

Mr C.J. BARNETT: This would be a lot bigger, I would imagine. If members are interested, I would urge some to go out there and look. Finally, on the economic impact, I was surprised when I went to Werribee three or four years ago. And they were surprised; they said they are getting far more visitors than they ever expected, but particularly families flying from New Zealand to see savanna animals at Werribee, and I think Dubbo has something similar. We have a huge potential of attracting people coming to Perth and one of the great criticisms in tourism is that people come to Perth and think, “What can I do? It’s not really practical to fly up to the Kimberley, and I don’t even want to drive down to Margaret River.” People look for things to do around here. A zoo 40 minutes away has enormous potential. It would be a huge boost for the economies of that hills area. No damage is really done; it is not necessary to spend significant amounts of money on it. All it needs to continue is to plan it, work it out, and things such as the road and the power supply will need to be upgraded. The first step is to start some quite modest breeding programs in there—probably smaller animals, not the really big ones—and make provision, ultimately, for breeding whatever is determined. I would urge this government, if some members are interested, to go and look at it. It is a spectacular site. I thought it would be good but I was blown away by just how terrific it is.

Those were the three issues that I, as Premier, was personally and directly involved in more than almost any other outside my portfolios. The Abrolhos Islands should become a national park. I would urge the government, with the Department of Parks and Wildlife, to go to Bunbury. It is not simply decentralisation; it is giving a clear identity with high-level jobs for Bunbury in that south west region, something it can really be known for both nationally and internationally. A Perth open-range zoo is probably a five to 10-year project before we would ever have paying customers come in. It would be a great legacy for future generations. If the government does not do that, the children of the younger members here and our grandchildren, unless they are very wealthy, will never see the great savanna animals in either an enclosure or an open-range setting.

MR P.A. KATSAMBANIS (Hillarys) [6.17 pm]: This is my first budget speech in this chamber. I, too, rise to speak on the Appropriation (Recurrent 2017–18) Bill 2017 and the Appropriation (Capital 2017–18) Bill 2017. In doing so, I want to concentrate on three areas. I want to concentrate on the impact of the budget on the people of the electorate of Hillarys; the impact of this budget on the portfolio areas that I have responsibility in as shadow minister; and, if time permits, I want to do something we do not do often enough in this place and talk about the

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future and perhaps the impact or lack of impact that this budget may have on the future of Western Australians, particularly younger Western Australians.

I have said before in this place that the people in the electorate of Hillarys are a microcosm of the make-up of Western Australia and of Perth. They cover all social strata, come from all parts of the world and are relatively happy, highly aspirational people. They are people who expect their government to deliver them the essential services that they expect government to deliver to a high standard, in particular in health, education and keeping us safe through law and order and community safety initiatives. Apart from that, the people of Hillarys like a government that works hard at keeping taxes low, keeping the economy going so that there are plentiful jobs and allowing business to create the jobs and prosperity of the future. Sadly, this budget has disappointed the people of Hillarys on many levels. First of all, there are the hikes in household taxes and charges that came into force on 1 July. The government, quite wisely politically, announced them well before the tabling of the budget, but this budget gives effect to, and brings home the impact of, those rises in household fees and charges and the taxes that came into force on 1 July. The people who have invested in their own future by investing in renewable energy and in solar, which we are told is the future, and about whom other members have spoken, were punished by the changes to electricity tariffs that they did not anticipate or expect and certainly were not told about by this government prior to it coming to power.

People have been asked to share the burden. The people of Hillarys are happy to share the burden. We recognise that there are tough economic times. It has been spoken about up hill and down dale. The responsibility has been sheeted home to many factors. Of course, we all coalesce around the fact that our share of GST revenue has not assisted us. If we got our fair share of GST revenue, or even if our GST revenue was capped at around 70 per cent, which has been mooted occasionally but never introduced, we would not have had the deficits that we have faced over the last few years and we would not have the deficit that we are facing now and will continue to face into the future with the delivery of this budget.

Dr A.D. Buti interjected.

Mr P.A. KATSAMBANIS: I will get there.

We also would not have the level of debt that we have. Again, that level of debt not only continues in this budget, but also will go up. That is where the serious disappointment is for the people of Hillarys. People like living within their means and they expect governments to live within their means. Yes, it is a travesty that our debt has reached the level it has reached. It is not something that anyone is proud of. The former government is not proud of it and the current government is certainly not proud of it. But members of the current government went to the election with a plan; they said that they would pay down debt like a mortgage. As we know, people start with a mortgage that is quite high because they borrow a lot of money. The vast majority of their repayments in the first few years go on interest payments, but the capital sum that they owe starts to come down, sometimes by only a few dollars or a few cents each time they make a repayment. But every time they make a repayment, they see the capital sum come down. Over the years, as the principal sum comes down, the reverse compounding effect, if you like, as they pay down little sums means that increasingly they pay down larger and larger sums until they eliminate their household debt—their mortgage. That is the message that this government sent to the public—it had a plan to max out the debt on its election and start paying it down like a mortgage. Instead, it has come to this place with a budget that shows debt increasing and increasing throughout the forward estimates. It is not what it promised at all and is certainly not what it alluded to.

When a government says to people that it will pay down debt like a mortgage, they take the government at its word. I know that sometimes politicians do not have the greatest reputation, but people take them at their word. The government is continuing to spend more, the deficit is higher than was projected prior to it coming to office and debt is going up, yet the government is hitting people with higher taxes and charges and is hitting business with higher taxes, particularly payroll tax. I note that yesterday in the chamber, the Treasurer was happy to quote from a speech that the head of Wesfarmers, Richard Goyder, gave the other day suggesting that the previous government had let debt and the deficit get too high. He failed to say that in the same speech Richard Goyder criticised the government's increase in payroll tax and stated that it would cost his company, Wesfarmers, which owns Coles and Bunnings, and many other businesses—Target and the like—that employ thousands and thousands of Western Australians. Wesfarmers is possibly the largest employer in Western Australia. He stated that the tax increase would cost his company \$10 million. Richard Goyder made the point that that \$10 million would be recovered by either hiring fewer people or increasing prices. I dare say that it will be a combination of both. The people of Hillarys and the people of Western Australia will get fewer jobs and higher retail prices because this government has jacked up payroll tax. It has done the same with gold. It did not tell the gold producers before the election that it would increase royalties—but it has. The people of Hillarys are disappointed that this budget, instead of delivering jobs, which the government promised, will deliver fewer jobs. It will tax the people who

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create the jobs—the employers—by increasing payroll tax. Payroll tax is a tax on jobs—make no mistake! What we should aim for as a Parliament—I am committed to this—is working to find ways to reduce and to eventually eliminate payroll tax because that is what will create more jobs for the people of Western Australia. Increasing taxes is not a way to prosperity; it is a way to the poorhouse. It is a very bad start by this government, and the people of Hillarys will not forget. Despite the higher taxes, the higher spending and the higher debt, what do we get?

No government high school is located within the boundaries of the electorate of Hillarys. Parents in Hillarys send their children to the neighbouring Duncraig Senior High School and Carine Senior High School. Those in Kallaroo and Craigie are zoned to the excellent Belridge Senior High School. Through the budget process, we have found out that larger schools—those with more than 1 200 students in them—will have \$1 000 a student ripped out of their student-centred funding by this government. At the moment, Belridge is under that 1 200. It is a good school, a large school, and an aspirational school with plenty of selective programs, particularly in cricket and netball. It is aiming to get to 1 200, but this is a disincentive to grow the school. Duncraig and Carine are already above 1 200; they will be slapped. Those students will be slapped; their student-centred funding will be reduced. I do not understand why this government would attack the student-centred funding model. After all, it was introduced on the recommendation of Professor Teese, who looked at the Western Australian funding model and recommended this model. It is the model that the Gonski funding is based on. Many members on the opposite side would have distributed leaflets criticising the federal Liberal government when it was not as committed to Gonski reforms as the previous federal Labor government had been. Now the federal Liberal government has gone above and beyond and promised even more than the previous Labor government. While the rest of Australia is moving toward student-centred funding, this government is backing away from it and punishing students who are at excellent schools, including those from the electorate of Hillarys who choose to go to Duncraig or Carine Senior High Schools. It is just not good enough. No cogent, coherent explanation has been given for why students who go to schools with more than 1 200 students should get less in student-centred funding—no explanation at all. Both Professor Teese and Gonski said that the size of the school does not matter. Student-centred funding should be just that—student-centred funding. There is no explanation and the people of Hillarys have to cop that attack.

Then there is traffic congestion. The northern suburbs are the growth engines of Perth. They have been growing for decades. The Cities of Joondalup and Wanneroo continue to grow. As a result, more people means more cars on the road and more people demanding public transport. The previous government had committed \$72 million in the forward estimates to build an additional third lane on the southbound sections of the Mitchell Freeway from Hodges Drive to Hepburn Avenue and an additional fourth southbound lane from Erindale Road to Reid Highway. That money was there. During the election campaign, no-one said a word about it. The Labor members in that area told people all would be great: “Yes, we have our projects, but we’ll do that.” All of a sudden, the budget comes down and that money disappears.

When I got home last night, I opened my local newspaper, *The Joondalup Times*, dated 12 September, which had been delivered to my house. On page 3 is a lovely picture of the Premier, the Minister for Transport, the Treasurer, the member for Wanneroo, the member for Kingsley and the member for Burns Beach standing on a platform at Joondalup train station. The headline is “Budget congestion is a top priority”. The Premier apparently caught a train to Joondalup to announce that the government was doing great things by extending the Butler train line to Yanchep. I support that; I think it is a good project—tick; it should go ahead, and good on the government for doing that. The paper mentions some improvements to Wanneroo Road, which have been in the pipeline for a long time, and it mentions the Marmion Avenue extension. There has been some debate between the Wanneroo city council and the government for quite a while now about how quickly those very northern sections of Marmion Avenue, well past my electorate, will be dualled. Rather than having one lane each way, it will go to two lanes each way. They are important and good projects that feed straight down the northern suburbs—whether on Marmion Avenue, on the train or on the Mitchell Freeway, they feed straight down into the electorate of Hillarys and the surrounding electorates. However, the paper does not say a word about defunding the Mitchell Freeway extension that is much needed. It is not needed in a few years; it is needed now. It is quite interesting that standing on the platform at Joondalup train station is the Premier, the Treasurer, the member for Wanneroo, the member for Kingsley and the member for Burns Beach. Missing is the member for Joondalup because along with the people of the Hillarys electorate, the people who stand to lose most from the government defunding that Mitchell Freeway extension are the people who live in the Joondalup electorate from Hodges Drive.

Mrs J.M.C. Stojkovski: That’s not why she wasn’t there.

Mr P.A. KATSAMBANIS: It is interesting that the member for Kingsley is shaking her head. There could be a million reasons the member was not there but there is no disputing the fact that the electorate of Joondalup residents will miss out and will have to suffer longer drives to work in the morning because her government has defunded that project. She knows as well as I do that the residents in her electorate of Kingsley will also suffer

because they are the people who use on-ramps at places such as Ocean Reef Drive, Whitfords Avenue and Hepburn Avenue to go onto the freeway. Her residents will suffer. Any morning that we turn on the radio and hear the traffic reports, number one or two in the traffic reports is that the Mitchell Freeway is congested around Whitfords Avenue. That congestion has become worse as the northern suburbs have been growing. Building one extra train station from Butler to Yanchep will relieve some pressure, but it will not relieve all the pressure. As development continues in the further northern suburbs all the way to Two Rocks, the congestion will only get heavier and heavier. This government has defunded it with no indication of when it will bring it back. It is absolutely not good enough. Also, there is no funding for the promised extension of Joondalup Health Campus—our local hospital.

[Member's time extended.]

Mr P.A. KATSAMBANIS: I accept that a statement of intent has been signed, and every indication is that we might see some of that funding in the forward estimates. I hope so. I will stay on the case. I have said before in this and the other place that for the people of the electorate of Hillarys, Joondalup hospital is our local hospital. It is a wonderful hospital that is fantastically operated by Ramsay Health Care. It is a paragon of the operation of hospitals around Australia, as the Productivity Commission tells us. Perhaps all members on both sides of the house should take lessons from that when we build hospitals in the future. We should consider the very, very successful long-term public-private partnership model that has been operating at Joondalup Health Campus.

This budget does not include any money to repair some of the extremely old and well past their use-by date schools in the Hillarys electorate. I spoke about this in my inaugural speech in this place and I will continue to say it. We have wonderful school communities, great kids, great teachers and staff and great parent communities. But especially at Sorrento, Hillarys and Springfield Primary Schools those people are enduring building conditions they should not be in the twenty-first century. Most galling of all is Hillarys Primary School, which was built in the early 1970s as a temporary school. Another site had been identified for where the permanent school would be built. I think it is the oldest temporary school in the world. If it is not, it is in the top five, I can tell members. It has now been around for nearly 50 years as a temporary school. The buildings are asbestos-laden and not much can be done with them. The right thing to do would be to rebuild the old parts of that school. Keep the Building the Education Revolution buildings —

Dr A.D. Buti: Which school is that?

Mr P.A. KATSAMBANIS: Hillarys Primary School. It has been neglected by governments of all sides.

Several members interjected.

Mr P.A. KATSAMBANIS: These stories sometimes become apocryphal. I was told that the original land set aside for the permanent school was sold off under the watch of the original member for Whitford; not the previous member for Hillarys who I replaced, but the original member. But blame can be sheeted home to all sides. Who has been championing the rebuild of these old schools? I am going to continue to raise this because it is important. We talk about the future and our children: we need to give them the appropriate facilities. When we were in government, we brought forward the Fremantle school options and we brought forward the Armadale school options—Cecil Edwards, Armadale, Hamilton Hill, South Fremantle and the like. We did not do those to win votes or print big cheques. We did it in the areas that required investment to be made in the schooling in those communities, irrespective of political gain—or no political gain as there was. No-one was out there taking photos; no-one was out there without oversized cheques. We were just getting on with the job. It is time —

Several members interjected.

Mr P.A. KATSAMBANIS: The member for Armadale probably did, and he should take credit for it. He participated in that process, did a really good job advocating for his community and got really good outcomes—fantastic outcomes—for his community from the previous government.

Dr A.D. Buti: I have to admit that the STEM laboratory at Cecil Andrews Senior High School and the commercial kitchen at Armadale Senior High School are outstanding.

Mr P.A. KATSAMBANIS: There we are! That should be an example of how we governed for Western Australians. We do not govern for marginal seats, we do not govern for press releases and we do not govern for photo opportunities or large cheques; we govern for the needs of all Western Australians. The schools in Hillarys, Sorrento and Springfield need a rebuild. They needed them 15 years ago, but they desperately need them now. Do not forget them, and I will keep reminding the government of them until it does rebuild them.

To address my portfolio areas, I will take the advice of my learned friend and colleague the member for South Perth, who suggested that next week is the consideration in detail of the portfolio areas in the budget, and wait till then. But I want to highlight my disappointment that the total appropriations in the police budget are being

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cut over the forward estimates. I want to highlight my disappointment, as I have already in this place and outside, that this government has backed away from building the much-needed new prison and has instead suggested and I am not sure who is quite running this government, because the Minister for Corrective Services has suggested one thing, the Premier has suggested another thing, and the budget tells us a completely different thing. The Minister for Corrective Services has suggested that we will triage people who judges have deemed should be in custody to see whether they should be sent out in the community. That is second-guessing the judges and releasing those who should be in custody into the community. That is a scary thought and I hope the government rethinks it.

I hope that what is called the justice pipeline model is a serious attempt to take a long-term view of the impact on the criminal justice system of all sorts of externalities, rather than a pipeline to achieving the Minister for Corrective Services' aim of putting more people out of prison and back onto our streets when they deserve to be in prison. I hope that is the case. I hope we will find out more about it.

In road safety, I am concerned that the government has chosen not to put any funding into community safety and awareness programs in the budget beyond this year and into the forward estimates. I know the minister says that that is how it was done before it was merged with police and how it is done every year, but he should put it into the forward estimates. I notice that the pet projects are funded right across the forward estimates in road safety, but not the community awareness campaigns. Given what we are seeing on our roads and that dangerous driver behaviour is causing a lot of the carnage on our roads, rather than road or motor vehicle design—it is ridiculous behaviour by a small portion of drivers putting everyone else at risk—those community awareness and education programs need to be continued. They are all issues that we will no doubt interrogate in consideration in detail of the budget papers next week.

In the time remaining to me, I want to talk about the future. In the responses to the budget, I have not heard many people talking about the future. In particular, I ask the government in good faith: where is the investment in this budget to attract the jobs of the future, the technology-driven jobs and those jobs that we are told our children will have in 10 or 15 years that perhaps have not even been invented yet? I know that Perth will not become Silicon Valley, and it may not become Seattle where organisations such as Amazon are headquartered. However, Perth has some natural advantages that we have to exploit, such as its location and proximity to Asia, Africa and the Middle East; it is a gateway to Europe for Australia, and is in a time zone in which a large portion of the world's population lives. Perhaps, during the mining boom, people were not thinking about what jobs would be coming in the future, but the people of Hillarys are asking that right now. They do not expect government to create those jobs. Governments do not really create jobs. They are expecting government to set the framework, set the parameters and encourage investment in the jobs of the future.

We do not need to look very far. Victoria and New South Wales are doing that. Even South Australia is attempting to do that, despite the fact that we laugh at and ridicule South Australia. The Victorian government—a Labor government—has been working hard to attract the businesses of the future—technology-based businesses, and information technology-based businesses. It has been working hard to attract the headquarters or regional headquarters of companies in the new economy—the Airbnbs, the Airtaskers, the Facebooks, the Twitters and the like. Where are we in this space, and what is this government doing? Members opposite should not throw rocks and say, “What did the former government do about that?” They are in government now. If the government was genuine about creating long-term employment opportunities for Western Australians of all ages, but in particular young Western Australians, and slightly older Western Australians whose jobs may be displaced by disruption technology, it would look at what is going on and would put together a coherent strategy. If the government wanted to do that in the right way, it would work in a bipartisan manner. It would bring in people from this side of the house and it would bring in experts from outside this house to give advice. Perhaps this is free advice, and perhaps all it is worth is what the government is paying for it right now. But I see nothing in this budget to create the jobs of the future, other than motherhood statements, and I was going to say good intent, but I do not see even any intent. That is what the people of Western Australia are looking to us for. They are looking for some leadership, some understanding of the changing global landscape, and some initiatives to give our Western Australian residents, the people of Hillarys and the people in every other electorate, a place in the sun in this new and ever-changing landscape. That is the future I want to talk about.

I want to see this government succeed. I have said that before. However, in order for this government to succeed, it will need to do a lot better than it has done so far. In particular, it will need to pay attention to beyond the electoral cycle, beyond the photo opportunities, beyond the pictures of smiling members, and beyond the big fat cheques, and start anything about the future in a decade's time, in 15 years' time and in 20 years' time, because if it does not start thinking about it, it will be before us and we will not be prepared as a society.

MR I.C. BLAYNEY (Geraldton) [6.47 pm]: I rise to speak on the second reading debate on the Appropriation (Recurrent 2017–18) Bill 2017 and the Appropriation (Capital 2017–18) Bill 2017. The budget

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process is obviously very different from this side of the house than it was when we were on the other side of the house. I have just realised that one of the more significant differences between this second reading debate and previous second reading debates is that we will not have a contribution from the member for Albany. That was always a rather different and interesting speech. I have to say I am missing the budget contribution of the member for Albany.

The SPEAKER: I can write one out for you and mail it to you!

Mr I.C. BLAYNEY: I would not want to impose on you, Mr Speaker!

The SPEAKER: There are 250 constituents who probably will not get a mention.

Mr I.C. BLAYNEY: Exactly. The two things about the member for Albany's budget contribution were that he would spend about five minutes bagging our government, and he would spend the rest of his time mentioning the name of every constituent he could think of.

Dr A.D. Buti: He did that in 90-second statements as well!

Mr I.C. BLAYNEY: Yes; he holds the record for 90-second statements.

I am enjoying aspects of my shadow portfolio role because it means I can get out into the regions, which is where I am always happiest. It is also good when I am out in the regions to acknowledge that for eight and a half years, I have been part of a government that literally changed the face of regional Western Australia. We have never tried to hide the fact that in order to keep up the standard of life in Western Australia, our government had to borrow to cope with an increase in population in this state that was the equivalent of the whole population of Tasmania moving into this state in the space of 10 years. Every child had a place at school with a teacher every day. Our police service coped, as did our health service. We rebuilt many of the state's hospitals and expanded the state's road network. I suppose this is politics, but previous budgets we presented were met with howls from the opposition about overspending, which then switched to simultaneous criticism of too many budget cuts. Any cuts that we made were heartless but, of course, the current government's budget cuts are good economic management.

Over our eight and a half years there were some quite significant developments in the education field in my electorate. I will mention them all. I am proud of every one of them because I had to get out there and battle for just about every one of them. The first was the new School of the Air building at Bluff Point, on the beach, for the Meekatharra School of the Air. We built the first new primary school in Geraldton since 1979 and a child and parent centre at Rangeway Primary School, which is the school that I went to and on whose board I sit. I will rattle off some interesting things about Rangeway. I have said them often enough, but 63 per cent of its students are Aboriginal; the average student that starts at the school is 18 months behind; and the student turnover per year is 50 per cent. If ever there was a place in Western Australia that deserved a child and parent centre, it is Rangeway.

After seven years, I encouraged and finally persuaded the government to accept splitting our two government high schools up again to be standalone high schools. We allocated \$25 million for that and I am pleased to see that it is being carried through in this budget. We spent about \$30 million on TAFE facilities, which were opened by the then Deputy Premier, now Deputy Leader of the Opposition. We expanded the Geraldton Universities Centre. Its enrolments have gone up to about 320 students this year. It has been accepted and adopted by the federal government as the standard model for achieving tertiary education in the regions, and there will be eight similar campuses opened fairly soon. Also, back in the early days, we air-cooled all the government schools, which made a huge difference to the kids in my area because for at least three or four months of the year, it is very hot.

I would like to make a few comments on Western Power. In a budget speech in 2014 I first advocated that we sell a lease over Western Power of 100 per cent. Everyone knows that the electricity sector is going through a major period of disruption as a result of self-generation, renewable energy requirements and storage developments, to name a few. As a result, the value of Western Power is expected to decline quite sharply. If we were to sell a lease over it now for 100 per cent, some people say that \$20 billion would be achievable. This is an asset that might be worth absolutely nothing in 10 or 15 years. I have to say that the WA Labor Party's policy on this matches its strange previous attitude to GM crops. It stood in total opposition to that for some time, in contrast with its Labor colleagues federally, in New South Wales and in Victoria, and then it caved in overnight. I would suggest to the government that it do what Paul Keating described as a triple backward somersault with pike, and sell it! The government puts in place the service standards and sets what can be charged. Ditto, we should put a lease over Fremantle port and sell that as well. These two sales would massively reduce the state's debt, which would make a huge difference. It is not a simple sugar hit. Let us face it, paying off the debt like a mortgage is not going to happen.

Government attitudes to debt is an interesting subject; it has changed a lot over the last decade or two. However, the most logical explanation I have come across as to the optimum level of government debt is to set a target for the government sector to roughly be in balance over the long term or over the economic cycle. It is a pity the

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Treasurer is not here, because I would have liked to ask him this question: why does government debt all seem to be put onto the government overdraft? My experience in farming—I will quite happily admit that farming may not be quite the same as running the government sector—is that an overdraft covers annual inputs. Medium-term debt of five to seven years covers machinery, and long-term debt of 20 to 30 years is used for the purchase of land. One of the golden rules is that you do not borrow short term to invest long term. Should debt that is used to build long-term infrastructure have a long-term loan with a locked-in interest rate? If the government wants to build Metronet, why are we not borrowing the sum over 20 years with an amortised annual payment?

I recently met Nick Greiner. I said to him that I remembered his first act in 1988 as the newly minted Premier of New South Wales was to pay off the Sydney Harbour Bridge. He said that it was almost a symbolic gesture to make as the incoming New South Wales Premier to pay off the debt on such an iconic structure. The point was made that in the depth of the Depression, the project made sense, the money was borrowed over many years—it was probably borrowed in 1931 or 1932, as I said, in the depths of the Depression—and it was finally paid off in 1988, and the project was a bright light to a nation in the gloom of absolutely terrible economic circumstances.

As a regional member, royalties for regions was responsible for getting many projects up in my seat. I will mention a few of them: renovations at our women's refuge; renovations at our art gallery; airport upgrades; school projects, roadworks, the city library; the Geraldton Universities Centre; aquaculture projects; restoration of old buildings; foreshore works; police housing and extra wages; better mobile phone communications; the Kalbarri skywalk in the member for Moore's electorate; the Murchison radio astronomy power station in the member for North West Central's electorate; sports grounds and lights; the Batavia Coast marina; TAFE college extensions; cemeteries; healthcare centres at places such as Mt Magnet and Meekatharra in North West Central and Eneabba in Moore; and Foodbank. It is a very long list, and that is only a few of them.

I would like to pay credit to the people who ran the Mid West Development Commission during that time. CEOs Steve Douglas and Gavin Treasure, and the chair, Hon Murray Criddle, all coped commendably with having a Liberal local member and a Nationals-led program. The work and accountability of the Mid West Development Commission is as good as any of WA's nine commissions, if not the best.

In the future, I think royalties for regions should be focused on major projects, regional development and jobs. Frankly, I was tired of projects being announced without an invitation to attend or, if I did attend, being treated as a bystander—and, in particular, the small funding grants that were nothing more than an attempt to buy votes and buy my seat. In the future, these types of grants should be available only if they are across the entire state. I do not see why specific areas should get grants for playgroups or parents and friends bodies. The best model is the way we put grants out through Lotterywest. I really like the program, but I did not like the way it was used to try to get rid of me. The real problem with royalties for regions is that a fixture of royalties was available to spend even if, in reality, in some years all the state's royalties disappeared over the border by the GST mechanism, which meant that the royalties for regions funds had to be borrowed.

Another issue I would have always liked to find out about but never did was how the decision was made to split the royalties for regions budget across the different regions. I think the midwest worked hard to get value out of its allocation. Some regions got far more. The process of allocation would have been interesting to note. Sitting in the pipeline and very close to a final sign-off were projects in Geraldton for the expansion of the museum, the accommodation facility for the Geraldton Universities Centre and the health sector. I am glad to see the Minister for Transport here; I wrote to her about this the other day. People who live in Wiluna have been waiting for the road between Meekatharra and Wiluna to be sealed since 1957. It was promised when they closed the railway line in 1957. That was another project that nearly got over the line. It was an interesting project. A lot of the work was going to be done by the local shires. It included an extensive program for training Aboriginal people to work on roads. A lot of people would be disappointed if that has fallen over. I ask that down the track it gets favourable consideration.

Indian Ocean Drive was a big issue when I was first elected in 2008 because the project was delayed a number of times. It is an interesting road. We prioritised it to get finished as soon as possible when we came to government. If people have driven it, they would understand why. The first section of the road goes as far as Lancelin and is old and windy; the middle section, of course, is a brand-new superhighway; and, the northern section is narrower but is a much better standard of road than the southern section. I reject entirely that the previous government was in any way responsible for the design of that road. I think members must see that it does not make sense to have three very different surfaces joined together, because it will cause issues for people who drive on it. When it was built it was hoped that it would become something like the Great Ocean Road in Victoria—an iconic road rather than a road to go from A to B as quickly as possible. Unfortunately, it seems to have become an iconic road for people looking to drive as fast or as carelessly as they can. I particularly note the photo in the paper the other day of eight people on motorbikes who are shown travelling at 180 kilometres an hour or whatever it was. The shearers who worked for me would often refer to anyone who rode a motorbike as a temporary Australian. People who do

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things like that have a death wish and we cannot save idiots like that from themselves, but we may be able to do something about the Indian Ocean Drive, especially in the southern section. I do not think we can do much because I think that the corners have not been properly cambered—that is the other problem—and without spending a fortune. A lot of money would need to be spent on it.

I will briefly mention the Karara mine in the electorate of Moore. From what I am picking up on the ground, it is going quite well. I encourage members to visit the mine. It is Western Australia's first magnetite mine and the biggest customer for Geraldton port. About half the tonnage that goes through the Geraldton port comes from Karara magnetite mine.

I am happy to see in the budget the allocation of \$5 million over two years for the Abrolhos Islands, which the member for Cottesloe mentioned. It will pretty much cover what needs to be done there to start the development of the area as an iconic tourist attraction and also the state's second aquaculture zone. I am also pleased to see an allocation for the continuation of the work at Geraldton's two high schools. I was going to thank the Minister for Transport, who has just left the chamber, for the announcement to reseal the Geraldton airport strip.

I am also a fan of an open-range zoo. I thought we might be able to have one at Geraldton

Several members interjected.

Mr I.C. BLAYNEY: I was thinking that it could be located just a bit further east near Glengarry, on the hills that sit to the east of Geraldton. That would have been a great spot. The member for Darling Range probably does not know this, but Glengarry was where Edith Cowan was born. When I was looking into the idea of an open-range zoo, I soon learnt that they work better if they have a city of a couple million people on its edges, rather than a town of 40 000 people.

I visited the Monarto Zoo in South Australia. Our Labor friends will know the story of the famous Monarto site.

Government members: No.

Mr I.C. BLAYNEY: You people are a very big disappointment to me! Government members do not know their party's history. Monarto is on the other side of Adelaide, near the River Murray. The site was bought by Don Dunston who wanted to establish a twin city for Adelaide because he did not want Adelaide to grow anymore. He bought the Monarto site to build that city. Of course, it never happened so they turned the site into an inland open-range zoo, which is probably a better thing to have done with it, I suspect, because it is a nice enough place. It is sort of like Canberra in 12-inch rainfall country. It looked like a pretty tough place to grow wheat, and I always reckon that if a site is a tough place to grow wheat, I would not want to grow a city there.

The other attractions at the zoo in Adelaide are the pandas. When I got back from South Australia, I wrote to the then Premier saying that I thought we should do something about this open-range zoo thing. He was supportive of it but he said that a more likely site would be out in the Avon Valley.

Mr D.A. Templeman: So it was your idea?

Mr I.C. BLAYNEY: It was my idea—an entirely original idea.

Mr P.C. Tinley: You are a visionary.

Mr I.C. BLAYNEY: I am a visionary.

Several members interjected.

Mr I.C. BLAYNEY: I know I am.

Several members interjected.

The SPEAKER: Members, do not slow down the debate.

Mr I.C. BLAYNEY: I also suggested we might get a couple of pandas for the Perth Zoo. Believe me, if we want to get tourists into the zoo, nothing comes near pandas. However, the thing about pandas is that if we were going to pick an important, iconic species to try to preserve, it would not be pandas, because the Chinese are spending so much money trying to keep them now.

Mr B.S. Wyatt interjected.

Mr I.C. BLAYNEY: Oh, the Treasurer is back!

Several members interjected.

The SPEAKER: Members, please, the night is long.

Mr I.C. BLAYNEY: The panda idea did not get very far either. The other thing is that the Chinese have this deal wrapped up on pandas, if we want pandas. The Chinese are doing really well out of it. The other thing I looked at in Adelaide, and I suggest it is worth looking at if members go to Adelaide, is the O-Bahn. I suspect that the

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O-Bahn would have been a better project to build to Perth Airport than an underground railway line. The O-Bahn did not have any friends either!

Mr D.A. Templeman: You've been doing a bit of travelling, haven't you?

Mr I.C. BLAYNEY: Only to Adelaide.

Mr D.A. Templeman: No, you were in Kununurra.

Mr I.C. BLAYNEY: Yes, I was in Kununurra.

Mr D.A. Templeman: You were incognito. You were wearing a Panama hat and dark sunglasses.

Mr I.C. BLAYNEY: I am usually incognito. I was sitting further up the plane than the member was. I am going to have to ask for your protection, Mr Speaker.

Mr J.N. Carey interjected.

Mr I.C. BLAYNEY: What has the City of Perth got to do with it?

The SPEAKER: Member for Perth, you are wasting our time. Carry on, member for Geraldton.

Mr I.C. BLAYNEY: Anyway, I have much more important things to talk about.

I am disappointed there is no commitment to build a new classroom block at Waggrakine Primary School, which is something the previous government —

Mrs L.M. Harvey interjected.

Mr I.C. BLAYNEY: Yes, the member came and announced that, when she was the minister. Waggrakine is an excellent primary school; it is the only one north of the Chapman River, and it is now the largest in the midwest region.

[Member's time extended.]

Several members interjected.

Mr I.C. BLAYNEY: Believe it or not, that is the first time I have ever done that.

Mr J.N. Carey: What about the open zoo?

Mr I.C. BLAYNEY: No, I have done the open zoos.

Similarly, I have had no joy in securing improved car parking at Allendale Primary School, which is a simple safety issue, and is a real worry to parents and staff of the school. If a child is injured, I hope they are not injured too badly, because it is a real problem. I am also told that the commitment that the government has made to convert classrooms to science rooms in primary schools applies only to schools that have empty classrooms, which is understandable and logical in a way. However, this rules out a large number of schools in the newer growing areas, and makes the program of no benefit to many of the schools in this state's new areas. That is a real pity.

Of course, the big issue that the people of Geraldton were looking for in the budget was the necessary expansion of Geraldton Hospital. Our hospital serves a huge area—at least 25 per cent of the state. The Barnett government committed to spending \$138.5 million to expand the hospital, and in the election campaign the Australian Labor Party committed to spending \$45 million, which was to cover the most critical expansion of casualty and the mental health facility. I understand that one of the things the ALP was concerned about was the future of St John of God, which runs at only 50 per cent capacity, and is helped by selling beds to the government system. The community has expressed to me a fairly strong concern about the lack of commitment to expanding Geraldton Hospital in this budget. A line or two in the budget talking about planning is not a line item or funding in out years. Of course, the headaches of Geraldton Hospital would have been much less if St John of God and the regional hospital were co-located when the existing regional hospital was rebuilt in 2005. Oddly enough, the new hospital, as it was then in 2005, was about only half the size of the one it replaced. The emergency department in Geraldton Hospital is roughly three times busier per bed than the one in Bunbury, for example. The community and I would like to know why the decision was not made to co-locate the hospital.

I am following the plan to build railcars in Western Australia with interest. I read some time back that if the Abbott government had helped Holden and kept the Australian car industry in place for another model cycle, which was a decision I would have supported, it would have cost about \$10 000 per job. The decision to build submarines here in Australia will cost a couple of million dollars per job. I look forward to seeing some figures for how competitive our railcar factory will be. I have no doubt that we can and will build very good railcars, but at what cost? In a similar vein, I am interested to see the development of a state parliamentary budget office; I would like

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to see that happen. Another project that I remember being spoken about at various times was the establishment of body roughly known as infrastructure Western Australia—a planning body. Once again, it is a good idea and I encourage the government to follow through on that.

I have heard discussions that some of the assumptions in this budget are heroic. The example given was the figure for the increase in health costs. Ageing population growth, higher payment levels here for most of our staff and the rest of Australia, and advancing medical technology means that health costs will steadily rise. It has always risen by about eight per cent a year. I think that the previous government's lowest rise was 4.8 per cent in one year. The assumptions made in the budget are probably way off the mark.

Another project that I followed with interest for years, actually since 2008, is the Ellenbrook railway line. I remember years ago discussing this with a couple of people in the Department of Transport who I had gone to see about something else. I was told by them in no uncertain terms that it would not be built. When I asked why, the answer went along these lines: fewer people will use this railway line than get on and off at Cockburn Central. Members should just think about that for a minute. They said it is totally uneconomical and will not be needed for decades. Again, for political reasons, it has risen phoenix-like from the ashes.

Mr J.N. Carey: Rubbish! Let's not service the outer suburbs.

Mr I.C. BLAYNEY: It is about economics, mate. It is probably much better served by a proper, sorted —

Mr J.N. Carey: Let's not service the outer suburbs. We do not want to service working families. What a disgrace.

Mr I.C. BLAYNEY: Let's get out the violin—not another one of our working-class heroes!

Mr D.C. Nalder interjected.

Mr J.N. Carey: He is a flip-flopper—more plans for public transport than I have ever seen.

Mr I.C. BLAYNEY: Says our inner-city yuppie.

Mr J.N. Carey interjected.

The SPEAKER: Okay, that was very inviting. I call you to order for the first time and I call you to order for the second and third time for continuing to talk when I am on my feet, member for Perth. You might have had a good tea, but some of us have not had one yet. Member for Geraldton.

Mr I.C. BLAYNEY: Thank you, Mr Speaker.

As I said, the Ellenbrook rail line has risen phoenix-like from the ashes. Why did we promise it in 2008? The answer is simple: because the other mob did. We then discovered that there was no business case and I went through this a number of times with someone who was a good friend of mine—the then member for Swan Hills, Frank Alban, who I always thought was one of the most decent and honourable people I have ever met. However, the case of the Ellenbrook railway line tends to underline the need for a parliamentary budget office and the need for an institution like infrastructure Western Australia to evaluate the economics of major infrastructure, preferably publicly.

Despite the budget position, the Liberal Party has a hard decision to make about the increase to the gold royalty and the increase to the rate of payroll tax. The choice is between supporting a government that has broken its word versus a serious budgetary situation that this budget has not really done a lot to address.

Finally, I really do not see the point in having Australia's fourteenth inquiry into fracking and I think that the government's uranium policy is also wrong. It makes me wonder whether members opposite are really serious about the economy.

MRS J.M.C. STOJKOVSKI (Kingsley) [7.15 pm]: After the performance last night, I must have ruffled a few feathers on the opposition's side. A wise old man once told me—I should not call him old; he will probably tell me off for that —

Several members interjected.

Mrs J.M.C. STOJKOVSKI: Indeed. A wise man once told me that if the Liberal opposition starts to single you out and attack you, they are scared of you! They may well be scared. The member for Dawesville, who made the biggest attack on me last night —

Several members interjected.

Mrs J.M.C. STOJKOVSKI: He did manage to hold his seat, Mr Speaker!

Several members interjected.

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The SPEAKER: Members! I am interested in hearing what the member is saying. Especially if it is your own member, do not interject on your own member.

Mrs J.M.C. STOJKOVSKI: Well may the member for Dawesville be scared as he held his seat with only a very thin margin, just like mine—except, he had a 12 per cent swing against him, when I had almost a 15 per cent swing towards me.

Opposition members are so scared of strong female representation on this side that the white men of the opposition took to name-calling and labelling the member for Morley, me and other backbenchers as Cersei Lannister and characters from *The Walking Dead*. I am sorry; I fancy myself more as a Sansa Stark. However, I cannot help but wonder whether had the members of the opposition watched the budget and the economy more than they watched *Game of Thrones*, would we be in the mess we are currently in?

Liberal governments at all levels always crow that they are good financial managers. I am here tonight to dispel that myth. Members do not have to listen to my words; I will give them a few words from other people.

Professor James Morley wrote in The Conversation online —

The idea that conservatives are better economic managers simply does not stand up.

He highlights that since 2008, GDP grew 2.43 per cent under Labor, federally, in the face of the global financial crisis versus 2.6 per cent for the Liberals at the end of the mining boom. Econometrics expert Alan Austin claims in the *Independent Australian* in October 2016 —

There is now no doubt who runs Australia's economy better.

He outlines that in 2014, Joe Hockey forecast deficits totalling \$30.5 billion for the three financial years from 2015–16 to 2017–18. However, budget figures when he wrote the article show the final budget outcome was then \$102.8 billion. That is blowout of 337 per cent in two years.

Several members interjected.

Mrs J.M.C. STOJKOVSKI: Shame, indeed.

That myth has perpetrated the Australian and Western Australian psyche and people accept the truism that Liberal–National coalition governments have superior economic credentials.

Mr J.E. McGrath interjected.

Mrs J.M.C. STOJKOVSKI: However, member for South Perth, in March 2015, Tim Dunlop, writing for *The Drum* on SBS News lamented that Tony Abbott and Joe Hockey were on track to destroy one of the most commonly held beliefs that the coalition is better economic managers than Labor, yet the business community and mainstream media —

Mr J.E. McGrath interjected.

The SPEAKER: You will be in a minute, too, member for South Perth.

Mrs J.M.C. STOJKOVSKI: — did not acknowledge that it was a useless economic manager. Dunlop also highlighted that the Howard government was the highest taxing government in Australian history. They are interesting statistics. Let us not even get started on a fair GST share for WA. It is akin to the famous *Game of Thrones* phrase “Winter is coming”. The federal government keeps telling us that it is coming. There is a lot of talk about it but in every episode, winter never comes—we never see our GST share getting any better.

Several members interjected.

Mrs J.M.C. STOJKOVSKI: I heard members opposite say that that is the federal government. The former Liberal government must have looked to the east to model its financial management style. The appalling Liberal financial management style of the state's finances is the reason it lost the election and the reason the books are as bad as they are today. My Kingsley constituents, many of whom are small business owners, shook their heads in disbelief at the former government. They said to me during the campaign, and have said to me since the campaign, that if they ran their businesses the way that the Liberal government ran the state's finances, they would be out of business. It is out of government now, so that is probably the same thing. But members should not take my word for it. Former Liberal minister Murray Cowper claimed on 6 January 2016 that the then state government was bleeding voters because of its poor financial management.

Mrs L.M. Harvey: Who wrote your speech for you?

Mrs J.M.C. STOJKOVSKI: I will take that interjection, member for Scarborough. I am very proud that I wrote this speech myself, unlike members on her side.

Several members interjected.

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The SPEAKER: Members!

Mr D.A. Templeman interjected.

The SPEAKER: Minister, your own member is on her feet. No interjections.

Mrs J.M.C. STOJKOVSKI: The irony yesterday in the member for Churchlands suggesting that our Treasurer was leading the backbench off a cliff is that, in fact, the day after the election this year, Andrew Clark of *The Australian Financial Review* wrote —

After securing a stunning second election victory in 2013, Barnett on Saturday led the WA Liberal Party over the cliff.

I suggest, however, that the former Premier led not only his party, but also the entire state of Western Australia and the economy off a cliff.

Mr T.J. Healy: With the member for Scarborough.

Mrs J.M.C. STOJKOVSKI: That is true, member for Southern River—with the member for Scarborough.

Several members interjected.

The SPEAKER: Members, please!

Mrs J.M.C. STOJKOVSKI: Members, I know that we are all keen to get home, so please let me continue for a few more minutes.

I have often heard bleating from members opposite that they could not control the GST revenue. These guys were the ones who signed us up to it, were they not? They also said that they were not aware of what was going to happen with the post-boom slump. Along with a number of my backbench colleagues, I went up to the Pilbara recently and spoke to the mining companies and the one piece of information that they kept telling us was that it was not a post-boom slump; it was a post-construction slump. There is a difference. They would not have been hiding this information from members opposite; they would have been telling members when they were in government that when the construction phase finishes and they move into production, there will be a problem. But, no, they did not listen.

Mr I.C. Blayney interjected.

The SPEAKER: Member for Geraldton!

Mrs J.M.C. STOJKOVSKI: The member for Dawesville highlighted the fact that the poor member for Kingsley did not get any commitments in the budget.

Mr Z.R.F. Kirkup interjected.

Mrs J.M.C. STOJKOVSKI: No, but does the member know what? We were honest with the electorate, something I know is foreign to members on that side. The government told the electorate that we would fund election commitments, local projects and local jobs. That is what we promised we would fund and I am pleased to say that that is what we did fund. I was very interested last night in the member's concern for the Kingsley constituents, so I went through the last four years of budget papers and wrote a list of all the commitments the former member made for the Kingsley constituents.

Several members interjected.

Mrs J.M.C. STOJKOVSKI: For the sake of Hansard, when I looked for projects for Woodvale, Warwick, Greenwood and Kingsley in the former budget for the last four years, there was not a single commitment.

Dr M.D. Nahan interjected.

The SPEAKER: Leader of the Opposition, you are on three!

Mrs J.M.C. STOJKOVSKI: I have a blank page, Hansard—there was not a single commitment.

Several members interjected.

Mrs J.M.C. STOJKOVSKI: I have a few more dot points.

The SPEAKER: Members on the government side, your own member has to scream to speak over your interjections.

Mrs J.M.C. STOJKOVSKI: I have a few commitments to enlighten the chamber of what we will do in Kingsley, which is infinitely better than what the inept former member for Kingsley did.

Point of Order

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Mr S.K. L'ESTRANGE: The former member is not here to defend herself and the member for Kingsley is casting aspersions.

The SPEAKER: No; that is not a point of order.

Debate Resumed

Mrs J.M.C. STOJKOVSKI: I am very proud to tell members that we will invest \$150 000 into Halidon Primary School. The day I announced it to the school community, the former principal of that school was there and she came up to me, almost in tears, saying, “I have been trying to get \$150 000 to fix the admin building for the last 10 years.” That was while members opposite were in government. I also managed to secure \$150 000 for nature play space in Greenwood, something that is very important to me as a mum with young children. Most important, the Minister for Environment and I did something else that I know members opposite are not that familiar with; we consulted with our local stakeholders. We used evidence-based decision-making to provide \$50 000 to the Friends of Yellagonga to produce a pilot for a new project that will help reduce midges in the area, something I know the member for Girrawheen is also very keen on.

I can just imagine last Thursday members opposite thumbing through their budget papers looking for what was in it for them; what was in their patch. I am really proud to say that our government has taken a holistic view of planning for the state and the regions.

Mr Z.R.F. Kirkup interjected.

Mrs J.M.C. STOJKOVSKI: Yes, the member for Dawesville is correct, I got no direct big commitments, but I got plenty of commitments that will benefit my constituents—congestion busting—the rail to Yanchepp and widening the freeway south to ease congestion where it is actually needed going into the city.

There is investment in jobs and training. Those investments will benefit the constituents of Kingsley. I am proud to say that as a government we have holistically looked at what is required for the state and not tried to fight tooth and nail —

Mrs L.M. Harvey interjected.

Mrs J.M.C. STOJKOVSKI: Sorry; I am not taking interjections. I am nearly done. I do not have to look for bits and pieces that we might find for our constituents that are direct investments for our constituents.

Mrs L.M. Harvey interjected.

The SPEAKER: Members! Member for Scarborough!

Mrs J.M.C. STOJKOVSKI: I have already said that I am not taking interjections; I really would like to finish. However, the constituents of Kingsley can rest assured that they have a local member with a backbone!

Government members: Hear, hear!

Mrs J.M.C. STOJKOVSKI: They have a local member who will stand up for Kingsley, who will talk to the Premier, who will talk to the Treasurer and who will talk to any ministers I need to to make sure that we are not neglected like we were in the last nine years.

I thank members for their time. I thank the Treasurer for a very reasonable and financially sound budget, and I commend the budget to the house.

[Applause.]

MR K.J.J. MICHEL (Pilbara) [7.30 pm]: I would like to contribute to the debate on the budget and speak on the Appropriation (Recurrent 2017–18) Bill 2017 and the Appropriation (Capital 2017–18) Bill 2017.

Dr M.D. Nahan: The member for Dawesville was right.

Mr K.J.J. MICHEL: Sorry?

Several members interjected.

The SPEAKER: Leader of the Opposition, can you just show some decency. The member has just got on his feet. I know you want to get thrown out, but I am going to make you stay!

Mr K.J.J. MICHEL: I welcome the budget presented by the Treasurer last week, and I would like to thank Minister Dawson and Minister Alannah MacTiernan for coming up to the Pilbara—to Port Hedland and Karratha—to do a budget briefing. It was great to speak with all the constituents because we could only do what we could after the mess we were left with. The previous Liberal–National government built infrastructure all over the Pilbara and left a big mess. A lot of the equipment has broken down in all these places, and it does not get fixed. For one year we have not had a water park or swimming pool in Port Hedland—whose fault is it?

Several members interjected.

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Mr K.J.J. MICHEL: It is the fault of the Liberal–National government, which is not here today to listen to what the Pilbara people have to say.

Several members interjected.

Mr K.J.J. MICHEL: It is a disgrace!

Several members interjected.

The SPEAKER: Members, please. Member for Pilbara, can you talk through the Chair, please.

Mr K.J.J. MICHEL: We had the biggest boom the world had ever seen. The Liberal–National government brought only pain and misery to the Pilbara.

Several members interjected.

Mr K.J.J. MICHEL: Absolutely! The debt in the Pilbara is WA's biggest.

Several members interjected.

Mr K.J.J. MICHEL: The people of the Pilbara hold the National Party responsible for what happened in the Pilbara, as shown by the election result. That is why I am here today!

[Applause.]

Mr K.J.J. MICHEL: The people of the Pilbara are struggling and going through a lot of hardships. We are under the biggest mortgage stress the state has ever seen. Over 3 000 mortgaged houses have been repossessed by the banks, and some of the owners have left the keys in their letterboxes and left the Pilbara. Why? Because they cannot manage to pay their debt. The former Liberal–National government sits in this chamber and points the finger at us after leaving us in this mess. It needs to be held accountable and should give us the opportunity to deliver on our promises. I have all faith in the Mark McGowan Labor government, and I know in my heart that we will do a better job than the previous government. The state government has included \$4 billion in royalties for regions expenditure across the state. In the Pilbara alone the government will invest \$1 billion over the next four years. I am happy because I have fought hard for the people of the Pilbara.

Several members interjected.

Mr K.J.J. MICHEL: These are exciting times for the Pilbara. Most important is the commitment of the Mark McGowan government to finally seal the road from Karratha to Tom Price. This is the third stage. It was supposed to be done in 2008, but was not. We are getting on with the job. We have committed \$50 million to seal this road. Besides the obvious tourism benefits of opening up East Pilbara, it will also provide a whole raft of opportunities for a mining service industry to be based in Karratha, with access to inland mining operations. This provides us with a chance to iron out some of the boom and bust tendencies of the region. We can provide ongoing sustainable work in Karratha to service the mining industry. This has always been our policy—jobs. We are on top of jobs.

Several members interjected.

The SPEAKER: Member for Scarborough!

Mr K.J.J. MICHEL: The completion of stage 3 will make it possible for the Balla Balla project to have a drive in, drive out workforce based in the Pilbara, which will bring more jobs into the Pilbara. We have allocated \$144.7 million for the completion of Karratha Health Campus and \$12.3 for a step-up, step-down centre in Karratha. An amount of \$112 million has been allocated to the waterfront revitalisation project —

Several members interjected.

Point of Order

Mr D.A. TEMPLEMAN: The member for Pilbara is being incessantly interrupted by the Leader of the Opposition. He has been called to order three times. He should be thrown out of the place because he is continuing to do it.

Several members interjected.

The SPEAKER: Has everyone finished? It is not a point of order, but I think it is more of a punishment to stay here than it is to go! Leader of the Opposition, I will throw you out. It is not a very good look when we are debating the budget and the Leader of the Opposition is thrown out for continuously interrupting. The member for Pilbara will be heard in silence from both sides.

Debate Resumed

Mr K.J.J. MICHEL: Today in *Pilbara News* the member for North West Central said that Newman is not getting a renal dialysis facility. I think that he did not read the budget because we have committed \$65.2 million to the North West Health Initiative and \$5.1 million for the renal dialysis system. Members opposite are not reading the

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budget. An amount of \$147.5 million has been allocated to the patient assisted travel scheme, which supports regional people when they are required to travel for treatment. An amount of \$18.5 million has been allocated to the regional enforcement unit to increase traffic enforcement on our country roads. The community fought for a lot of these things during the election campaign; I walked and spoke to all the people in my community in Karratha, and that is why we got what we deserve. On behalf of the Pilbara, we asked the Premier and the Treasurer to give us these projects and Labor has delivered.

The regional development commissions will now have a dedicated local content officer whose full-time job is to ensure businesses in the regions are not disadvantaged just because they do not have dedicated procurement staff. They recently introduced job laws that will see prospective suppliers of government projects submitting local industry participation plans as part of their tender to ensure that local workers are employed. I will communicate with local businesses and make sure that this is enforced. We have already seen a reduction in regional airfares because of pressure put on the airlines by the Mark McGowan government.

We will be putting education assistants back into classrooms to support teachers to teach our kids and regional learning specialists to support independent training. We will provide dedicated science areas in primary schools, independent learning coordinators for students taking courses through distance education, and the Pilbara university centre for those who chose further education.

I refer to innovations. We will focus on research and development to leverage our natural advantages in the Pilbara. We will provide the Pilbara with the opportunity to harness its competitive advantages—sunlight, land, and existing export infrastructure—to establish a sustainable commercial horticulture industry and grow our pastoral opportunities.

I refer to agriculture. One of the benefits of bringing together the Department of Agriculture and Food and the regional development commissions staff into one department is that we can make sure that the Pilbara is not missing out on anything. There has not been enough focus on this area. The former Department of Agriculture had only one staff member based in the Pilbara. The pastoral industry—the oldest industry in the Pilbara—is already taking steps to develop new value-adding opportunities. This government is investing \$5.7 million in developing agriculture and horticulture in the Pilbara. We have helped Pardoo Beef take its high quality Pilbara Wagyu beef to the world. This would not have been possible without serious investment in research on groundwater resources and feeding programs. We want to build on the work of the Pilbara Hinterland Agricultural Development Initiative to unlock the potential for irrigated agriculture in the region. We want to see this regional reach its full potential.

The Mark McGowan Labor government has already got on with the job in the Pilbara region. One hundred apprenticeships have been offered by Rio Tinto for local people in the Pilbara, and another 100 apprenticeships by Woodside, once again for local people in the Pilbara. BHP has offered 100 apprenticeships for Port Hedland and Newman.

Several members interjected.

The SPEAKER: Members, not across the chamber, please.

Mr K.J.J. MICHEL: I am proud to say that I have been told that for every 10 apprenticeships offered, one will be for an Indigenous person.

Woodside is spending \$50 million to refurbish its houses in Karratha. I am very proud to say that eight out of the 12 contractors on this project are local companies that have been operating their business in Karratha for over 10 years and are well known to me. I am proud to say that two Aboriginal businesses have also won contracts on this project. I am working hard with the mining companies, along with the Premier and the Minister for Regional Development, to make them understand what local employment is about and what “local” means. “Local” means people who live and work in the Pilbara, not people who come from Perth or from Queensland. If we do not employ the people in the Pilbara, we cannot sustain ourselves. Everyone needs to understand that we want to be self-sufficient and stand on our own two feet.

Government members: Hear, hear!

Mr K.J.J. MICHEL: Rio Tinto is spending millions of dollars on replacing its stackers and reclaimers on the loading dock on Intercourse Island. That will bring more jobs and work for the Pilbara and Western Australia. I am proud to say that all this work will be done in Western Australia and not sent overseas.

Government members: Hear, hear!

Mr K.J.J. MICHEL: This is a win–win situation for the Pilbara and Western Australia. It shows our commitment to work and communicate with the mining companies and get more work in the Pilbara and Western Australia. A lithium mine has started in Port Hedland that will bring more jobs into the Pilbara region and Western Australia. There are more projects in the pipeline.

The Mark McGowan Labor government is serious about keeping the budget on track and reducing the debt. This is a very good budget for my electorate of the Pilbara. It is delivering the foundations for jobs and building better

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services for my community. I know that members opposite may not agree with the budget, but we have an obligation to work in the interests of the state to address the problem, and they need to take responsibility for the mess in which they left this state. I know members opposite will continue to try to undermine what I am doing in the Pilbara and will continue to make disparaging comments about me. But they will not stop me from delivering for my community.

Several members interjected.

The SPEAKER: Members!

Mr K.J.J. MICHEL: Despite the insults and abuse, I will not give in. I will continue to dedicate myself to the people of the Pilbara. I promise members one thing—I will be a better member than the previous member for Pilbara.

[Applause.]

I commend the bills to the house.

MR B.S. WYATT (Victoria Park — Treasurer) [7.44 pm] — in reply: I rise to take a quick 45 minutes to respond to the many, many things that have been said over the last few days!

Several members interjected.

Mr B.S. WYATT: I begin by thanking all members. As members know, this is the first budget of the new government and the first and hopefully not the only budget I will deliver as Treasurer. I have enjoyed all members' contributions because, ultimately, when one spends as long as I did on that side of the house, as some other members in this place also have, enjoying budget replies is something of interest. No, I did not sit in here for all members' speeches, but can assure members that I listened intently in my office or perused *Hansard*. I enjoy the budget responses because we inevitably get the pros and cons of the budget. In my view, this budget has many, many pros and, I accept, probably a few cons.

Ultimately, this is a budget that has had to be reflective of the fiscal circumstances that we have had to deal with. I have not tried to shy away from that—I have been as open and honest as I can—but I appreciate that there are many members who are disappointed. Even today, I noted some comments by the member for Moore, who was disappointed about a particular spend in his electorate that will not take place.

The government and I have had to go through the forward estimates and re-prioritise. The last time there was a change of government, that did not have to happen; there was simply a layering-over of the spend by the new government and it could still deliver a significant surplus. I cannot remember what the surplus was back in 2008–09, but it was a significant surplus. They were different fiscal times. As a result, we cannot repeat that first year of 13.5 per cent followed by 10.9 per cent expense growth. It is always the things we spend all our time on that seem to not be reflected in public commentary, but the effort has been gone to by the Economic and Expenditure Reform Committee and my office around the expense side, ensuring that while expense grew at 3.7 per cent, underlying expense growth was 2.4 per cent. That is something that I am proud of, but ultimately the challenge will be in the delivery; I have not shied away from that point either. The shadow Treasurer, the Leader of the Opposition, in particular, and the member for Geraldton all made the point that there are risks in the budget in the assumptions around spending growth across the forward estimates, and they are all correct. I admit that; it is not something I am pretending to hide from. It is certainly something I am going to endeavour to achieve. The devil in the detail will be in delivering upon those assumptions, but we have to do it. We do not have the right to ignore these things.

The member for Churchlands in his speech the other night made a point about a government being a journey. He referred to the previous Labor government, the former Liberal–National government and the potential journey of this government. Unfortunately, it is unlikely that my journey as Treasurer will be awash with unexpected revenue. I do not think that is going to be part of my journey. Certainly the former Labor government had very fortunate timing with stamp duty. Those who follow the finances will remember that. The former Liberal–National government had very fortunate timing with royalties. I do not think this government is going to get an unexpected revenue uplift from any one of our limited revenue sources, which is why these decisions have been made. I have said that I accept the comments made by Richard Goyder, whom I quoted in this place the other day. I think he described payroll tax as a dud. I am not embracing payroll tax as a wonderful revenue source for the state, but it is one of the few, and, as the Leader of the Opposition knows, it is a not-insignificant revenue source for the government. Importantly, it is a revenue source that we do not see redistributed. The former government did see that redistributed, actually, during some of its significant growth, but we will basically keep all that increase in revenue here in Western Australia, which is why, unfortunately, I have had to look at it. I commend the business sector. A number of prominent businessmen have commented that they are not happy about the increase in payroll tax but they understand it and they support the efforts that the government is making for fiscal repair. I have had

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a range of conversations with other prominent businesspeople who have not yet gone public—maybe they will, although I am not expecting that—who I think understand the position that the government has taken.

The other revenue measure about which we made a decision is gold. Again, I was very determined to go to Kalgoorlie as soon as I could after I delivered the budget to speak to those goldminers, and I did that on Monday; I went there straightaway. Kalgoorlie is a place I call home so I wanted to be as frank and as open with the people of Kalgoorlie as I could. I think the conversation I had with the gold sector at the offices of the Chamber of Minerals and Energy in Kalgoorlie was very good. Yes, it was very frank. I will not pretend for a minute that they were delighted to see me but I think they appreciated the effort that I went to. We talked in some detail about a range of specific mine sites but, broadly, the conversation was fairly general. As I have said in this place a couple of times this week, I asked the mining sector whether there was a point at which in their view the people of Western Australia could expect a higher return on their resource. For example, if gold went to \$5 000 an ounce overnight, is it unreasonable for Western Australians to expect a higher return? Even at \$5 000 an ounce, there will still be marginal gold prospects. That is the nature of the beast of mining. The point I made—I went through this in some detail in question time today—is that a lot of work has gone into the strike point of the transition to \$1 200 to ensure that it will not have a dramatic impact on the gold sector, and it will not. The uplift from 2.5 per cent to 3.75 per cent is reasonable.

According to the former government's not insignificant effort around the mineral royalty rate analysis that it conducted over a three-year period, it will still leave gold considerably short of the 10 per cent mine-head value. That is okay. I am not trying to get any further than 3.75 per cent. Changing royalties is difficult enough. I think the former Premier would appreciate that in respect of the changes he made around iron ore—around the historic differences between iron ore fines and lump iron ore—that is a decision he should have made. It was a good decision to make because ultimately—this is the point I made to the CME as recently as today—it is not a tax. As Western Australians, we are selling our asset to those miners. That is effectively what the royalty is, and Western Australians should get a fair return for that. That strike point is \$1 200. I am keen to hear from the CME and those miners whether another figure might be more reasonable. I am open to that conversation. I think gold closed at \$1 650 an ounce today. That is an extra \$20. I have gone through the 35 individual mines that Treasury went through, which represent 95 per cent of gold production in Western Australia. Treasury's conservative view is that they are making a profit of about \$440 an ounce. Again, I am not trying to deny this, but there is a spread from around \$200 to \$800 an ounce. The private sector analysts seem to be, unsurprisingly, more bullish. Their view, depending on who we speak to, is that the profit is probably between \$500 and \$700 an ounce at the moment. It is not unreasonable to ask those miners to pay an extra \$20, and it will not have the impact that some people are suggesting around investment et cetera.

The other point I want to make—I made this point to the gold sector as well—is that if we lose 60 per cent in the redistribution, what is the point? I am focused on the next three to five years. Certainly over the forward estimates of the \$340 million in expected revenue, we would lose about \$50 million through that distribution process, but that does not subtract from the importance of Western Australians getting a fair value for the asset that they own, particularly when it is getting record high prices globally, which is the scenario we are in at the moment and it is likely to stay that way, certainly for the coming years. I think we have taken a very sensible and careful approach.

The other point I make about the redistribution is that gold accounts for about four or five per cent of our royalties. Iron ore is the dominant player, at 90 per cent plus, so it would not have had anywhere near the same sort of impact on our GST or revenue distortions, unless, for example, we did what the National Party wanted to do and dramatically increased royalties from iron ore, which would have had a dramatic impact on our GST and locked us into a position. The National Party never explained that it wanted to lock that spend into a Japanese-style fast train to Bunbury, long-term payroll tax cuts and a range of other spends. But when that revenue is lost, what tax would they have increased to replace that hole? That is the question we would have had to ask if we were relying on that revenue. That is a separate issue from simply unilaterally changing state agreements acts. I have listened to the former Premier a number of times in this place give speeches about the importance of state agreements in underwriting the economic growth of Western Australia. We cannot just simply demean those state agreement acts or think that they can be ignored.

I made the point during debate in private members' time yesterday that the story of the budget is the deterioration in revenue that we have faced as a government since being elected in March. Page 71 of budget paper No 3 outlines that—that is, \$5 billion in revenue writedowns. I have spent most of my time and effort reacting to that. I am very impressed about that, even with the \$5 billion in revenue writedowns. I think I said that to the Leader of the Opposition last night when he said that we should have foreseen that, but the late census change—the single largest change in population since records have been taken—appeared 10 days out from the budget cut-off date and it meant that I could not simply find \$2 billion. I could not strip out that sort of spend in that time frame. In terms of

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the expected peaking of net debt, the former government had it peaking at \$41.1 billion; we have it now at \$42.6 billion—a \$2.5 billion increase; so, 80 per cent of that increase has really been driven by the late census data. That highlights the effort we went to in government to ensure our election commitments. I expect more is to come and more work will have to be done in budgets not only on the spend side but also by stripping out more and perhaps disappointing other MPs with some of the decisions we will need to make.

Again, it has been a two-stage budget. Because it was a late budget, we had to make decisions around representative household budgets and on what would happen with water and power bills from 1 July. That will go back to normal operation next year. As a result, households were asked to contribute early in respect of the tariff reform we made by applying the entire increase to power bills to the fixed component of Synergy bills—an important reform. I am not here tonight to make political comment, but I think that is a reform that the former government should have made probably about four years ago. We have made some changes that I think were fair, but I appreciate that they were not liked. Again, I want to commend the Council on the Ageing and other ageing organisations that were very good in their response to the decisions we made about the Seniors Card and about who will be able to access various benefits. I think they understand the fiscal scenario we are facing.

Of course, as we look through the budget we must bear in mind that when we look at the forecast growth components, household consumption is taking on a bigger percentage of economic growth across the estimates. Although business investment is the dominant factor in Western Australia, household consumption is expected to take on more. I wanted to protect that. I appreciate that households are feeling it now particularly because Synergy bills are starting to flow through. I dare say there will be some pressure on the hardship utility grant scheme budget over the coming few months, which is something I will have to watch particularly as Treasurer and Minister for Energy, because that will reflect some real pressures on people at home. I am very aware of that. Of course, as a result, the budget looked to other parts of the economy and community to contribute to budget repair.

I have already spoken about the gold royalty and payroll tax, but I also make the point that I have looked as much as I can at what we can control. Not everything in government is discretionary spending, but I have looked to the public sector to take on 50 per cent of that budget repair, again around wages policy but also around the FTE reductions, et cetera, that we have announced. It is my view that we have looked, in a balanced way, to protect the economy, because it is growing, but it is fragile, and also to make a serious effort, without burning the place down, to get us back to a surplus. As I have said in this place time and again, until we get to a surplus, we are not going to have a permanent impact on the net debt of this state. That has been a big part of the work.

I want to finalise on a couple of risks I have already outlined. I accept, and I am not shying away from, the risks that we have in our forward estimates around expense growth, but I will refer to a big risk that I am not sure that anybody has mentioned specifically during their budget debate contributions. It is based on a couple of conversations I have had, in particular with the Minister for Housing, about national partnership agreements. They are a huge risk to the finances because the federal government is reluctant to negotiate early. It is making decisions very late on what it is willing to contribute on a whole suite of national partnerships that we, as a state, budget for, and have done for a long time, locking them in as part of our revenue estimates in all sorts of policy areas. Now the federal government is making demands about the effort—we cannot reduce our effort—without actually acknowledging that in many policy areas the Western Australian government spends more per head of population than the other states in the nation. We have to watch this, because it could actually be another penalty on WA for decisions made by consecutive governments to spend more in policy areas that the commonwealth government then penalises by investing less in. The national partnerships are a moving feast, and they worry me, across a range of different policy areas that various ministers are dealing with.

I have outlined the revenue measures already, but I just want to conclude by thanking all the ministers. It has been a learning curve in government. When coming into government for the first time, and going through the Economic and Expenditure Reform Committee process, especially with an Under Treasurer who kept coming in and —

Mr P. Papalia: Speaking quickly.

Mr B.S. WYATT: Yes, with very unattractive information, time and again, about revenue estimates. I think the ministers have done a very good job, as have members of the backbench who, while some might be disappointed with our spending decisions, by and large understand that we have prioritised our election commitments. As I have said, I do not shy away for one minute from the fact that people will be disappointed in some of the decisions we have made. That is the reality, and I daresay that, come the next budget, there might be another round of disappointment. Those are the circumstances we face, and I think Western Australians more broadly understand that.

I am very disappointed in the National Party, and I think I expressed that disappointment during question time yesterday, but I hope that the Liberal Party comes on board with the two revenue measures that we have announced, particularly payroll tax. That might be problematic for the Liberal Party, and I suspect that there is a long-term suspicion, if you like, of payroll tax as a revenue source, and that is why, in particular, I was very focused on keeping that at five years and five years only, so that governments do not rely on that revenue. Provided we do our

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work on the spending side, by the time we get to the expiry of that payroll tax levy, we will be back in a surplus position, so that measure can then expire while we still maintain that surplus.

I am not expecting an interjection from the other side at this point, but I compliment the work that the Liberal Party did—and the National Party, but the Liberal Party did the work—on the mineral royalty rate analysis that highlights that the gold sector can afford to pay a little bit more for the resource owned by Western Australians, and it will not have an impact on jobs and investment, and decisions around investing more in those mines. I think we all know in this place that they certainly can, and it will not have the sort of impact that people have been suggesting. I hope that the Liberal Party comes on board with both of those measures.

I thank everybody for their contributions and, once again, commend the budget to the house

Questions put and passed.

Bills read a second time.

Pursuant to standing order 222, bills and estimates referred to Estimates Committees A and B.