

Mr Colin Barnett; Mr Ben Wyatt; Mr Mark McGowan; Mr Eric Ripper; Ms Rita Saffioti; Mr Bill Johnston; Mr John Quigley; Mr Roger Cook; Mr Andrew Waddell; Speaker; Ms Lisa Baker; Ms Janine Freeman; Mr Peter Tinley; Acting Speaker; Mrs Michelle Roberts; Mr David Templeman; Ms Alannah MacTiernan; Mr Chris Tallentire; Mr Fran Logan

APPROPRIATION (CONSOLIDATED ACCOUNT) RECURRENT 2010–11 BILL 2010

Third Reading

MR C.J. BARNETT (Cottesloe — Treasurer) [5.33 pm]: I move —

That the bill be now read a third time.

MR B.S. WYATT (Victoria Park) [5.34 pm]: I do not need to point out to the house that I am not the principal speaker. The Leader of the Opposition will be in the chamber shortly. The member for Pilbara pointed out to me—going on from the short discussion about the future of the upper house—that when he first came to this Parliament as a member of the upper house some decades ago, Labor Party members had to sign a statement confirming that it may reach a point at which they would have to vote for the abolition of the upper house. Is that right?

Mr T.G. Stephens: It had gone by the time I arrived.

Mr B.S. WYATT: Obviously that was in place a long, long time ago!

Mr T.G. Stephens: We knew we would never be able to abolish it, but we thought we could reform it.

Mr B.S. WYATT: That is an interesting historical aside.

I rise to give a third reading contribution to the 2010–11 budget and forward estimates that are contained in the *Budget Statements*. The overriding story of this budget is the extraordinary rise in fees and charges—again—particularly the 17.7 per cent increase in the cost of water. It is worth noting that already factored into the 2011–12 budget is a 22 per cent increase in electricity costs. The Treasurer did not want to confirm that. He did not want to answer that question. He used the excuse that the forward estimates belong in never–never land and that we do not need to worry about it. No doubt when the member for Cottesloe as the Treasurer—or another member as the Treasurer—signs off on the 2011–12 budget, it will not have a 22 per cent increase in electricity costs. All the forward estimates and the projected surpluses, debt levels, revenue and expenditure percentages are based on a 22 per cent rise in electricity in 2011–12. There is also another significant rise coming in water, and more significant rises to come in the out years in electricity and water, although those increases will not be as high as 22 per cent. The Treasurer can avoid the question all he likes. He can disparage the forward estimates all he likes, but the reality is that his budget and forward estimates are predicated on the basis of a further 22 per cent rise in electricity in 2011–12. That is the key difference. That is what conservative governments do. It is what the conservative government did in the 1990s and it is what this conservative government is doing. They look to households to buttress their financial position. One of the most significant economic dividends delivered under the former Labor government from 2001 to 2008 was the commitment to keep the basket of household goods below the reference rate of inflation. That was one of the most significant dividends that the people of Western Australia received.

Dr M.D. Nahan interjected.

Mr B.S. WYATT: Member for Riverton, I have 15 minutes. The member will have a chance to have his say when he gets to his feet. I am not interested in his yakking across the chamber tonight.

One of the most significant dividends delivered by the former Labor government was the fact people could budget year on year on knowing that overall fees and charges were going to stay at a level that they could respond to accordingly; they were not going to outstrip their wage rises each year. Pensioners knew that their fixed income—they did not receive a significant rise for many years until the election of the federal Rudd Labor government—could just keep up with the basket of household fees and charges. That dividend has been removed by the government, which is its right. The government of the day can prioritise its spending as it sees fit. This government chose to remove the economic dividend that the former Labor government delivered to the people of Western Australia. It is now redirecting that dividend into other areas, such as the Oakajee port. The Treasurer can carry on all he likes about the Labor Party not supporting the Oakajee port. The member for Armadale delivered on the Oakajee port in a way that did not include any public funding. That is the dispute that we have about the Oakajee port.

Mr I.C. Blayney interjected.

Mr B.S. WYATT: I look forward to the member for Geraldton's contribution later tonight, because it is rare that he makes one. I look forward to him rising to his feet and delivering a sermon on the Oakajee port, which will

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deliver so much for his electorate. It is a funding issue and a question of priorities. Nearly \$700 million in taxpayers' money will subsidise the private sector. The Labor government protected families. The Liberal-National government has decided to move on.

The estimates process is interesting. The former Treasurer, the member for Vasse, was more willing to give information than the current Treasurer. The very first question I asked the Treasurer was about the full-time equivalent cap, which was announced with great fanfare and delight by the former Treasurer. It occupied a little bit of time during estimates last year. The member for Vasse, who was then Treasurer, made the point that the FTE cap for the public sector was 99 155. On 22 December 2008 that was confirmed by a cabinet decision. Tim Marney, the Under Treasurer, wrote a beautiful letter to Mr Wauchope. I have a copy of that letter, which I received through the freedom of information process. I read it to the Treasurer during the estimates. It specifically had all the departments separated and included police and teachers. The Under Treasurer said that any movement beyond these caps must require the specific approval of the Economic and Expenditure Reform Committee. At some point—the Treasurer never answered the question about when cabinet overturned its decision—that all changed. At some point the cap was redefined. Another famous redefinition from the Treasurer! It was redefined into a ceiling and the cap of 99 155 increased to 103 000 and has since increased to 106 000 for the coming financial year. It is the cap we have when we do not have a cap! This is why for the second year in a row the total wages bill for Western Australia is rising far beyond the wages policy. It is worth noting that the full-time equivalent cap has not been delivered. Sitting above that cap is the wages policy that guarantees a consumer price index increase. If people show that they can improve their productivity, they can get an increase up to the wages price index. If that policy is delivered over the forward estimates, it will keep wages and salaries growth at somewhere between 2.5 per cent and three per cent. But when we go to the forward estimates—into never-never land—and see how the government is budgeting, we see that the average rise year on year is more than six per cent. This is what happens when the FTE cap policy and the wages policy are not met: wages growth grows well beyond the wages policy. Bear in mind that the 2008–09 financial year saw a 16 per cent rise in the budget for salaries growth. These are statistics that cannot be ignored. The Treasurer goes on radio and talks about his expenditure controls—the FTE cap and the wages policy—but in fact they are simply not being delivered. The budget papers show that time and again. Not only are they not being delivered, but also they are being breached beyond belief. They have now been redefined so that a cap is a ceiling. I do not know about members opposite; my ceiling certainly does not rise day in, day out, but the ceiling in respect of the FTE cap does significantly.

Mr M. McGowan: It is a floating ceiling.

Mr B.S. WYATT: It is a floating ceiling, member for Rockingham, and I do not think it will come down.

Another interesting exchange during the estimates process was when the Minister for Police was in the hot seat. He made the point that the three per cent efficiency dividend was done. He said that the three per cent efficiency dividend was made last year. He said that it was done and finished. Unfortunately, the police minister had not looked at the midyear review and noticed that he has a few more years yet; I think there is another \$50 million in three per cent efficiency dividends to find. Thankfully the Premier and Treasurer confirmed that indeed the three per cent efficiency dividend does still apply to the police department. This is another problem with the current budget papers. Prior to the budget, on 24 November 2009, I put a series of questions on notice to every minister referring to the midyear review that had specifically set out the three per cent efficiency dividend for 2009–10 and for 2010–11 and so on among the forward estimates. I asked the ministers exactly how they were going with that implementation. I got back exactly the same answer from every minister saying that the upcoming budget would set out how that savings measure was being progressed. Of course, the budget did not do that. The three per cent efficiency dividend is slowly disappearing out of the finances in an attempt to avoid scrutiny on whether that savings measure is being successfully implemented. I will be very interested to note in December this year, when the midyear review is released, whether that three per cent efficiency dividend and the corrective measures progress table is in that midyear review. I dare say that will be gone and, again, the three per cent efficiency dividend will have gone the way of the proverbial dodo bird.

One of the more interesting parts of the budget was the increase in dividend payout ratios for government utilities. Across the board there was a 15 per cent rise, and I think Verve Energy had a 25 per cent rise in dividend payout ratios. During that extensive half hour that we had to interrogate the executives from Verve, we got to put that question to Verve about whether it had the capacity to pay that increased dividend. Dividends traditionally in the private sector are paid out by companies from profits after taxes. They pay out dividends if they do not have other more pressing issues such as debt repayment and capital programs to fund. Verve made the point that its debt level is not sustainable. The managing director said that it is \$1.2 billion. That is not

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sustainable. Verve had a debt repayment plan and a capital works plan over the forward estimates based around what it then thought its revenue and profit would be. Verve confirmed to the opposition that the increased dividend ratio would have an impact on its ability to pay down its debt and to fund capital works over the forward estimates. This is something that we need to consider carefully. The government increases the dividend payout ratios on the basis of control and making utilities more in line with the other states' utility dividend ratios; but the fundamental question is: what is the capacity of the utilities to pay those increased dividends? Verve made the point clearly that it does not have that capacity. Verve does not have that capacity because it cannot now pay down its unsustainable debt levels in the time frame to which it previously committed. Therefore, whether the dividend payout ratios are similar to other states is not relevant. What is relevant is whether our utilities can pay that extra revenue to the state government, which is, of course, haemorrhaging its own revenues into the ballooning interest payments that we discussed earlier today during debate on the matter of public interest.

There are two final points I wish to make in the couple of minutes I have left. One is about GST. The Premier has been a bit sensitive about this issue, because it has been pointed out to him that GST payments have been higher than estimated in the current 2009–10 budget. In fact, if members compare the GST payments estimated and received on page 50 of the 2009–10 budget paper No 3 with those on page 61 of the 2010–11 budget paper No 3, they will see that an extra \$2 billion in GST payments will come to the state government over the forward estimates. No-one denies that the deal done by the former Liberal government on the GST was a terrible deal. No-one denies that the former Liberal government sold WA down the creek when it signed up to Peter Costello's GST deal. No-one denies that. But when the government budgets for a GST payment and gets more, it is a windfall. That is why the media is talking about it.

Mr C.J. Barnett interjected.

Mr B.S. WYATT: The Premier has a right of reply. He can be sensitive about it, but that is reality.

The story of this budget is another attack on the families of Western Australia: a 17.7 per cent rise in water rates; another 22 per cent rise to come in electricity; and another more significant rise for water in the forward estimates.

The DEPUTY SPEAKER: Time!

Mr B.S. WYATT: As I said before, the Premier robbed families last year and he is robbing them again this year.

MR M. MCGOWAN (Rockingham) [5.47 pm]: I join in making my final contribution on this year's budget. I want to set out some of the things I have learnt during the estimates committee stage and I also want to talk about the overall picture of the budget. The Liberal Party always says—I have studied the Liberal Party since I was 17 years of age—that it believes in low debt, it believes in low taxes and it believes in low costs to ordinary families. What this budget has done is exactly the opposite. Today we had a debate in which we showed—the Premier admitted, in fact, in his own words—that the levels of debt in Western Australia is going up way faster and way bigger than the levels of debt that came about in this state following the recession of 1990–91.

Mr C.J. Barnett: I didn't say that.

Mr M. MCGOWAN: We quoted the Premier's words from back in 1991. We heard what he had to say then and we have proved that the levels of debt are going up higher than they were back then following that recession, which was the deepest recession this country had experienced since 1931.

The levels of debt are therefore going way higher, and we learnt in the budget discussion that the cost to every single family since this government has been in office is roughly \$1 500 in increased taxes, fees and charges—that is, costs are going up \$1 500 for each ordinary family in this state.

I want to talk about the issues that were teased out during the estimates process. First, I want to talk about the Rio Tinto – BHP Billiton deal, on which we questioned the Premier under the state development portfolio. The Premier stated to the committee categorically that he would have signed up by 30 June the deal in which the concessional royalty on iron ore fines in the Pilbara would be removed. He stated that categorically to the committee. He said something different today. He told the committee a little over a week ago that that arrangement would be resolved by 30 June this year and that additional money would be coming into the budget as a consequence. The Premier said something different today; he said that he may not be able to resolve that issue. The Premier has said the whole way along that he will resolve this issue. The Premier also said today that he may legislate in any event! I would say to the government, if it talks about sovereign risk in this country and

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in this state, that threatening to introduce legislation that will change a state agreement act without agreement is a significant sovereign risk issue for this state. Today the Premier has threatened to introduce legislation that will change a state agreement act without the agreement of the other party. It is entirely possible as a Parliament, particularly with a government that has the numbers in both houses, that the Premier can legislate for that; that is entirely the prerogative of the Parliament. However, it goes against every convention with state agreement acts to do that. To even threaten to do that to the people who invest in this state is a significant sovereign risk issue. I am on record saying that the federal tax issue needs to be changed. I now go on record saying that the Premier should not threaten to change agreement acts without the agreement of the other party, because that is not the fundamental basis upon which those agreements were negotiated. During debate the Premier said that in order to buy out their obligations, Rio Tinto and BHP Billiton might have to pay an amount of money to get the law changed. Again, that is a significant sovereign risk to this state if anyone has to pay to get the law changed in this state.

In the state development and Treasury components of the Premier's portfolios, we discovered some major issues. In order to secure additional revenue for the state, the Premier is threatening the whole basis upon which investment is made in this state. On the one hand, the Premier says that the federal mining tax proposal is an incredible problem for investment; and on the other hand, he is threatening state agreement acts and saying that the government will take money from investors in this state in order for them to secure a change to the law of this state. The Premier is not held accountable for this or he does not seem to see the hypocrisy in advocating both stances; those statements are mutually inconsistent. The Premier cannot say that the federal resource rent tax proposal is a threat to investment and, on the other hand, do what he is doing in relation to state arrangements for securing money out of the major mining companies. Both of those issues pose problems for investment in this state in the way they are structured. All I say to the Premier is that he should not be someone who drives down the investment reputation of this state. We come to this issue as a state opposition, as a state Labor Party, with clean hands. In office we never threatened a state agreement act in that manner. In office we did not put up royalties across industry in Western Australia. What we did was negotiate a prospective increase in the royalty rates for iron ore fines in the Pilbara. What the Premier has failed to do is to sign up on the deal that was negotiated. If he had, there would have been an additional \$500 million in the budget for the prospective removal of the concessions. What a good deal! I have the correspondence sitting on my desk in which the Premier wrote in his own handwriting that things have moved on and he does not want to sign the deal of the former Labor government. That is an enormous mistake. If the whole Rio-BHP deal falls over and the complete removal of royalty concession arrangements is not secured by agreement, the Premier will have cost this state a fortune by his petulant refusal to sign up to the deal of the former government.

We dealt with regional development in Estimates Committee B. The Minister for Regional Development, the member for Central Wheatbelt, was there, and a significant issue that was discussed, which I am still not to the bottom of, is what actually defines something that should be considered additional for royalties for regions purposes. The original promise was that royalties for regions money would be additional to ordinary government expenditure. However, as we went through the budget, we found royalties for regions funding used for school buildings, hospital buildings, ordinary programs for children in need in the country, air conditioning of buses and additional football academies—the list went on and on—that were the ordinary business of government that the former government funded and built. We built schools, hospitals and football academies and we put in place all sorts of social programs in the country, particularly for Indigenous kids. The minister was unable to say what distinguished something as additional for royalties for regions purposes.

I will point out why the royalties for regions slogan is exactly that—a slogan! Royalties for regions money is included in the budget of individual agencies. When members go to the Department of Education budget, they will see the royalties for regions component there. When they go to the Department of Health budget, they will find a royalties for regions component there. If they go to the Department of Corrective Services budget, they will find a royalties for regions component. I will tell members why it is in those places: it is in those budgets because if the money was pulled out of those line agencies' budgets to be put under the royalties for regions banner, those budgets would decline and it would become very apparent that royalties for regions was just taking money out of ordinary line agencies' budgets. That is why the government put royalties for regions money into those individual agency budgets, because when the health, education and corrective services budgets go down—although under this government the corrective services budget will probably not go down, but it will increase by less than it otherwise would—it would become apparent that royalties for regions money is coming out of ordinary line agencies and is being put into another agency budget. What the government is doing is tricky. It has its foot in both camps. It says that royalties for regions is separate, then it includes it in individual agencies, but it is tagged differently. That is the great fraud being perpetrated on people around Western Australia. The

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government is making out that it is something magical and something different, when it is very often the ordinary business of government.

I have said numerous times that the opposition supports wise, valid and good spending in country areas around Western Australia, although I might add that a huge amount of royalties for regions money is being spent in regions that have produced no royalties. Members will find that some parts of Western Australia are getting a lot of royalties for regions money, but there are no royalties coming out of those regions. That is occurring in a lot of areas around this state. I suggest that the areas that are most needy and that produce the greatest royalties should be the areas that get the greatest recompense of money from the state. That is the way this program should be structured. However, the minister was intellectually unable to say why the ordinary business of government is given a royalties for regions tag, other than it suits the purposes of the time. A lot of the expenditure in the budget tagged “royalties for regions” is good expenditure, but it is good whether it is tagged royalties for regions or it is put under the Department of Health, the Department of Education or under any other banner. Giving it the royalties for regions tag does not make it particularly special.

I want to talk a little about the Oakajee port development. Members know that the former Labor government signed up a deal with one of the Japanese proponents, Oakajee Port and Rail, to construct a port at Oakajee using OPR’s money. Mr Barnett, the Premier, undid that arrangement and put in \$339 million or thereabouts of state money. What we discovered from the budget process is that \$318 million worth of expenditure is required to connect a powerline from Eneabba to Geraldton, which is necessary for Oakajee. I do not think the company is going to pay for that. That is \$318 million that is required that is missing from the budget for Oakajee to get off the ground. At the same time, the Premier undid an arrangement that would have cost the state nothing and he committed to expenditure of \$339 million. Just maybe that \$339 million would have been better spent on the power connection between Eneabba and Geraldton. Maybe that might have been a better and more worthwhile way of spending that money rather than having to spend it twice on the power connection and on the harbour. It is not rocket science to work out that the government does not need to pay for things that other people are going to pay for. Of course, the Premier marched into the boardrooms in Tokyo and said, “Don’t worry, guys; I will pick up this obligation. You don’t have to pick it up.” Of course, that means that Western Australia is saddled with two debts rather than one. The powerline is the ordinary business of government and of government trading enterprises. That \$318 million cost was not in the budget and that will need to be met. That \$318 million will have to be met by the state.

Sitting suspended from 6.00 to 7.00 pm

Mr M. McGOWAN: Before the break I was saying a few words about the budget. It is great to see the Treasurer here listening to the third reading speeches! It is terrific that he has taken the time to show up for this important part of budget deliberations! For the purposes of *Hansard*, I indicate that that was facetious—the Treasurer is nowhere to be seen.

Before the break I referred to the fact that we are \$318 million short for the construction of a powerline to connect Geraldton to Eneabba, which is a necessary requirement for the Oakajee Port development. It is not in the budget. The government knows what the cost is, yet that money is nowhere to be seen. At the same time \$339 million of taxpayers’ money has unnecessarily been put into the construction of the harbour which otherwise would have been constructed by the private sector. I find it extraordinary that the government has not actually figured out what is important and what is not important to spend public money on.

During budget estimates, we asked the Premier about the Government Media Office. After much fanfare, the Premier abolished the Government Media Office but all the staff are still there. It turns out that the total staff of the Government Media Office—who have been in the same roles since this government came into office—is one more than was the case under the former government. There were 41.4 staff under the former government; there are now a little over 42 full-time employees working on those purposes within government, even if they got rid of the director of the Government Media Office. The Government Media Office—the so-called spin machine that the now Premier used to carry on about—has now expanded by one employee since this government has been in office. The total cost of that is somewhere in the vicinity of \$4 million, and the Government Media Office has expanded in size.

I am going to run out of time. I wanted to talk about the public sector cap, which of course has grown like topsy since the government has been in office. That is another indicative thing of the budget.

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MR E.S. RIPPER (Belmont — Leader of the Opposition) [7.03 pm]: Western Australia is a rich state. We have higher production per capita, we have higher income per capita than is the case with other states in this country and we have faster economic growth.

[Quorum formed.]

Mr E.S. RIPPER: As I was saying, Western Australia is a rich state; all of the economic figures show that. Moreover, Western Australia is a state that, in the government's budget papers, is forecast to have strong growth. If we look at the budget papers, growth is forecast at 4.5 per cent in the next financial year and 4.75 per cent in the following financial year. In a rich state, families deserve better than they have been given by this government in this budget. What have families received? Families have received savage increases in electricity bills and savage increases in water bills. We saw a 26 per cent increase in electricity bills last year; this year we will see an 18 per cent increase in electricity bills. There is another 37 per cent increase in electricity charges to come in the next three years. We have seen a 17.7 per cent increase in water. We do not know what the price path for water charges will be in future years. In its first budget, the government took \$1 000 a year out of family living standards through increased charges and through the withdrawal of family support through the It Pays to Learn scheme, through the subsidy for government high school fees, and in other ways. This year the government has taken a further \$368 out of family living standards through increases in family bills. There will be increases in traditional bills. There will also be new bills. Last year there was the increase in the waste levy—that was another \$28 on local government rates. This year there is a special increase in the emergency services levy—that will be another \$28 on local government rates.

On the government's own budget paper evidence, it will get worse. There will be a 22 per cent increase in electricity prices next year. That is what the budget and the forward estimates are based on. There will be a 37 per cent increase in electricity charges over the three years following this year. The government might say, as the Premier does, "We have not made the decision yet. We will make the actual decision closer to the day." However, the budget papers and all the aggregates in the budget—the debt figures, the surplus outcomes, and everything else—are based on assumptions of significant increases in electricity prices; that is, 22 per cent next year and 37 per cent over the three years from next year onwards. There will be a similar set of assumptions for water. The budget papers showed the assumptions for electricity; the budget papers did not show the assumptions for water. The price path for future water price increases is something that the opposition will pursue. The Minister for Water said that he thought water prices were 20 per cent off cost reflectivity. The minister may be right or wrong. Knowing this minister, I would like to see the evidence in the budget papers. There is no evidence in the budget papers, so we will ask the Treasurer to confirm what the budget planning assumptions are for increases in water over the next four years.

Small business deserves better in a rich state than it has got from this government in its two budgets. Members of the government when in opposition made a lot of noise about the tax impact of the state government on small business. Any person in small business listening to the Liberals in opposition would have thought that they were going to get tax cuts or, at the very least, no tax increases. What has been the result? The result has been that people in small and medium-sized businesses who listened to the Liberal Party have lost \$500 million in tax concessions that they were to get under the Labor plan. The government made two decisions to defer tax concessions that were already in the financial plan. The first decision was to defer for three years the proposal to allow the de-grouping of commonly owned but independently operated businesses for payroll tax purposes. As a consequence of that government decision to defer that measure for three years, these commonly owned but independent businesses will be grouped together for payroll tax purposes—as they have been for quite some time in this state but not in other states—and consequently they will have available to them only one payroll tax-free threshold, not one for each business.

The second decision that the government made was to defer the removal of non-real property from the stamp duty base for business conveyancers. That means that a business that buys another business will continue to pay stamp duty on not only the land, but also the goodwill, the licences and the intellectual property. The combined impact of those two decisions will take back from small and medium businesses \$500 million that they otherwise would have received under Labor's financial plan.

Families have done badly in a rich state, and small businesses have done badly in a rich state. I go now to the question of whether this situation will get worse. This afternoon, we debated the government's debt figures. This government has increased state debt more than four times since it assumed office. State debt is now forecast to be over \$15 billion by the end of the next financial year, 30 June 2011. That debt equates to more than \$17 000 per West Australian household. Moreover, this government has no plan to repay that debt. We challenged the

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government in the matter of public interest debate this afternoon to say how it was going to repay that debt. We did not get any answer from the government. What we got was a slightly shamefaced government acknowledging that debt is an issue, but refusing to go into specifics about how that debt will be repaid.

Mr R.H. Cook: It was pathetic.

Mr E.S. RIPPER: Yes; it was a pathetic response. All we heard from the government was, “We are doing good works, good works, good works. Which of our good works would you cut if you wanted to control the debt?” I say, “Where does it end?” We could double the debt, we could treble the debt, or we could multiply the debt by 10, and we would still be doing good works. Any government could operate on that basis. But it would not be sustainable, and it would not be good for the state. It is not enough for the government to say it is building schools and roads and electricity networks and that is what the debt is for. The government has to say what its plan is for controlling the debt and repaying the debt. One debt solution that I am sure the government will resort to is privatisation. This government will be driven to privatisation, not only because it will not be able to control the debt, but also because that is the policy preference of many members of the government. I think that if this government was to be re-elected, probably in the first or second budget after re-election it would be looking at privatisation. It might be that the debt figure will get so bad that the government would be driven to privatisation before the next state election. But the government knows that it would be taking a political risk if that is what it were to do.

In the meantime, the government’s policy preference will be demonstrated by the way in which it approaches services in public hospitals and public schools. This government has a plan to privatise many of the services in public hospitals and public schools. That is a plan that we are going to campaign against. That is a plan that we have a bill in the house to make illegal. We will speak up for the community’s preference that all those services in public hospitals and public schools be offered by workers who are directly employed in the public sector. That is what our community wants. Our community does not want essential services to be provided by the private sector. It wants essential services to be provided by the public sector. It wants the people who are delivering those services to operate as a team. It wants those people to work to a standard, not a profit. It wants to be able to hold the government accountable, through the democratic process, for the delivery of those services. People in the community do not want to complain to their member of Parliament about a service that is being delivered in a public hospital or a public school, and have that member of Parliament raise that issue in the house, only to find that the minister says, “I cannot do anything. That is handled by the contractor. I do not have a direct capacity to intervene.” That is exactly what the Minister for Health said with regard to the industrial problems at Peel Health Campus. That is exactly what the Minister for Health said when we asked him to take ministerial responsibility and intervene to get the staff at that hospital paid a decent wage comparable with what is paid in our public hospitals.

There is also a government agenda to privatise a lot of services to non-government organisations. Many of those organisations are very good and offer a capacity to be flexible and to innovate. However, they have a serious problem that the government needs to recognise. The Premier did appear to recognise in the estimates committee process that there is a serious issue for the employees of these organisations and for these organisations themselves. That serious issue is the huge gap that exists between the salaries that are paid in the non-government welfare sector in particular and the salaries that are paid for equivalent positions in the public sector. The size of that gap is about \$198 million a year. Unless that problem is fixed—the Premier did not commit in the estimates committee process to fix it—the government’s plan to outsource many of those services to non-government organisations will fail. If the government tries to get services delivered on the cheap by contracting out these services to these organisations, but it does not fix the salary problem, these organisations will face serious difficulties because they will not have the capacity to competitively recruit staff.

I now want to make three comments about the infrastructure decisions in the budget. Firstly, the government is making poor choices on infrastructure. It is a poor choice to spend \$500 million, and more, on stage 8 of Roe Highway. That is an unnecessary road through an environmentally sensitive area. The government should not be proposing to spend that money on that road. It is also a poor choice to spend nearly \$700 million of taxpayers’ money, when we take both state and federal contributions into account, on the Oakajee port, when the private sector has said that it would be willing to build that port using its own money.

Secondly, core, basic infrastructure is being neglected. There is a \$650 million gap between what the Economic Regulation Authority has said is the efficient level of investment in the Western Australian electricity network and the south west interconnected system, and the amount of money that the government has allocated to spend on that network over the next three years. The Premier’s response to that has been most unsatisfactory. The

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government needs to say how and why it reached its decision on its level of investment in the Western Australian electricity network. These are complicated issues, and often we need to rely on the advice of electrical engineers. But if we do not invest sufficiently in the Western Australian electricity network, eventually there will be a serious price to pay in restricted economic growth and in poor quality electricity services to business and residential consumers. The same is happening with water infrastructure. This government has made huge cuts to the capital works program in the Water Corporation. Recently, when I was out socially, I ran into a Water Corporation employee who told me that the Water Corporation does not have enough money to maintain ageing sewerage infrastructure, and there is a serious risk of sewerage inflows into sensitive areas like the Swan River as a result.

Thirdly, there have been a lot of announcements about infrastructure projects. However, those projects have not been included in the budget. That is what my colleague the shadow Treasurer refers to as “thought bubbles”.

Mr B.S. Wyatt: The Premier has confirmed it now.

Mr E.S. RIPPER: Yes. When I think of thought bubbles, I think of cartoon characters. The style of management that is demonstrated in these thought bubbles is to be found in the cartoon strip *Dilbert*. We have got Dilbert management when it comes to many of the infrastructure announcements of this government.

The final point I make on infrastructure is that there are no short cuts. The government cannot use public-private partnerships to hide state debt. I would like the Premier and Treasurer to confirm that any public-private partnership projects will be fully accounted for in the state debt figure. I did hear the former Treasurer, the member for Vasse, say that because the new Princess Margaret Hospital will be funded by a PPP, it will not be included in the debt figures. It should be included in the debt figures, because it is a liability of the state. It is an accounting requirement that it be included in the debt figures. I would like the Premier and Treasurer to confirm that. No matter what amount of money is available, tough choices need to be made on infrastructure. However, all this government is doing is making poor choices.

MS R. SAFFIOTI (West Swan) [7.19 pm]: I will make some comments on the Appropriation (Consolidated Account) Recurrent 2010–11 Bill and the Appropriation (Consolidated Account) Capital 2010–11 Bill. We learnt a lot during the estimates process. We learnt how the number of committees is reduced; that is, by basically redefining what a committee is. We also learnt that a cap is not a cap when it comes to public servants. When the then Treasurer announced that there would be a cap or ceiling on the number of public servants, we thought that that would mean there would be a cap or a ceiling on the number of public servants, not that the limit would change every time a decision was made. That is not a cap or a ceiling. The lack of a cap or ceiling on the number of public servants explains why expenditure growth over the past two years has hit historic highs. We learnt that when the Government Media Office was abolished, we ended up with a bigger government media unit. There was much fanfare about the abolition of the Government Media Office, but we now actually have more people working in government in roles previously undertaken by the GMO. We learnt that this government, which promised to cut taxes, is actually increasing taxes through the deferral of tax cuts that were legislated and budgeted for in the forward estimates of the previous government. We also learnt that this government, which prides itself on a building program, has not commenced any of its priority projects; it cannot even build stage 3 of the Welcome Walls. This government prides itself on a decisions-not-delays approach, but it cannot even build stage 3 of the Welcome Walls; it cannot build one wall. There is a lot of angst in the community about that program. I know that the Minister for Culture and the Arts will say that everything was not ready for him when he took power, but he has been in that position for two years. Neither he nor his department has had the organisational ability to build a wall with people’s names on it. The Premier has said that his government is taking a decisions-not-delays approach, yet none of the great priority projects has been commenced. This government has been in power for two years, yet it has not been able to commence construction of stage 3 of the Welcome Walls; that is one wall.

Mr M. McGowan: The Chinese built a wall 5 000 kilometres long; they cannot build one that is only 20 metres long.

Ms R. SAFFIOTI: Exactly. As I said, it is a small project, but the lack of progress is indicative of this government. We commenced the project and did all the work, but this government has not been able to do anything; it is frozen. I was heavily involved in the Welcome Walls project as a member of the committee for stage 1. It was a very good project. People across the community were very appreciative of the work we did. I acknowledge the member for Rockingham, who headed the committee. People who came to this state through the port of Fremantle and now live all over Western Australia had their names acknowledged on the walls. I remember the day we launched the Welcome Walls; people were crying because of that acknowledgment. Now

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people are crying because this government cannot manage to put their names on a wall; it cannot even build a wall. Two years in and this government has not even been able to build one wall. What we learnt through the estimates process was that the government talks a lot, but basically does not have the organisational ability to get things done. It is all spin and no substance. That is why the government media unit has increased in size and not decreased.

Mr R.F. Johnson: That is what we used to say about you every week.

Ms L.L. Baker: Why didn't you learn?

Ms R. SAFFIOTI: If that is what members opposite thought, they should have learnt. They are doing nothing. If we had not commenced a project, it would not be happening. Government members should show me one project that we —

Mr P. Papalia: What have you done off your own initiative?

Mr R.F. Johnson: Lots of things.

Ms R. SAFFIOTI: Like what?

Mr R.F. Johnson: I will list them for you tomorrow if you like.

Mr M.P. Whitely: Name three things.

Ms R. SAFFIOTI: The minister should name three things that the government has started.

Mr R.F. Johnson: We have built things.

Ms R. SAFFIOTI: I refer to things that the government has actually initiated and were its idea.

Mr M.P. Whitely: Apart from Lamborghinis and Minis, what have you done?

Mr R.F. Johnson: There's two; there are lots of other things.

Ms R. SAFFIOTI: As I said, there should be decisions and not delays. The government has had no capacity to do anything other than undertake our projects. Government members blame us for those projects and then take credit for them. It is incredible. I cannot wait until the Perth Arena is opened; it is a great Labor initiative.

The Leader of the Opposition outlined misplaced priorities. As a result, debt is out of control and key projects in the suburbs are not being undertaken. I am talking specifically about transport projects in the electorate of West Swan. We got an answer during the estimates hearings; that is, a number of key road projects in the electorate of West Swan are in the Main Roads' 10-year capital works program. I apologise to the member for South Perth because I did not ask about the Manning slip-road.

Mr J.E. McGrath: You were going to ask, but you didn't.

Ms R. SAFFIOTI: Maybe next time. Two key road projects are the construction of an interchange at Malaga Drive and the construction of a second carriageway from Beechboro Road to West Swan Road. They should be priorities of any government. These are not political priorities but road safety priorities. I am glad that the Minister for Road Safety is in the chamber.

Mr R.F. Johnson: Are you really glad that I'm here?

Ms R. SAFFIOTI: I am always glad when the Minister for Road Safety is here. I know that he takes the issue seriously. Even though I heard him laughing, I know that he is not really laughing about road safety. I know that he would be concerned about the number of incidents and crashes that are occurring, particularly at the intersection of Reid Highway and Malaga Drive. That intersection has the second highest number of accidents of any intersection in the metropolitan area. It is getting worse and worse. That whole section of Reid Highway is becoming very dangerous. As I said, it is a black spot; it is a red spot according to the RAC survey. The government needs to make sure that funds are available to deal with unsafe roads. I know that there is some unallocated money in the forward estimates. From what I understand, it is for a safer roads bridge program. I urge the minister to allocate that money not according to political priorities but according to road safety priorities. That is where it should be spent.

Of course, because this government is using public funds on such things as the Oakajee project, it is running out of money to fix key priorities throughout the suburbs. Another key transport issue is public transport to the suburbs of Ballajura and Ellenbrook. Although Ellenbrook is not in my electorate, it is close to my heart. The Ellenbrook train line is something that people throughout the north east corridor are very keen on. A study is

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being undertaken of the Alexander Drive busway. That busway, which would serve the people of Ballajura and Morley and that north eastern corridor, should also be a priority. I was very disappointed during the estimates process because I asked for an update on those two key projects; namely, the Ellenbrook rail line, given that it is a government commitment, and the Alexander Drive busway, given that the Public Transport Authority of Western Australia is undertaking studies of it. I thought that it was not that crazy to ask the Parliamentary Secretary to the Minister for Transport for an update on those projects. I was shocked that the parliamentary secretary could not give me a response to that question. As was outlined earlier by the member for Rockingham, the ministerial adviser jumped in on me. Again, I do not believe that that should happen through the estimates process. All I wanted was an update on those two key projects for my electorate. I was not even able to get those updates through supplementary information.

The last point I want to touch on is the impact of this budget on families. We received further information through the estimates process. It was confirmed that the budget is predicated on not only a 22 per cent increase in electricity charges next year but also an increase in water charges comparable with what has happened this year. We learnt through the estimates process that a recommendation from the Economic Regulation Authority of an increase of 10 per cent equates to an increase of 17 per cent under the typical household model. That is what families face this year. We also found out through the budget process that next year the budget is predicated on an eight per cent increase, according to the ERA recommendations. Families that have been hit by the super electricity tax and the super water tax this year will be hit with further super household taxes next year. I advise members of the government that if they spent as much time and passion debating taxes on families as they spent debating the super profits tax, maybe Western Australian families would be better off and would not be being slugged. This is an issue throughout the community. Last week I hosted a morning tea with some community volunteers, and when asked what are the key issues affecting families or communities, they said that it was the increase in charges for utilities. That is the key issue. People in the suburbs are being slugged with massive increases in household charges, and they have not been given the ability or the time to cope with those charges. A super electricity tax and a super water tax are being implemented by this government. Frankly, I cannot see any compassion from this government for families and pensioners. When we raise the issue, one would normally expect some sort of compassion or understanding from members opposite. We have seen none of that. People actually laughed and said that everyone understands. People laughed about the fact that families' household budgets are increasing, which makes ordinary living very difficult.

The point I would like to finish on is financial accountability and management. Again, we had some ridiculous situations during the estimates process. In one situation, an agency's officers had not even seen the budget papers even though they had been asked to appear to provide answers. When we asked questions about the budget papers, which is our right and which we are here to do—I know the member for Cannington will elaborate on this—the agency's officer said, "I've never seen that budget sheet." That sheet is in the budget papers, and we were quite shocked that no consideration was given to looking at the budget papers before the agency's officers rocked in for estimates.

The other issue, which was raised by the member for Victoria Park, the shadow Treasurer, was the mistake in the education budget. Again, I think it is quite a serious issue when the budget papers are wrong. I understand that when the budget papers are wrong, the government should try to correct it at the earliest opportunity. The appropriation bills are the bills, but the budget papers are tabled papers; they basically provide all the information that underpins the appropriation bills. The budget papers were wrong and the government knew about it within 24 hours of tabling the budget. If a government tables budget papers that are wrong, and it has been told by the Under Treasurer that they are wrong and a correction needs to be made, I cannot believe that a decision would be made by the Treasurer not to table the correction. Again, it questions what I believe. The Treasurer has absolutely no respect or regard for the budget process or for financial accountability and management, and he never has. This has a significant impact on all Western Australians. When he was Leader of the Opposition and wanted to commit to an \$11 billion canal, it was not a big issue, but now that he is Premier and Treasurer, his decisions affect everybody in the community. When we talk about debt, for example, his decisions will impact on future generations. He makes it up as he goes along: "I've got a thought bubble; I think we should do this now." This attitude means that in five years people will be paying higher taxes and charges to pay for those thought bubbles. It means that the suburbs will not get the infrastructure that they so richly deserve because the Treasurer wants to make it up as he goes along. This government has no commitment to financial management and accountability. If that was not demonstrated by the previous Treasurer's performance with the supplementary information on the Treasurer's advance, it was demonstrated through this budget process, particularly by the Premier and Treasurer not tabling information in the Parliament when I believe it was his duty to do so.

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MR W.J. JOHNSTON (Cannington) [7.34 pm]: I hope to not take up my whole allocation of time, but I want to speak about one aspect of the budget that relates to the transport portfolio. I do not bear any ill will towards the parliamentary secretary because —

Mr B.S. Wyatt: What? That is outrageous!

Mr W.J. JOHNSTON: — I know what happened to him. He turned up to budget estimates and the government gave him the preparation that he expected he would need, and of course it was completely and utterly inadequate. The member for West Swan has referred to an example of that whereby the officers from the Geraldton Port Authority explained that they had not seen the budget papers before they turned up to the chamber and they had to borrow my budget paper No 3 because they needed to clarify information. Not only had they not seen their own section in the budget papers, but also they had not seen any other part of the budget papers and could not provide information, but I will come to that in a moment.

First, I turn to a media release that was put out on 21 May by the Minister for Transport, Simon O'Brien. He should be ashamed of the way that he prepped the parliamentary secretary because it was completely inadequate. The press release of 21 May, headed "\$80 million boost for grain network", states —

Transport Minister Simon O'Brien said the State Government's \$50million contribution, more than matched the Commonwealth's commitment of \$30million as outlined in the Federal Budget and would provide for important initial works on the network.

First of all, it indicates \$80 million in the headline but actually \$30 million of that is from the commonwealth. We thought that the government was talking about \$50 million of state expenditure, so we asked the departmental officers about that during budget estimates. It turns out that this was not true; this media release by Hon Simon O'Brien was just another Liberal lie. In fact, the parliamentary secretary explained to us that \$16.5 million was actually from WestNet Rail. The government has put out a media release claiming \$80 million of expenditure, \$30 million of which was from the commonwealth and \$16.5 million from the private sector, so the state government allocation to the project is only \$33.5 million. The member for West Swan gave the example of how the government announced a cut to the Government Media Office but ended up with a bigger organisation putting out media releases, and this is an example of the work it does—a media release claiming \$80 million of expenditure when less than half of that is actually being spent on the project by the state government.

The next issue was advertising on billboards at the Hillarys and Fremantle marinas. The budget indicates \$5 million of revenue for the 2010–11 year. Let us make sure that the Premier is happy with this comment. We are not talking about the forward estimates; we are talking about what is in this year's budget. It goes up to \$9.5 million in the out years. We learnt from the departmental officers that they expect to get perhaps \$500 000 in the next year, not \$5 million as included in the budget. The departmental officer went on to say —

Those revenue numbers are extraordinarily high.

That is the position of the department. He went on to say —

It is fair to say, though, that we may need to be negotiating with Treasury when we are clearer about the likelihood of what revenue and the quantum of revenue we could receive.

That is the department's submission on the budget estimates. That is an extraordinary position. People may say that it is only \$5 million and the budget will be out by only \$4.5 million, but it was extraordinary the number of times that agencies were not able to account for the figures in the budget papers, and I will go into that in more detail about the Geraldton Port Authority later on.

I now turn to the Roe Highway extension stage 8. I spoke about this in my second reading contribution. This was the biggest Liberal con in the Liberal Party's election campaign for the electorate of Riverton. The member for Riverton said that this is the reason he won the election. I will read an answer from the budget estimates. The parliamentary secretary said —

The answer to the last part of the member's question is that, hopefully, it will commence in 2012 and be completed in 2014.

Another reason I raised that is that there is no allocation for construction in the budget. There is fat chance of that road project being commenced. I am happy with that because it is not actually a good road project. But it is part of the ongoing con and the continual Liberal lies about the way it operates. The Liberals announce a project, make a commitment to do it and then do not fund it. They do not do anything about implementation. In last

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year's budget papers that money was allocated, so we asked how come the budget papers in 2009–10 had the money in them but the budget papers in 2010–11 had it withdrawn. What we find is that there was actually a reallocation of commonwealth moneys for three other road projects in the metropolitan area to this project in last year's budget papers. The government took commonwealth moneys that were specifically allocated to individual projects and allocated those commonwealth moneys to this road project. It is bizarre; it is wrong; it is a dishonest way of handling the budget. This year the government has had to reverse that out, because it has got no money for the project. It is so committed to this project that it is not prepared to spend any money on construction! I asked when the decision was made to take the money out, because this is very important. The minister and the member for Riverton continue to say in the media that they are committed to this project. They are so committed that, to quote the departmental officer —

... subsequently through this budget process they have been taken out ...

In other words, cabinet has made the decision to remove the funding allocation in the out years. I will finish with Roe Highway on this issue. There is \$20 million for reconstruction works in the budget. None of that will lead to any construction project at all. Of that \$20 million, \$10 million is for a company called AECOM, which is a consultant to the department and which is going around doing push polling and other work to talk up this project in the southern suburbs. Half the allocation is being spent not on developing the project but on convincing people in the community that it is a good idea. I think that is a disgrace. This government is conning the people of Western Australia. It has no plan to build this road. It still says that the construction work will start in 2012, which simply will not happen until the government provides funding for it. It cannot keep going to the people of Western Australia and the people of the southern suburbs saying that it is committed to this road and then not fund it; and, in fact, make a cabinet decision to de-fund the project, because that is what has happened.

I also asked how come the road funding program of the government is being reduced and why the state government is providing fewer funds to road funding. The parliamentary secretary was not prepared to acknowledge that. Eventually, one of the departmental officials said —

I suppose the state's current capital budget is less than last year ...

What that is called is a cut. When a government spends less in one year than in the previous year, it means it is cutting its expenditure. That is what the state government has done. It cut the funding on roads last year compared with 2008–09. In 2010–11 it is cutting it again and in the out years those cuts continue and get more and more severe as the years go on. So the government is cutting roads funding. It used to be that we could always guarantee that a Liberal government might not spend enough on metropolitan rail projects, or even country rail projects, but it would always be pretty committed to roads funding. This government is reversing that. It is not committed to anything. It is not committed to country rail funding or metropolitan rail funding. It is certainly not committed to road projects. As the department official acknowledged —

I suppose the state's current capital budget is less than last year ...

That is called a cut.

I turn next to the bus replacement program. The parliamentary secretary said that there were to be 848 buses over 10 years, starting in 1998, and that the fleet increased by 22 per cent to 1 130 buses. There were 848 extra buses purchased and 248 extra buses on the road. The government is now proposing to buy 650 buses over 10 years. What the government told us when we actually drilled down is that 65 buses a year will only mean replacing buses as they wear out. There will be no additional buses. The parliamentary secretary and the departmental officials said in answers that they actually need 80 buses if they are going to increase the fleet, but that is not funded and that is not their plan—only 65 is—so they announced 650 new buses but there is not one extra bus to run on any bus route in the state.

I will finish off with the Geraldton Port Authority. This was clearly an embarrassment. The opposition did not ask to examine the Geraldton Port Authority. The Geraldton Port Authority was called by the government so that the member for Geraldton could bowl up a dorothy dixer. The problem was that they had not done their homework properly. With all due respect to the parliamentary secretary, it is not his fault, and I know he is not the minister. The minister did not do things properly. The parliamentary secretary was not able to explain what the budget papers were about, even on the dorothy dixer bowled up by the member for Geraldton. We were very happy to take up the member from Geraldton's questions and follow them through to their logical conclusion. What we found was that, as shown in appendix 8 budget paper No 3, in 2009–10 the Geraldton Port Authority is to pay \$5.58 million in dividends to the state government. In the 2010–11 budget that we are debating it is to go up to \$17.603 million. I will read the parliamentary secretary's comments —

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I understand that there will be a dividend of some \$5 million again next year. My advice is that those figures do not reflect what has been submitted by the Geraldton Port Authority. I am not sure how they appeared there.

To explain to the parliamentary secretary, they appeared there because the government put them there. The government put that figure into the budget and said that that is how much money the Geraldton Port Authority would be paying to the state government in the 2010–11 financial year, so there is another \$12 million that is apparently not available to the government. With all these small individual stuff-ups and the inability to get the basics done, one would think that the government would present budget papers that reflected what would happen in the next financial year, but this is an unusual government. We have already seen the error in the Department of Education area. There was also an error in the Main Roads area. The error was that the department named the incorrect road project in the budget papers. It does not have a material effect, but again there was no attempt by the government to correct the record. I asked the parliamentary secretary when the minister was aware of the error in the budget papers, because clearly the advisers were aware of it. The parliamentary secretary answered only on his own behalf. He said that he had found out 30 seconds earlier.

These are examples of the sloppy manner in which the government handles the budget process. We have seen a government that comes up with thought bubbles when it has no plan to implement its grand projects. Just as an example of the small, petty way it operates, it cancelled the decision to build a police station at Warnbro and then a year later announced that there would be a police station of exactly the same value in the electorate of Jandakot. These are the small, petty things that this government does. The government's inability to present budget papers that are accurate, its inability to answer basic questions, and the fact that the parliamentary secretary and his advisers from Geraldton Port Authority did not know what was in the budget papers, are all examples of the contempt with which the government treats the budget process, the Parliament and the people of Western Australia. It is not good enough that those standards are applied by the Premier of this state and the Liberal Party.

MR J.R. QUIGLEY (Mandarie) [7.49 pm]: I was present during the Legislative Assembly Estimates Committee B hearing for the part of the budget that dealt with the portfolios of Hon Christian Porter, the Attorney General. Also present was my friend the member for Warnbro, as well as the member for Kimberley and some government members. I will repeat the complaints made earlier today. I do not believe we had sufficient time, even in the almost four hours allocated, to sufficiently scrutinise that part of the budget. The Attorney General was not responsible for only his entire portfolio, which includes the Corruption and Crime Commission, the Director of Public Prosecutions, the Equal Opportunity Commission, the courts and the Legal Aid Commission—all those matters that we could have spent several hours properly scrutinising for the public of Western Australia—he also had portfolio responsibility for prisons and the Inspector of Custodial Services. That meant there was patently too little time to properly scrutinise all those matters—not for the sake of criticism of the Attorney General but to see exactly how those agencies function now and prospectively.

I will touch very briefly on two of those agencies. The first is the Legal Aid Commission of Western Australia. This body received some publicity in this morning's paper of stakeholders complaining that the Legal Aid Commission is being bled of funds; that there is a crisis in legal aid in Western Australia at the moment; and that there are insufficient funds to satisfy grants of aid to eligible people. I remind the chamber that in the last year of the Carpenter Labor government, 78 per cent of people who applied for legal aid were adjudged by the Legal Aid Commission to be in all respects eligible; that is, they met the criteria of not having enough money to hire a lawyer themselves, of their issue being a matter that merited representation by a lawyer, and of their deserving a grant of aid. The budget papers revealed that within two years of a change of government, 78 per cent has slipped to a mere 65 per cent; that is, the percentage of people who are means tested and accepted because their income is below the means, and the matter they wished to defend or appear on is adjudged to be of sufficient merit to warrant a grant of aid. Only 65 per cent of those applicants now receive a grant of aid. That is because of, firstly, lack of funds in the Legal Aid Commission and, secondly, perhaps a growth in the number of people seeking aid.

This should be of particular concern to you, Mr Speaker, and to all members representing the regions because the cost of seeking legal representation in the regions is that much more expensive than it is in the city. Although there are Philadelphia lawyers practising on St Georges Terrace, charging the full Queen's shilling, we also have by reason of competition and many young lawyers in Perth the situation in which people can scramble around to try to get a lawyer at a more reasonable cost. As you know, Mr Speaker, there is a paucity of lawyers north of Geraldton. Now, with the toughening of the law—with stop-and-search and mandatory sentencing legislation—many more people warrant a grant of legal aid based on both the merit of their applications and the means test to

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which they are subjected. Nevertheless, there has been a great slippage in the availability of aid and the grant of certificates since the ascension to government of the Barnett Liberal–National government. Since the ascension to power of the Barnett Liberal–National Parties to government, 13 per cent fewer people qualify on a means test, whose case is meritorious with access to the courts through the Legal Aid Commission, than was the case two years ago. I want members to consider that these are not all criminal people; they are people such as mothers who have had their children taken by the Department for Child Protection. Some of them are my constituents and have come to see me in the most distraught circumstances, trying to re-access their children, to have the care and protection order put aside and to defend the application of care and protection. The Legal Aid Commission says, “This woman’s case is meritorious; from what she is telling us, the DCP’s reason for taking the children is not sustainable; we have to get this woman a lawyer to represent her on this protection order application, but whilst we realise the merit, we do not have the funds.” This is a very serious question of access to the law.

Just before I move on and leave the Legal Aid Commission, I acknowledge and want to praise those legal practitioners in town who are stepping into the void and donating their services pro bono. As the Attorney knows, there are some firms with national structured pro bono schemes. By structured pro bono schemes, I mean they have a proper application form that the firm considers and all the work is time costed. They know how much pro bono work they are giving these Western Australians who are denied access to the most crucial institution in a democracy to protect their rights—the courts of law. It is unfair to single them out but I have had personal experience with Mr Paul Fitzpatrick of Clayton Utz, and the wonderful contribution he made to the Mallard case. I am aware that Dr David Cox at Jackson McDonald law firm operates a wonderful pro bono scheme. I am going along to give a little talk at that firm because it is inviting other firms along. Mr Martin Bennett and Lavan Legal are donating their time and running a pro bono test case on the stolen generation. That practitioner and that firm should be accorded full recognition and the thanks of the community for that. Mr Steven Penglis of Freehills runs a very worthy pro bono scheme. All those practitioners are doing the right thing and I am sure other firms around town are also. I praise them and encourage them, but it does not in any way fill the void of that other great river of people—the extra 13 per cent since this government has come to power—who have been completely shut out of the legal system. At the estimates committee hearing, I questioned the Attorney on the merit of charging, as they started to do in the Federal Court, a daily rate for court fees for certain litigants; that is, rather than paying a filing fee, A-grade litigants pay on a user basis for the courts. I have no criticism of Mrs Rinehart or Mr Wright—I applaud their entrepreneurship—but they had an ongoing fight over who owned the next billion dollars out of the Rhodes Ridge iron ore deposit. Their fight was over what their fathers said years ago about their intentions for Rhodes Ridge. So they had an ongoing court case, as is their right and as they should be able to have, to see who was going to pick up the next billion dollars, Mr Michael Wright or Mrs Rinehart. I do not mind that. But all this is funded—this is what aggravates me—by my constituents in Merriwa and Ridgewood, and the Minister for Sport and Recreation’s constituents in Wagin, through our taxes, for a gilt-edged, rolled-gold legal system, which costs millions and millions of dollars, as the budget reveals, and in which there are too few judges to deal with matters expeditiously in the time available. We would like more, and a fee should be charged to A-grade litigants who clearly have the capacity to pay. The Solicitor General or the State Counsel could go down to the court on particular cases and say, “Your Honour, we seek leave to intervene to make an application that these litigants, whatever the outcome is, pay the daily rate of, say, \$15 000, \$20 000 or \$25 000 a day” or whatever it is costing to run the court for their case, because, at the end of the day, it is an argument over who gets the next billion. This would generate millions of dollars that could then be made available to give the people of Mindarie, Ridgewood, Merriwa and Kwinana the means to access the court; it would give the underclass and the poorer people the means to access the court, because it is clearly beyond them. However, these billionaires are getting a rolled-gold court system laid on free of charge by my punters out there in Ridgewood, when the only time they get to know about a billion is when they read it in the paper.

I know that the Attorney General’s response was that this would make our jurisdiction more expensive than other jurisdictions, and he wants to encourage legal tourism, because many of his friends have come from the eastern states to work on these wealthy cases, have charged a lot of money and have bought houses over here, and that is good for the economy. Whilst I see all that, I am not too happy with my punters out there in Ridgewood funding his mates into this system. It could be done equitably, it could be done reasonably, and it could be superintended by the courts. While the Attorney General responded by saying that this will make it jurisdiction shopping, if those people have an agreement in Western Australia, they cannot just go and file in Queensland. They might jurisdiction shop between the state courts and the federal courts, but all of the Attorney General’s mates would still get a brief; they would just be moving from the Supreme Court Gardens down to Victoria Avenue, and

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could charge more for travelling time. So they would not be jurisdiction shopping in the way that was hinted at by the Attorney General.

The Western Australian Parliament has an obligation to see that the citizens of Western Australia can access the legal system in Western Australia and that we have not constructed a legal system that is accessible only to the really wealthy. The really wealthy should be charged under a user-pays system. A fight is going on between Bell Resources and the liquidators, the banks, over \$1 billion. This is a fight between banks and insurance companies, essentially, but the punters of Merriwa, Ridgewood, Clarkson and Mindarie are the ones paying the wages of the umpire—not the billionaires and not these insurance companies or the banks. The people who are going to profit out of this are the shareholders on the eastern seaboard.

MR R.H. COOK (Kwinana — Deputy Leader of the Opposition) [8.04 pm]: In the estimates process, we had the opportunity to cross-examine, not to the fullest extent, but with some effectiveness, on the health budget, and were provided with the opportunity to quiz both the minister and his advisers, in particular over the impact of, and the intention as it might relate to, the privatisation program that the government has for the health system. We sought a number of things. We sought to find out the justification for the privatisation program. What are the benefits? What will happen to hospital services as a result of the privatisation of hospital services; and what will happen to the staff who are responsible for delivering those services? I think it is fair to say that we were left wondering just where the evidence was. Neither the minister nor his advisers could provide us with one study, one report, one analysis of a cost-benefit arrangement that might justify the government's extensive privatisation program.

What we saw in the estimates process was that there is no commitment to hospital services, there is no commitment to the staff who work in those hospitals, and there is no commitment to resourcing our health system properly into the future. One example of the resourcing issues is that we asked what budgeting was taking place and where the money was for the equipping and fit-out of Fiona Stanley Hospital. This is particularly pertinent since at the moment there are obviously some questions that lie over the sustainability of the government's policies in relation to hospital services, particularly in maintaining two campuses in the central business district and one supposed flagship tertiary campus in the southern suburbs. We got no assurances and, therefore, have no confidence that the government's privatisation program or its policies for the health system will be for the benefit of the people of Western Australia.

The commitment to hospital services is particularly lacking. We drew attention to the fact that the government has a policy to privatise the Midland hospital; it has a policy to privatise services at the Albany hospital and at the Busselton hospital, although the minister will not admit that just yet; and it has a policy to privatise hospital services at Fiona Stanley Hospital. On not one occasion were we presented with any evidence that this would be to the betterment of the WA health system.

The history of privatising hospitals in Western Australia should provide the minister with cause for ample caution before proceeding in this way. We know, for instance, that there were some great difficulties in the early days with the operation of the Joondalup Health Campus under the private management that existed at that hospital. That hospital has since changed hands, and the minister talks about—indeed, it is the minister's only life ring in his whole debate—how well that hospital is functioning. Back in the 1990s, we also saw the experiences of Sir Charles Gairdner Hospital when the orderlies in that hospital were privatised. We saw the number of orderlies drop overnight from 110 down to about 56, and there was chaos; chaos reigned supreme in a hospital that was supposed to be providing premium services. That failed experiment in privatisation looks like repeating itself all over again as the minister runs headlong on some ideological pursuit and obsession to make sure that we can have the private sector take over as much of our hospital system as possible.

The cleaning experiences at Royal Perth Hospital in the 1990s should also provide the minister with caution about proceeding in this direction. Under the cleaning privatisation proposal at Royal Perth Hospital in the 1990s, there was a huge outbreak of vancomycin-resistant enterococcus at that hospital, requiring the further expense of almost \$3 million just to bring that outbreak under control. It is also true to say that, since then, subsequent workers' compensation claims have resulted from the use of the extreme chemicals that had to be used to bring that incident under control.

Ms J.M. Freeman: It was called Prephen.

Mr R.H. COOK: I thank the member for Nollamara. The use of Prephen has resulted in the bringing of workers' compensation claims from people concerned about the impact of having to arrest that outbreak that occurred simply because of the privatisation of the hospital cleaning services at Royal Perth Hospital.

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During the estimates committee hearings, the Minister for Health admitted that the government had not, by this stage, got its head around how it will finance the fit-out and equipment costs at Fiona Stanley Hospital. What was offered as a solution is that it will go to the private sector and get a private sector partner to pay for the equipment. We are talking about catering; we are talking about trolleys; and we are talking about food services generally. Again, the minister must surely be awake to the lessons of history, in particular the lesson of Sodexho, the caterers at Royal Perth Hospital. When these services are privatised, control of them is lost; once control is lost of them, the government becomes captive to the private sector partner. After what happened at RPH, the government of the day was left with the dilemma of either seeing the catering service provider walk away from the campus or having to front-up with an extra \$850 000 per annum to top up the contract. That is what happens when public hospital systems are privatised in such a reckless manner.

There is not one occasion where the minister has not brought attention to the fact that the government is facing extra capital expenses in the redevelopment of the Joondalup Health Campus. The minister's first speech referred to the extra \$100 million that would be required to complete that redevelopment, and he referred to it in one of his speeches today. The minister must be aware—I am sure he is—that the reason the redevelopment of the Joondalup Health Campus was such a difficult issue to negotiate, the reason it was such a difficult project to get underway, and the reason it will cost an extra \$100 million is because, from day one, the government has had to negotiate with the private sector partner at Joondalup hospital. Everyone in the health sector knows how hard that negotiation was. Why was it so hard? Because the private sector partner knew it had the government over a barrel. Once the government goes down this privatisation route, it is held captive to its private sector partners.

The stress is writ large on the minister's face about what is going on at the Peel Health Campus. He knows it is a dog's breakfast; he knows the industrial relations situation at Peel Health Campus is an embarrassment. It is an embarrassment to him as the minister and it is an embarrassment to him as the local member. He knows that there is a great deal of unhappiness at that campus and he knows that that is because of the privatisation of that health campus. No other reason exists for that situation. There is no other reason why the enrolled nurses at that campus are paid \$3.80 less than is the case with staff at a public hospital other than the fact that this hospital is privatised.

The minister may try to play cute games with the definition of privatisation, and his latest defence of the privatisation push is to not call it privatisation anymore; it is outsourcing.

Ms J.M. Freeman: Franchising!

Mr R.H. COOK: It is outsourcing; it is contracting—it is everything but privatisation. Why is that? It is because he knows it is unpopular and he knows it is an unwise policy set, and because the public knows that the government should not be proceeding in this way. The first reason the minister is pursuing this agenda is because of ideological obsession, which is what Liberal governments do. The second reason is because he is trying to short-change the health system. He is trying to push a low-cost agenda onto the public health system, and, members, we know that that means the government is looking to pay the staff less.

There have been some interesting models for privatisation in public-private partnerships.

Dr K.D. Hames: We heard today that you used to work promoting them. Is that where you used to work?

Mr R.H. COOK: Every time I am on my feet I am sort of reminded of a similar experience I have while watching the FIFA World Cup: every time I am on my feet, I hear this buzzing, annoying noise; it is a vuvuzela! The Minister for Health is the vuvuzela of the government benches. Every time someone criticises the health system, there is this nagging, annoying, flat, untuneful noise that comes out.

Dr K.D. HAMES: That's the only thing I've said during your whole speech!

Mr R.H. COOK: It is just this constant little noise. It is never anything intelligible—just this little noise in the background buzzing away and annoying the bejesus out of everyone.

Dr K.D. Hames: Is it true? Is it true? That's what he used to do!

Mr R.H. COOK: But there is little we can do about it.

Dr K.D. Hames: He used to promote PPPs; that's what I've heard. I'm downloading it from the computer.

Mr R.H. COOK: We know that the health minister is pursuing this agenda because the health budget does not provide an explanation of how the government will fund the expansion of the hospital system. Nothing in the budget states how it will finance Royal Perth Hospital; nothing in the budget states how it will finance Princess Margaret Hospital; and nothing in the budget states how it will develop the Midland health campus, because, as

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the Leader of the Opposition observed today, it will all be done with a magical wave of the wand called “privatisation”.

There are no shortcuts in privatisation. During the estimates committee hearing, we asked the minister for some evidence of the studies that show, for instance, that the Princes Margaret Hospital privatisation program will, firstly, save money, or, secondly, deliver better services. All the minister was able to provide to us was some anecdotal evidence from the eastern states, which was: “Gee, it worked there; perhaps it will work over here as well.” That is not good enough. It is not good enough for our health system to simply have this process of the government putting up its hand and saying, “We don’t know how we are going to fund equipment at Fiona Stanley Hospital; we’ll get the private sector to pay for it. We don’t know how we’re going to pay for the running of the Midland hospital; we’ll get the private sector to pay for it. We don’t know how we’re going to develop Princes Margaret Hospital—even though we told the public that it would be operational by 2014—we’ll get the public sector to pay for it.” It is not good enough, and the public knows it is being duped by this government. Last week I attended a public meeting in the southern suburbs at which the issue of privatisation at Fiona Stanley Hospital was discussed. There is a great deal of concern in the community, and, yes, minister, a lot of health workers attended because they are scared about what the minister is going to do to their jobs. There were members of the community there as well because they know that the government’s privatisation policies are a dog, and they will remind him and we will remind him as we draw closer to the next election.

MR A.J. WADDELL (Forrestfield) [8.18 pm]: This year’s estimates process delivered us one stark fact, which was that this government is hell-bent on pursuing privatisation in our public hospitals for purely ideological reasons. We quizzed the government and asked it the question again and again about what the model was, what the basis was, and what the justification was for going down this path. When quizzed about how it was costing these new models, and when quizzed about the economic benefits of this privatisation, we found that this government’s plan was about having a wing and a prayer and hoping for the best. It does not have the models, it does not have the costing, and it does not know whether this plan will work. There are no models in place, no comparative costings, and no understanding of what the consequential impact of privatising these services will be.

One needs to ask the questions: why is privatisation being pursued with such vigour? Why would the government simply decide to vacate the market to the private sector without any idea of what the consequences of that would be? No competent business would outsource one of its core functions to another business without first carrying out a full and complete costing of that proposal. No competent business would do it unless there was a clear advantage to it and without having proper models and controls in place to ensure that that advantage remained. Competent managers simply do not gamble on the hope that there might be some sort of an upside to it. However, I suppose that in this case we are not dealing with competent managers.

This government will wax lyrical about how the private sector is more efficient and can deliver a higher quality service at a lower price. It will wax on and wax on about it. It is not the kind of wax that when it is yanked off, the pain has gone. It is about the belief the government has that the private sector will always deliver the better outcome. Why does the government believe that? How does this government think this can be achieved if, in fact, it will be achieved? Can the private sector negotiate better than this government? Can the private sector achieve economies of scale greater than the state government? Is the private sector a better manager of resources than this government? Does the private sector perhaps pay lower wages than state government instrumentalities? Let us consider some of those questions about whether the private sector is better able to operate within the health framework.

First, is the private sector better at negotiating? Is the private sector better able to negotiate within the health framework? If that is the case, I fear for the state because it involves the same people that the government would be negotiating with. I suspect that if the private sector is the better negotiator, it will out-negotiate the government. In out-negotiating the government the private sector will run rings around the government. It will get contracts in place that ultimately mean that Western Australian taxpayers will pay the price. The private sector will transfer all the risk to the state. The private sector will ensure that anything that goes wrong becomes the state’s problem and that any profit to be gained belongs to the private sector

Dr K.D. Hames: Tell Mr Brumby that. He will cancel all the PPPs he has in place in his hospitals. He does not realise what a dangerous thing it is!

Mr A.J. WADDELL: The private sector does not carry out business for altruistic reasons.

Dr K.D. Hames: I will let him know that you are so concerned about the PPPs. He should cancel them immediately.

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Several members interjected.

The SPEAKER: Thank you, members.

Point of Order

Mr R.H. COOK: On a point of order, the bubuzela keeps coming. I understand that there are some software programs that can cancel out the bubuzela background noise.

The SPEAKER: I do not know that that is a point of order. I understand what the member is saying. The member for Forrestfield, uninterrupted, thank you, members.

Debate Resumed

Mr A.J. WADDELL: Perhaps we can move to the second question. How does the private sector achieve better economies of scale than this government? That does not really stack up, does it? The government is responsible for the lion's share of health within this state, not to mention the other things the government does, such as providing ancillary services. That raises the fact that it is the largest employer in this state in that area. Clearly, it consumes significant resources and is capable of purchasing on a large scale. Unless the government is outsourcing or privatising to some sort of gargantuan multinational, I fail to see how it could achieve a scale greater than the government. If the government outsources to such a gargantuan multinational, I fear what the outcome will be for the people of this state.

The next question is: is the private sector a better manager? I suppose that is the crux of the argument. The government's privatisation policy is simply an acknowledgement of the fact that it does not think that it is up to the task of running the health system. This government has no faith in its ability to effectively manage the hospital system. It is not up to the task, so it will walk away from it and ask somebody else to take care of what is a core responsibility. The government cannot or will not efficiently manage the systems that we, the people, have entrusted it to do. If this government is not up to the job it should quit and find something else to do, because we will do it. We are up to the job.

The final question is: does the private sector pay lower wages? That is a matter of fact. It is quite clear that the private sector pays lower wages than the equivalent government employees receive for carrying out the same function. Privatised workers get less. I am not talking about people who turn up in Maseratis. I am talking about low-paid workers. Again, this policy is about taking away from the lowest paid workers. This is fundamental to this government's ideology. It is about taking away from low-paid workers and delivering profits to large companies. It is this government's ideology manifest.

Dr K.D. HAMES: Do you want me to give a list of how many companies you contracted out to when you were in government?

Mr A.J. WADDELL: Very few.

What do Western Australians expect from this policy? They can expect the minimal service that a company can deliver. They can expect lower levels of cleanliness in their hospitals. They can expect poorer food quality. They can expect lower paid workers and more unemployment. That is what Western Australians can expect from privatisation. The result will be rises in infections and dysfunctional systems that do not cooperate. It will be a case of, "That's not in our contract. That's not our job. We don't have to worry about that." We can forget about holistic treatment and how we treat people. It will be about what the contract says that the private sector can do. It might be uncomfortable for the minister to hear this, but that is the policy the government is pursuing and, ultimately, it will cost the taxpayers of this state much more than it is bargaining for.

Previous attempts to privatise parts of the public hospitals have ended in abject failure. For example, after the cleaning at Royal Perth Hospital was privatised, I think it was the member for Kwinana who said there was an increase in the instance of the superbug vancomycin-resistant enterococcus. I understand that a large sum of money was required to clear that up. Those things have to be factored into the overall cost. Were there savings at the end of the day for doing that? No, there were not. Were workers better paid for the work they did? No, they were not. What happened? They were exposed to toxic chemicals. That was the result of the delivery of this process. That is what will happen if the government asks the private sector to do this job for less money and to do it with fewer resources. How can the private sector do that? They do not have magic wands. Harry Potter is not in play here. The private sector will do it by cutting corners. We do not want a health service that cuts corners.

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Throughout the estimates process the opposition not only drilled down on the privatisation element, but also asked questions about efficiency. I asked a question about access to the CAT scan equipment at the Royal Perth Rehabilitation Hospital at Shenton Park and Royal Perth Hospital. I asked the question to determine what sort of waiting periods people might be facing to gain access to this equipment. This information was provided to the opposition as supplementary information. I can report that there is a 24-hour waiting period for inpatients, which is quite a reasonable period of time. The scary answer was that an oncology outpatient could expect a two to three-week waiting period. If members think about that they will realise that this involves people who are told they have a mass or a lump and they will have to wait two to three weeks to have a test to determine what it means. If they are like me, and I suspect other members, they no doubt think the worst—that is, that they have cancer—and are making out their last will and testament. They go through a horrific time. It is a shame that those people are subjected to that waiting period.

It is a question of how efficiently the equipment is used. We have very expensive capital investment in these pieces of equipment and we need to be driving them as hard as we possibly can. We tried to drill down on the hours of operation. We were told that they would operate from about 4.00 am to 8.00 pm.

Dr K.D. Hames: I think it starts about six, but they get there early.

Mr A.J. WADDELL: We are probably only running them for about 60 per cent of the time that technically they could be running. We need to be thinking about how we can do it. If I was told I had a lump, I would be prepared to turn up at two o'clock in the morning for the test.

Another great revelation that the opposition picked up during the estimates process was that the government is planning on stocking Fiona Stanley Hospital with second-hand equipment. This is part of the strain that has been put on the health system by the retention of Royal Perth Hospital. Obviously, Royal Perth Hospital is a facility that has met its use-by date. It is clear. Anybody who goes there will know that is a very aged facility. What is remarkable, despite the fact this government has vigorously pursued this policy of retaining Royal Perth Hospital, is the fact there was no funding in the budget to redevelop or refurbish the hospital. It is a case of, "We're going to keep it open but we'll let it wither on the vine."

Dr K.D. Hames: The northern block is the newest of our hospitals.

Mr A.J. WADDELL: How old is that?

Dr K.D. Hames: Twenty years—that is not old.

Mr A.J. WADDELL: The other key health element that is of course very close to my heart, representing an electorate from the eastern suburbs, is the Midland health campus. The minister and I have sparred on this on many occasions. I have suggested that the money is not in the budget to fund it. The minister has assured me that it is and that the final payment will be made in 2015, which of course is outside the out years of the budget. I am happy to take his word on that. I worry, though, that we are being —

Mr C.J. Barnett: We will not stop building it two-thirds of the way through!

Mr A.J. WADDELL: That is the problem, Premier. I worry because the Premier does not believe in forward estimates; they do not exist! The Premier only believes in now; he does not believe in tomorrow.

Dr K.D. Hames: The member said that last year. In this year's budget the member would have seen something like an additional \$40 million come on, which is the next lot.

Mr A.J. WADDELL: The final payment is due in 2015. The hospital is due to open in 2015. I suppose it will be a case of "watch this space" to determine whether it will open.

Mr C.J. Barnett: We thought we would put beds and things like that in it!

Dr K.D. Hames: The member will see the final amount next year.

Mr A.J. WADDELL: The reality, again from the eastern suburbs, is the fact that people there have a growing sense that they are being duded. The new Midland hospital will of course replace the Swan District Hospital. The Swan District Hospital of course is a completely public facility. The Midland health campus will of course be a completely privately run facility. I cannot blame the people of the eastern suburbs for having the sense that they are being duded. Then again, we are getting quite used to that under this government.

MS L.L. BAKER (Maylands) [8.31 pm]: I, too, would like to pick up the subject of public-private sector partnerships. I will refer to the 18 months' research that the Education and Health Standing Committee has conducted into the health of the hospital system in WA. I will cite some parts of that research and other literature

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that is freely available which looks at the efficacy of private–public sector partnerships and some of the problems that have arisen in other countries. I will start by looking at why the government thinks we need to expand on public–private sector partnerships at the moment in the running of our hospital system.

In the 18 months’ research that the Education and Health Standing Committee conducted into the health of the hospital system in Western Australia, it found there is a cost to the policy decision this government has made to keep Royal Perth Hospital open. The committee certainly did not criticise the fact that a decision was made to keep Royal Perth Hospital open, but outlined that there is a cost to that decision. It was a cost that was never properly estimated, and certainly is still not truly known. We know from the contents of the Reid report that Royal Perth Hospital should not be retained as a tertiary facility with the other services that are already available in Western Australia. To retain Royal Perth Hospital as a tertiary facility will significantly cost not only health consumers in Western Australia but also the government and every taxpayer. It will be a duplication of services. Reid spent a lot of time and energy pointing out what that duplication would cost Western Australians.

The government has made a decision to keep Royal Perth Hospital open as a tertiary hospital. It has made a decision to allow the duplication of services to continue. That is fine; that is the government’s decision. There is also a cost to all of us. How will we fund other infrastructure projects, other capital works projects and other hospital development projects? That is where we come to private–public sector partnerships and the expansion of that model in our state’s health system. It is worth looking at some international experiences. The Education and Health Standing Committee received a report on the performance of public–private sector partnerships overseas. The report came from the Centre for International Public Health Policy. It was produced by Moritz Liebe and Professor Allyson M. Pollock. I will quote some of the figures they sent us in providing the submission to our committee. I think it is really important and salutary that we think about what the impact will be on the cost to health in the future. The document is entitled “Four Lessons for Western Australia: The Experience of Public–Private Partnerships/Private Finance Initiative in the UK’s National Health Service”. It is dated August 2009. I am not talking about a document that is way out of date; this is very current. Most people who know something about the way the National Health Service operates in the United Kingdom will be aware that it used public–private partnerships to fund 101 out of 133 new hospitals opened between 1997 and 2008. That certainly had the impact of making it look as though the government’s debt was very low. The cost of a public–private sector partnership is not reported as government debt. If we look at the actual costs of those projects, they were between 1.8 and 2.1 times higher than if the government had simply borrowed the funds and built the hospital itself. Remember, these are not figures that are pie in the sky; these are the actual results of what has happened in the UK over the past 10 years. When we look at the performance of these private financial initiatives, or PPPs—whatever we want to call them—we will find that private finance used in the establishment is much more costly than public borrowing. The way in which they are accounted for keeps them out of the government books, so it gives an artificial projection of the public sector net debt figure. The higher cost of private capital is not simply a function of risk adjustment but includes high returns to the investors.

I will go on to talk about the services that have been delivered at PPP hospitals. Not only does the report indicate that the services will be more expensive, it also shows that they are of poorer quality than when the government provides those services. Remember, this is not something that is made up; these are the facts. If members care anything about the way the UK has delivered its services, and care to look at 10 years of its experience of PPPs, they should ask questions about why the UK is now withdrawing from public–private sector partnerships. The National Audit Office in the UK, using information that it collected from the Healthcare Commission, compared the quality and cost of security, linen, laundry, portering and cleaning services of the first round of its National Health Service PPP projects against data from non-PPP hospitals. I will quote from page 21, “Volume 1 – Hospital Sector”, the sixth report of the Education and Health Standing Committee. The first dot point relates to PPP security services. It was demonstrated in the UK that they had a higher than average cost per square metre when compared with non-PPP hospitals. The cost of linen and laundry services was significantly higher at PPP hospitals when compared with the cost at public hospitals. The UK review lists other services —

- portering services at PPP hospitals also came at an average higher cost ... (AUD295.75) per occupied bed but did not—according to the judgement of ward managers—perform better;
- average cleaning costs per square meter exceeded the average cleaning costs in non-PPP hospitals by ... (AUD 4.63); and
- the majority of PPP hospitals performed below the NHS average on the quality of their cleaning.

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What does all that mean? It means that patients in a public–private partnership hospital are likely to have some experiences that are perhaps not commensurate with the level of service that we would hope for ourselves or our loved ones when in hospital and in need of support and care. Members must remember that 101 of the 133 hospitals under the National Health Service in the United Kingdom have been developed under this model. I will read from an article published on the BBC’s One–Minute World News website of Wednesday, 24 February 2010 and headed “Hospital left patients ‘sobbing and humiliated’”. The article states —

The independent inquiry claimed the Mid Staffordshire NHS Trust had become driven by targets and cost-cutting.

The report — the latest in a long line of critical reviews — said the distress and suffering had been “unimaginable”.

...

The trust had been climbing the NHS ratings ladder during the period in question and was even given elite foundation trust status.

The article outlines that when one looked closer, patients were actually being routinely neglected. It states —

...patients were left in soiled sheets which relatives were forced to wash.

And it highlights examples where patients were left alone, leading to falls — some fatal, which were not reported.

...

The report criticised the “ineffective” management which was too often concerned with hitting targets, particularly in A&E, as well as the “lack of compassion” and “uncaring attitude” of staff.

The article goes on to comment that staffing levels were said to be too low not just because of the way in which the trust was operating but also because it was trying to slash costs by £10 million to meet efficiency dividends.

Another report dated 15 June 2010 in *The Press and Journal* has the subheading “NHS report reveals Ninewells hand-cleaning standards fell” and states —

Hand hygiene standards dropped in a ward for elderly patients the month before a deadly outbreak of *Clostridium difficile* was declared.

Seven people who had been treated at Ninewells Hospital in Dundee were found to have contracted the bug.

It caused the death of two patients, and contributed to the deaths of three others.

The article states that a report released yesterday by the NHS revealed that hand hygiene measures had fallen to 85 per cent of the quality control level in September, when this outbreak occurred. That is another example of quality standards that certainly did not measure up to what we would expect. Members must remember that 101 of these hospitals are private–public sector funded. Another article, and probably the most damning in some ways, is headed “Hospitals: Dr Foster report findings by numbers” and states —

12 NHS trusts in England are “significantly underperforming on basic safety measures”

I will again read some of these facts because they are just extraordinary. This should be an extremely cautionary word to the government as it progresses down the PPP path. The article states —

82 patients underwent surgery on the wrong part of their body because of hospital errors in 2008/09.

[Member’s time extended.]

Ms L.L. BAKER: It also states —

478 operations were cancelled in 2008/09 because patient notes were missing

5,024 people admitted with ‘low-risk’ conditions died in hospital ...

848 patients who died after being admitted with ‘low-risk’ conditions were under the age of 65

...

39 per cent of hospitals do not investigate all unexpected deaths or cases of serious harm that occur on their wards

10 trusts scan fewer than 40 per cent of stroke patients within 24 hours

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Those figures are quite horrifying. Any of us who has had the unfortunate experience of being hospitalised or whose loved ones have been in hospital would know how stressed one already is by that, let alone to think that the hospital might be substandard.

Finally, I refer to a bulletin produced by the World Health Organization back in 2006 headed “Public–private partnerships for hospitals”, which states —

Although experience is still very limited ... four issues have emerged: Cost, quality, flexibility and complexity. New facilities have ... been more expensive than they would have been if procured using traditional methods. Compared with the traditional system, new facilities are more likely to be built on time and within budget, but this seems often to be at the expense of compromises on quality. The need to minimize the risk to the parties means that it is very difficult to “future-proof” facilities in a rapidly changing world. Finally, such projects are extremely, and in some cases prohibitively, complex. While it is premature to say whether the problems experienced relate to the underlying model or to their implementation, it does seem that a public–private partnership further complicates the already difficult task of building and operating a hospital.

Having given members some of those fairly profound statistics and examples of the lessons learnt by our cousins in the United Kingdom—indeed, their submissions were a cry for us to be careful about how we progress this agenda—I remind the government that the public–private partnership model is fraught with risk for some of the most vulnerable people in our community; that is, the people who must go to hospital as they have no other way of ensuring their health into the future. The government should be careful with what it is playing with, which is people’s lives.

MS J.M. FREEMAN (Nollamara) [8.46 pm]: I, too, rise to address some of the issues raised in the estimates committee hearings, not the least of which was the Minister for Health’s complete lack of knowledge of Monty Pythonisms on the day, but that is perhaps for another time. During the estimates hearings we discussed the tender process for Fiona Stanley Hospital and the privatisation of services there. We were told that the tender process would close on Monday, 1 June and that there would be a three-month process to look at and analyse those tenders. We put to the minister that he had repeatedly said in this place that some sort of comparison would be undertaken to assure the public that the privatisation of services at hospitals such as Fiona Stanley Hospital would be of benefit to the community of Western Australia and would not be delivered at a greater cost. The assurances kept coming that there would be this sort of comparison of apples versus apples. The minister certainly undertook to do that. The department, in reply, basically said that because new services would be provided at Fiona Stanley Hospital, it would not be looking at the provision of existing services. The adviser said —

A lot of work has been done to absolutely define each of the service areas—the function areas—and to give comparisons by way of other similar sized facilities in other states to arrive at what is a reasonable cost to deliver these services. That is then tested against the private market.

It seems to me that this is some sort of constructed process that is not transparent and is not being given out to the community. It is some sort of constructed process, so that the department can assure the community, however falsely, that there is some cost benefit in this. That is not the history of the privatisation of services. I will go through some of that history, of which I have a good knowledge as I worked with many of the people who suffered the consequences of the privatisation of health services in the 1990s. Because the health sector is large and constantly growing and takes up a large percentage of the budget every year, it is interesting that there is always a drive to try to minimise the cost of health services. This drive to privatise is just a mechanism for that—it is a mechanism for cutting costs. The minister said, according to page 3, at the estimates hearing on Wednesday, 2 June that Treasury is requiring stable and certain budgets. What he means is that it wants a certain percentage growth. As I understand it, from a Treasury perspective that is around five per cent. Treasury sees that as a stable and certain budget. That is not what we have seen over the years. It is certainly not what it is producing at 6.7 per cent now, and it is certainly not what the Australian Medical Association says is appropriate growth in the public hospital system to deliver to the community a service that is based on the good principles of health—that is, preventive health and responsive health—to ensure that people make a quick and positive recovery.

The minister was also caught up in the capacity to change terminology, which seems to be quite common at present, by calling essential workers—such as orderlies, clerical staff, cleaners and food servers—backroom service workers. He is saying, “It’s okay; it’s just backroom services. People in the greater Western Australian

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community will be okay because we're not really cutting services that will be delivered to people directly; we're going to be doing backroom services." But that is not the case. That is not what is being done at Fiona Stanley Hospital and at many other hospitals. Those hospitals are looking at all services that ensure that the health system runs efficiently and effectively. What this will mean for our community is lower staffing levels, fewer resources and lower pay. It is a revival of Thatcherism. We are back in the 1990s. We are back in neoclassicism. We are back in the age of Keynesianism, which we all discovered through crises. We are following Court's 1990s privatisation agenda. The music is disco. Cleaners, gardeners and orderlies will all be privatised again.

Mr F.M. Logan: Neoliberalism is not dead in WA.

Ms J.M. FREEMAN: Neoliberalism is back. It is a time I knew well. Departments had no choice whether they directly employed their workers in-house or contracted work out—they had a dictate and that is what they did. The government may say that it will make comparisons, but when the comparison is constructed so that there is no other conclusion, that is not an apples with apples comparison; that is a comparison between apples and some mouldy pear that has fallen on the ground.

In 1995 Sir Charles Gairdner Hospital went through privatisation. It went from 100 workers to 56. Only 23 of the orderlies kept their jobs. These people had expertise, length of service and a commitment to working for the health system and the public of Western Australia, and suddenly they were without ongoing employment. The entire service was privatised despite a decision by the independent Australian Industrial Relations Commission that the process had been flawed and should not proceed. A study was undertaken on the orderly services at Sir Charles Gairdner Hospital by Anthony Boardman and Erica Hewitt. It has been published in the book *Global Outsourcing Strategies: An International Reference on Effective Outsourcing Relationships* and also in an article entitled "Problems with contracting out government services: lessons from orderly services at SCGH" from the journal *Industrial and Corporate Change*, volume 13, number 6. It is an interesting article in that it refers to some of the things that the member for Maylands mentioned. Given the impact that contracting out services has on the ongoing provision of services and the ongoing cost inherent in such a process, it is important for public sector decision makers to be able to predict adequately the consequences of contracting out.

During the estimates hearings, the government was constantly asked for its modelling and how it could assure the community that this process would have a cost benefit, but it was never able to provide an answer. It never gave any details other than the brief summary that I have given. It has defined some services, yet it has not been able to provide us with anything that showed some sort of economic modelling. Recently, I looked at some of the modelling that Treasury is doing on regulation impact statements. It is quite a concise and precise modelling process for looking at the costs and benefits. It is clear that the capacity for that sort of modelling exists within government, yet we are not able to see or scrutinise it in this process. It is a case of "Trust me; we are comparing and we are doing it for the benefit of all." That certainly has not been the case previously. It certainly was not the evidence given to the estimates committee and it was not in the report that the member for Maylands quoted from. There are no models. Certainly, the book that I referred to earlier by Boardman and Hewitt indicates that modelling on contracting out was, in 2006, quite limited. One of the most important aspects of any modelling and judging the cost benefits is that fundamental transactional costs and externality costs must be included. Transactional costs include such things as the environment that it is being established in, the numbers involved and the capacity constraints. Externality costs include the turnover of labour and the cost aspects related to that.

One of the problems that we face in Western Australia—this may be something that is not faced in other areas—is that companies have a limited contracting capacity. It was shown in the book, and in this article, that a contracting-out model is very limited in developing skills, paying for workers and keeping workers. Once we take away the underlying benefit for workers of staying in a lower paid health system—that is, security of ongoing employment—we take away the incentive to stay in what is effectively another low paid form of contract work because those skills can be transferred into higher paid sectors such as the mining or other sectors. There is that aspect of contracting out and the capacity of the human capital and employment, but there is also a problem with the capacity of the health sector to manage contracts. It does not have the skill to manage contracts as does the private sector. For example, in the public sector, a contracts manager is a Health Services Union government level 6 and gets paid about \$70 000 to \$76 000 after five years, whereas a contracts manager in the mining industry in the central business district can get paid upwards of \$200 000 a year. We are asking our health sector to manage enormous contracts for the benefit of our health system, yet it does not have the capacity to manage those sorts of skills. That is not saying that it does not have the capacity to manage in-house. It is a very different practice. The member for Forrestfield very rightly talked about the inherent costs because that

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expertise will ensure that we end up paying the additional costs of not knowing how to do contract negotiations and contract management.

There is also a flawed assumption with a competitive environment. A competitive market is where there is easy entry and exit. It is not the case where services are as specialised as they are in hospitals. Sir Charles Gairdner Hospital is a case in point. Only three businesses were invited to tender out of 12 expressions of interest. The contract then had to be changed again because none of the three companies could meet the terms. The process is inherently flawed because it creates its own monopoly. Health services then cannot risk changing a contract because of the capacity to deliver what is in effect a specialised service. Orderlies and cleaners in the health system are specialised. People have talked about the issues of cleaning and infection control. It was my experience in working with some of those workers that they had to clean with prephen. The department and management at the time handled it very poorly. They got workers to put hot water on top of the prephen, which was causing the volatile chemical to become a gas. That was primarily the problem. As the contractors had really poor infection control and poor occupational health and safety procedures, that put a lot of those people at risk and put a lot of co-workers, who were directly employed, at risk, too, because they were exposed to some of these really poor chemical management issues.

It is a flawed idea that privatising government services will be of benefit to the community. What it really does is create a nexus for increased costs, as in future contract negotiations the contractor will have the advantage. Contracting out also results in shirking, creaming and refusing to deliver. Look at the reports; that is what happened.

MR P.C. TINLEY (Willagee) [9.02 pm]: This has been my first estimates committee process following this year's budget. I found what was said, and what was not said, to be very interesting and very educational. Much could be read into what was said and much more could be read into what was not said. I picked up some clues, particularly about privatisation of health service delivery. I wondered when I looked across different portfolios, particularly housing as well as health and others, that privatisation is a clearly stated aim of this government. I turn to the opening quote that is worth reading to give everybody a clue of exactly where this government is going in the way it outsources, privatises or whatever people want to call it, services to the people of Western Australia. The Treasurer stated in budget paper No 1 —

By recognising that government does not always have to “do” but is sometimes best placed to “enable”, we have set the framework to build the capacity of those organisations so we can begin shifting the delivery of more services away from government agencies to the community sector.

I read “begin shifting the delivery of more services away from government agencies to the community sector” to include “shifting into the private sector”. Where does privatisation end? Do we privatise prisons? Do we privatise schools? Are we going to see Transfield teachers? Are we going to see Sodexo garbage collection? Are we going to see people manning the various government agencies with some logo other than the crest of Western Australia on their shirts? We do not know. We do know, though, that there is an ideology at play here, which is very clearly aimed at reducing accountability and putting a tier in between government and the people of Western Australia that gives the government a capacity to shift blame.

What we are told about health is that the privatisation agenda of the minister is simply to outsource support services at this stage. What does that mean? What role is there for government? This government is probably one of the biggest tax collectors but it has limited accountability. It has just contracted the social responsibility of delivering a service for the sustenance of life in this state and for one of those services that the people of this state hold very dear as being absolutely core and essential to quality of life. All the government seeks to do is privatise, but for what value? Even if we assume that the private sector can deliver health services for less—there is considerable evidence to the contrary in a range of areas in federal, international and local history—we must ask the question: how? There is some form here: we have past experience, which previous speakers have alluded to. We can presume that privatisation will be delivered through cheaper wages, reducing staff and increasing workloads on a reduced staff, and reduced service delivery and reduced quality of care that will go to each one of us, our families and our constituents. Of course, we have already heard from the member for Forreestfield, who put quite succinctly the higher than anticipated transaction costs and also the increased cost of monitoring. If we consider reduced wages and conditions, we can look at the Peel Health Campus where health workers are earning 20 per cent less than is the case with equivalent government workers. When I, or one of my family, roll up at a hospital, I want to ensure that we are getting the highest quality possible health care. I am not sure that I would want a member of my family being attended to by the lowest paid workers who are getting a raw deal.

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Dr K.D. Hames: Can I just tell you that I am reading the details now of the contract entered into by the former government for public relations for Fiona Stanley Hospital. It has cost \$618 000 so far, in a year and a half—\$618 000.

Mr P.C. TINLEY: Privatisation at its base level targets the lowest paid workers. It targets cleaners, security staff, orderlies and a range of services. This government tells us that it is not outsourcing clinical services. That is complete rot. One of the stated aims is the outsourcing of sterilisation services. If somebody is to put a piece of metal near my body, I want to ensure that the start to finish of the chain of sterilisation is completely and utterly of the highest standard.

We also have the casualisation of the workforce, which will occur as the working conditions of the other people in this state are reduced. Who does the casualisation of the workforce affect most? This is a workforce dominated by women. Who are the victims of these attacks on conditions of employment? It is the people of Western Australia. The case is quite clear. The quality of care that we deliver to the people of this state will be reduced and diminished.

The ACTING SPEAKER (Ms L.L. Baker): Members, please — I would really like to hear the member for Willagee.

Mr P.C. TINLEY: There is another group of people who will be significant victims in this case. They are the people that the contractors will hire. The contractors will determine their conditions and wages and they will do everything possible within their power to increase bargaining power in their favour. The government should be delivering services to a standard, not to a cost. Clearly, all it is attempting to do is to deliver to a cost. It is also delivering to an ideology of the lowest cost, the lowest responsibility and the lowest accountability that it can possibly garner out of this process.

It is also quite clearly an attack on organised labour. It is an attack on the union movement within this state. That is very clear. It is an attack on two of those unions that have a proud history of representing the lowest paid workers, the hardest working workers and the people who although they have the lowest skilled job, actually have it as a vocation. The idea of service in the health industry is something that people do not come to because they are pushed into it; they have to volunteer for it and take it seriously, and morale is a contingent part of the service. I will read from my notes a very good example from one of the health workers at Royal Perth Hospital of what occurred during the Court privatisation era. It reads —

There was a lot of staff on the ward who were employed by agencies, management claimed because it was cheaper, but tens of thousands of dollars were paid out to agencies. They would do the bare minimum and would only do the basics and you had to pick up extra the next day when you came on shift. They didn't know the Hospital, they don't know the routine didn't go the extra mile. At one stage there was more agency staff than government employees.

Why did they pick up the extra slack? Why would this person be so committed to quote it? Those people actually take serving the people of Western Australia on some of the toughest shifts in the most difficult circumstances as a serious vocation. When we privatise the workforce, we get reduced staffing numbers and increased workloads. Under the Court privatisation era, the employees at Sir Charles Gairdner Hospital, a good case in point, decreased from 110 to 56. Only 23 of the existing orderlies were hired by the private company. How can the workforce be cut by half overnight yet be expected to deliver the same services? Royal Perth Hospital staff were reduced from 120 to 90 immediately and reduced again to only 60 by the end of the contract. With potentially the privatisation of only one of Western Australia's hospitals—we are yet to find out the full impact—an estimated 900 support service employees will be disadvantaged by being employed in the private sector. Who are the victims? There is no question that they are the people of Western Australia. There is also another class of victim—that is, the workers who will be on contracts.

What will be the effects of this privatisation? There will be reduced service delivery and quality of care. Assurances that only support services will be privatised implies that there are fewer critical services than core services. We have heard about superbugs and vancomycin-resistant enterococcus faecium. The loss of control of staffing levels will in fact contribute to its spread, and the higher staff turnover will lose the unique experience and expertise from each and every individual in the hospital. It is worth reading into *Hansard* again the exact effect of the VRE outbreak at Royal Perth Hospital. It is a very clear example of what is possible and what is probable under this government's approach to the privatisation of health services and essential core business.

Between July and December 2001, 172 patients were infected and the cost of enhanced infection control was \$2.7 million. Factors that contributed to infection were inadequate cleaning of wards and inadequate cleaning of

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commodes between patient use. I refer again to the health worker at Royal Perth Hospital at the time who states —

The best example that I saw with the cleaning contractors was the condition of cleaning standards in the lifts. The lifts weren't cleaned to the standard they used to be. They cut the hours down for cleaning the lifts from daily to every other day.

Carpets weren't vacuumed every night the whole standard of the Hospital went down. The railings in public areas were filthy, they never washed the walls. I spoke to the contractors and they told me that they used to work in shopping centres and offices.

The frequency of cleaning the outside public toilets were poor. When I was a government cleaner I used to clean the toilets three times a day not just replace toilet paper. The contractors would just change the paper and it would be lucky if they got cleaned once on the weekend.

We did the best we could with cleaning standards on the ward with the amount of time we had. It was always rush rush because the nurses used to use us for patient care all the time. The nurses used to say cleaning is not important patient care comes first. My main principle is that Hospital's are a germ factory and cleaning is vital.

If we listened for a moment to the experience of the workers on these wards in these circumstances, we would all be a little bit nervous. I certainly would not want to be a victim nor would I want any of my family to be a victim of VRE or golden staph because of a slip in standards.

What do we get from a mix of contracted and government workers? We get a two-tiered staffing system in which people are paid at different rates, and are held to different standards, and that will create a diminution of services. Patients will have to wait long periods while orderlies are found and cubicles are cleaned. The throughput of patients will be poor and the inferior cleaning standards will lead to further and further problems. That, of course, will lead to poor morale, which is the intangible cost that no privatisation can ever manage or assist.

One of the important points to realise when the government privatises these services is that the profit motives of the businesses involved will be irresistible. Let us think for a moment of the CEO of Sodexo or Transfield, who have to deliver these services and what measurements they will be held accountable for within their own organisation. I can tell members that it will not be the intangible things such as staff morale; it will not be non-measurable things such as patient satisfaction. First, second, third and last, the key performance indicators they will be held to the most will be shareholder value. The question will be asked: "Mr General Manager, what have you done this year to improve the profitability of this company?" The irresistible urge for any CEO will be to cut corners, increase transaction costs, look for any value-adding or any other opportunity —

Dr M.D. Nahan interjected.

Mr P.C. TINLEY: The member for Riverton can tell me if he does not believe that is true. He can tell me that if he were one of those people being held accountable for those KPIs, he would not be seeking the lowest common denominator, which is to cut hours, cut wages and cut staffing.

Dr M.D. Nahan: You might run your business that way, but I wouldn't.

Mr P.C. TINLEY: I think we are pretty clear on where members opposite stand.

Mrs L.M. Harvey interjected.

Mr P.C. TINLEY: That is a very good example; it is a competitive industry, member for Scarborough. When they go back to re-tender and do a market test, the next CEO who can see an opportunity to add to his portfolio of tenders will look at it as a competitive industry and how he can cut prices.

The ACTING SPEAKER (Ms L.L. Baker): I remind members that when they are entering and leaving the chamber to please acknowledge the Chair. If members are crossing in between the Chair and the member on his or her feet, please seek permission before stomping through.

MRS M.H. ROBERTS (Midland) [9.17 pm]: I rise to make a few comments about the education budget and the massive cuts in this year's budget. It is very sad that in a state as wealthy as Western Australia, for the second year in a row, there are massive cuts in education spending. In fact, the only thing propping up education spending in this state is the Rudd federal government's massive expenditure through the Building the Education Revolution.

Mr A. Krsticevic interjected.

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Mrs M.H. ROBERTS: It is interesting that the member for Carine is scoffing at the federal government's BER expenditure. I refer him to the commonwealth website where he can see how much money it has spent in his electorate on building for education. It vastly exceeds by 10 to one any money the state has spent in terms of capital.

Mrs L.M. Harvey interjected.

Mrs M.H. ROBERTS: Is there no BER funding in the member for Scarborough's electorate?

Mrs L.M. Harvey: That is not what I said.

Mrs M.H. ROBERTS: Is it \$10 million, \$20 million, \$30 million or \$50 million? How many millions of dollars of federal funding is there?

Mrs L.M. Harvey interjected.

Mrs M.H. ROBERTS: Yet another member is scoffing at the federal government money. This is crazy. The BER has been the single biggest expenditure by any federal government in the history of our nation. It has been massive.

Several members interjected.

The ACTING SPEAKER: Members!

Mrs M.H. ROBERTS: Is it not amazing? A number of Liberal state members are interjecting on me and scoffing at what the federal Labor government has done in education.

Several members interjected.

Mrs M.H. ROBERTS: It is interesting because there are federal Liberal members trying to take credit for it despite the fact they did not vote for the BER funding or support the Rudd government's economic stimulus package. It would seem that we have a range of disbelievers in the state here. Perhaps they would like to go to every government school and every private school in the electorate of Riverton, the electorate of Carine or the electorate of Scarborough and say, "We don't think that the federal government's Building the Education Revolution is doing anything in our electorates." That is a very different experience from what I have found in my electorate, where lots of primary schools and secondary schools have received in the order of \$1.5 million or \$2 million or more for their building funds. They have had once-in-a-lifetime opportunities to get facilities at their schools that they would not otherwise have got. By comparison, we have seen the massive cuts in education spending by this state government. Not only is there a massive cut to recurrent education spending, but also there is a massive cut in any capital works and maintenance spending, and there are massive job cuts in the education sector. Therefore, the service delivery in education is suffering.

In a moment I will refer members to some responses that I received as part of the supplementary information from the education estimates committee hearing. I asked the minister straight up, as I did last year, in estimates, "You have cut massive amounts from the budget. Last year it was a three per cent across-the-board cut. Where will the cuts occur?" In last year's budget, across every portfolio area, those cuts were listed. The minister was up-front, and she commented on what was listed in the budget papers; that is, she said, "Well, we're going to get rid of 50 school participation officers." That is 50 of the 100 that the former Labor government put in place to keep students in years 11 and 12 at school and involved in either vocational or tertiary entrance examination education. She said that she was going to cut up to 500 education assistants and that there would be a number of teacher losses because of the half-year cohort. What we found this year was some commentary in the budget papers about those cuts now being embedded across the out years. Not only would the minister not outline where those cuts were going to be this year and next year, as were part of the forward estimates in last year's budget that were just embedded—that is, invisible—in the budget, but also she would not outline the cuts in the order of \$60 million that she had failed to make from last year's budget that she has to make up this year and next year or what the impact of that would be. She would not say straight up-front. The Minister for Education and the Director General of Education sat there and said, "Well, we are finding the three per cent cuts really hard to make and we are reviewing programs and so forth, and we're not sure; we can't say." Basically, that was their response. I said that surely they must know what programs they are reviewing. They said no; that they are just in the process of doing that now. Presumably, they are going to make it up as they go along. That was their response within the first half-hour of estimates.

As we drilled down and asked for some more responses on specific areas, and we went through them all, we asked the minister whether she would be closing schools and whether she would be doing a range of things, and

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there were a lot of denials. However, as part of the supplementary information that we received, I noted in the budget papers that out of the secondary education sector, there was to be a loss of some 1 672 jobs. That is a lot of jobs out of secondary schools in the state over a period of just two years. Therefore, I sought some further information on that, and I asked the minister to provide, by way of supplementary information, a breakdown of the 12 352 full-time equivalent employees in secondary education who were in place in 2008–09. That is the last year that the former Labor government was in power. In that year, there were 12 352 full-time equivalent employees within the secondary education sector. There are only 10 680 full-time equivalent employee positions for 2010–11. Therefore, I asked for a breakdown of each of those. Under the education budget, excluding psychologists—so basically this is the teaching staff—in 2008–09 there were 7 575 teachers. This year there are only 6 154. If we do the maths, that is 1 421 fewer teachers. It must be kept in mind that this government responded, and the minister, the member for Churchlands, said that the effect of the half-cohort could be in the order of up to 500 teachers. In fact, I asked her whether it would be 500 or whether it would be fewer, and she said that it might be up to 500. That is the response that we got throughout last year; there might be 500 fewer positions in secondary schools, but there would be some extra positions within primary schools. We find that two years into the coalition government there are now 1 421 fewer teachers at secondary schools throughout Western Australia—1 421.

There was some suggestion from the minister about this time last year when I started talking about the department withdrawing 500 teachers that that was some kind of an exaggeration and that I was scaremongering. It seems that I was only about one-third of the way there, because this government has got rid of 1 421. The minister, with her usual sophistry, will say, “We haven’t sacked anyone; they were just temporary teachers” and so forth. It is 1 421 fewer jobs. People who were in the system two years ago are now not welcome in the system. But where else are the losses from?

Interestingly enough, according to the figures provided in the supplementary information, in 2008–09, Labor’s last year in office, there were 1 206 education assistants in the secondary sector. There are now just 1 023 education assistants in the secondary sector. That is a drop of 183 education assistants. Children with disabilities—children who might have a range of physical or mental impairments of some description as a result of which they need extra assistance—who were provided with vital support by education assistants are now denied it. I find it incomprehensible that suddenly there is less demand for teacher assistants; that suddenly there are fewer children with that range of physical and mental impairments who require some form of teacher assistance.

This is a callous government. It has consciously and deliberately, because of the cuts it has made to education, got rid of 183 education assistants from the secondary sector in just two years. Members should remember this government’s promise to bring on board the psychologists. This is where we were going to see real support and progress by this government. The minister has had, I think, two or three press releases on the subject of the importance of psychologists and how they were really going to help in the secondary sector. According to supplementary information I have received, there were 71 full-time equivalents. There were 71 psychologists in 2008–09; this year there are only 73 psychologists, which is an increase of two. After having gotten rid of 1 421 secondary teachers and 183 education assistants, the government has employed just two more psychologists in two years. That promise of more psychologists was a great plank of the Liberal Party election promises, so this is, no doubt, one of its promises that went by the way. Across the hundreds of schools in the state, it has delivered just two FTEs in additional psychologists. That is the priority it has given its commitment and that is what its promises were worth. When it promised the additional psychologists, it did not say, “By the way; we are going to cut over 1 600 teachers and nearly 200 education assistants out of the secondary education sector.”

I do not have a lot of time during the third reading debate, obviously, but this government has really, really punished families and children. In a nutshell, we have seen the removal of the It Pays to Learn allowance—the \$200 and \$400 subsidies that were available at year 11 and 12 and at TAFE level—and we have seen the removal of the \$100 subsidy for secondary education, which really helped schools to be able to fund school projects. This government has gotten rid of the funding that was available for community service programs. It has started to charge schools for Schools of Isolated and Distance Education units, which is affecting country students badly, but it is also affecting children in the metropolitan area, particularly in lower socioeconomic areas that do not have access to a school such as Churchlands in the Minister for Education’s electorate, or Shenton College in the Premier’s electorate, which offer a full range of subjects. If students want to do a subject such as a language, for example, they will often find now that either they cannot do it, or the school has to find \$1 000 for them to be able to do it. We have also seen the total disaster that has happened already at some district high schools, and that will, according to the minister’s plan, happen at 21 district high schools over the next year or so, whereby year 11 and 12 funding provided by the former government when it increased the school leaving

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age to 17 years of age has now been taken away, and year 11 and 12 classes will be lost from district high schools such as Jurien Bay and Dongara.

MR D.A. TEMPLEMAN (Mandurah) [9.32 pm]: I wish to make a contribution to the third reading debate. I am actually quite angry tonight—I do not normally get angry, as Madam Acting Speaker knows—because the more we have looked at the budget presented on 21 May, the more we can see how the people of Western Australia have been hoodwinked. I am angry because a number of programs and projects in my electorate have been directly impacted on by the budget, and I will talk about a couple of those tonight.

I am really saddened that National Party members are not in this place tonight because I want to sound a warning and I want to see what they will do when, as revealed by the education minister during the estimates committee, the education minister details which district education offices will be closed under the Liberal Party's policy that it took to the last election to reduce the number of district officers from 14 down to six. Currently there are district offices in West Coast, Canning, Esperance, Fremantle, Peel—including one in Fremantle and one in Peel—Mandurah, Pilbara, Bunbury, Mid West, Kimberley, Swan, Midlands, Albany, Fremantle, Goldfields, Narrogin, and Warren—Blackwood. These district offices are staffed by, in many respects, a district superintendent—in the old terms—or a district director, various support staff, and then of course the psychologists and other people who resource schools in various districts throughout the state.

According to the Liberal policy, those 14 will be reduced to six, and I want to know from the minister when and where it will happen. I know that one of the offices that is particularly vulnerable in this policy is the Peel office in Sutton Street in Mandurah that has been there for over 10 years and has continued to deliver important supports to schools in Peel. She could not and would not answer it. I asked her, "When are they going to close; have you already made the decision?" She said, "I haven't made the decision yet." The information and intelligence I have, and many other members have received, is that the decision has already been made, and I predict that the minister will make it in August or September. It probably will be in August when Parliament is not sitting, and we will not be able to challenge her in this place until it has already been done. The people who sit across the chamber representing local country communities, particularly those in the National Party, will be held to account. What are they going to do when their district office in their regional area is closed by a short-sighted Liberal policy that is about gutting resourcing from schools in Western Australia?

I asked the minister when the leases for the Peel office, and a number of offices, including those in West Coast, Canning, Esperance, Peel, Pilbara, Bunbury, and Mid West, will expire, and the minister said that most of them will expire before the end of this year; some of them will be in the early part of next year. I note that my own lease, the Peel office in Sutton Street, will be up in December this year. I challenge the National Party and those who live in the city but supposedly represent country seats to tell us what they will do to stand up for these offices and for the workers who work in them and for the important work they do. I reckon they will do nothing and I reckon they will bend over and simply accept what the Minister for Education will allow to happen. I will not, because I know how important the Peel district office is to the Peel district education system, to the schools that it supports and has supported for a number of years. I also know how important it is to have a district director in the region working for schools in the region. Take this away and centralise it into some super-regions and some bigger regions in Western Australia and it will be a recipe for disaster. However, this seems to be the approach in the emasculation and gutting of the education system under this minister and this government.

I say to members who are on the minister's side of politics, go and ask the minister whether she will close the office in Bunbury, whether she will close the office in Geraldton, whether she will close the office in Esperance, whether she will close the office in Mandurah or Narrogin. The Deputy Premier should ask the question of the minister himself, being a representative for the Peel region. Go and ask her when and why she will allow these offices to close, because the decision, I understand, has already been made, and she will make that announcement very, very soon. I am sure the announcement will be when Parliament is not sitting and when she is not open to proper scrutiny.

I turn now to the Redress WA program. The government has made a decision to reduce the money available to individuals and the cap, making a long process whereby many victims that this program is aimed at assisting have had to relive the deep emotional and physical trauma they suffered as children and young people. A number of people in Mandurah have applied for compensation through the Redress program. I will refer to one as Trina, who has been particularly traumatised by this process.

During the estimates process a range of questions were asked about the Redress scheme, and I am sure more will be asked by the Labor spokesperson, Hon Sue Ellery, in the upper house during its estimates process. People such as Trina feel totally let down by this government. Trina has had to relive and recall the trauma and pain that

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she, as a young person, experienced. She has had to retell her story and open up wounds that she, and many such as her, have tried to forget. She feels let down by this government because expectations were created about these people being adequately compensated for the abuse that many of them were recipients of, but after coming to government the Barnett government, the callous government—as she and others see it—the callous Barnett regime, moved the goalposts. It reduced the amount of money, it reduced the cap available to these people, and now, after a very long wait, many of them, such as Trina, continue to wait to hear what is happening to their applications. These people are reliving the horrors many of them experienced as children and young people. Many of them still do not know when they might expect some sort of financial compensation from the Redress program. The Barnett government has simply let these people, such as Trina, down. These are some of the most vulnerable people in our community, but this government demonstrated in this budget that it does not care about these people and it does not care about those people particularly who are most vulnerable.

I am angry about another cut that has occurred and is being felt by people in my electorate. I refer to the Youth Maritime program. I attended the graduation of the eighteenth class last Friday. This program has been delivering an introduction to the maritime industry, including fishing and other aspects, to young people of my community who are at risk. Most of them are high school students. Some of them have not been attending school, but have been recruited to this course. The course has made a massive difference to them. Over 200 young people who were involved in the 18 courses have benefited from this tremendous program led by Des McLean, who is a volunteer. Des and others who volunteer with him have put together this brilliant program. It is hosted at the Mandurah Offshore Fishing and Sailing Club, which I am proud to be the patron of. The support from the Mandurah Offshore Fishing and Sailing Club for this program has been magnificent. Beryl and Keith Turner were early contributors, financially and morally, to this program. It has received tremendous support from the Mandurah Lions Club, the Lord's Taverners Peel region branch, and the Mandurah Murray May Day Club, which comprises a magnificent group of Mandurah women who for over 30 years have raised money through their various activities and return it to the community, including a substantial amount of money to this program. We also have the support of the volunteers led by Des. In addition the program has received tremendous support from government agencies, such as the WA Police, particularly Phil Tuffin, who is a magnificent and brilliant police officer. I am very proud and pleased that police officers like Phil Tuffin are in my community. He along with other officers from Peel police have been tremendous supporters of this program. The program has received strong support from local schools and tremendous support from the TAFE sector, and other organisations have made a difference.

It is very interesting that that program generally has three courses a year. This year, because of cuts to TAFE, the second class finished last Friday and there will not be any more classes this year. This government will not support this program. It will not admit that it is a great program and should be supported. For those volunteers, tremendous organisations and local community people who care about these young people and believe in them and have supported them, there will not be another class this year because this government cannot see its way to providing resources through TAFE to ensure that a third course takes place.

The Treasurer boasts about his budget surplus. Surpluses are wonderful, but when programs like this that are making a real difference in a community are impacted by a callous government, I question how important a surplus is when kids who will benefit from this program will no longer have a chance to benefit from it in the future. To not see a third class held this year is a tragedy. I was really angry on Friday when it was announced that the cuts to TAFE would impact on this course. I said I would raise this issue in Parliament, and this what I am doing now.

As a member of Parliament, we should be telling this government—the people who make the decisions; the ministers and the Premier of the day—that these sorts of things should not happen. A program like this should not be cut off at the knees because the government wants to have a huge surplus, and to do that it has to make cuts to important areas such as training and education. I will not stand for it. A lot of people in Mandurah will take notice of this government's actions.

I will also highlight to the house a letter I received from an elderly gentleman in Mandurah; it is from Mr Cherry who resides in Marungi Way, Greenfields. I will read it to members, because sometimes in this place we forget about the people who are genuinely impacted by decisions of government, ministers, Treasurers and Premiers. It states —

To Mr Templeman. Our govt is starting off putting up every thing coming our new state budget as far as food going up plus power water gas and so on. The govt has all ready started putting things up as far as beer wine smokes. I am a full pensioner at 67 yrs off age. Lucky I own my own house but feel sorry who don't and trying to buy a home off there own and not paying rent but like my self and all other

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pensioners we are all being hit the worst. As it is all pensioners are the lowest paid compared what all MP's get in wages and get paid yet there is no mention at all off any if not all pensioners are not getting a reasonable pay rise. I am on approx \$600 per fort night. Time I buy food for my self plus other groceries pay bills like gas water power phone pet food and so on it does not leave me much to live on. Then I have water rates to pay for plus shire rates. I bet all MP when they get a good pay rise I bet there hands don't shake they take all they can get and let all us pensioners suffer. I know you are trying to do the right thing for all resd off MN but I think we should have a rise in our pension and not just \$5.00 per fortnight. Hoping to hear your comments on this letter I have written to you very soon.

Yours faithfully

Mr D E Cherry

I rang Mr Cherry and thanked him for writing this letter. I am getting lots of these letters and phone calls from people in my community. I have welfare agencies, such as crisis care organisations and financial counselling organisations, telling me that they have had a 100 per cent increase in the number of people coming through their doors because they are unable to make ends meet. It is time that this callous Barnett government, led by a Premier who does not understand the situation, realised that these cost increases are having a real impact on the general population, particularly on those people on fixed and low incomes and have very little fat in their budget to cut. The government's increases in taxes and charges and constant increases in transport costs are impacting on normal, everyday, good Western Australians like Mr Cherry. It is absolutely screwing these people to the ground. These people feel angry and are desperate. People who have never gone into a financial counselling service or a crisis care emergency relief service are going there now. Families with both partners working are still not able to make ends meet. They are paying their mortgage and are faced with increases in water and taxes. This is a disgusting budget. It does not recognise that thousands of vulnerable people in Western Australia like Mr Cherry are genuinely hurting, and this government will continue to hurt the people of Western Australia.

The big warning to members opposite is that those members who continue to wheel out their support for this government and its ministers will recognise that they are being sold a pup and they will vote it out at the next election and they will do it in their thousands.

MS A.J.G. MacTIERNAN (Armadale) [9.48 pm]: I will make a few brief comments on the estimates process. It is quite clear that in a number of very important areas there was a totally inadequate time in which to scrutinise major expenditure or lack of major expenditure. It was completely idiotic that we had half an hour to three quarters of an hour to ask questions of the Public Transport Authority, which is a critically important agency for the people of Western Australia, especially at a time when the population is growing and we consider that Perth has very real issues with its sustainability, given its lack of density. For an area as critical in economic, environmental and social terms as the Public Transport Authority, we had only half an hour to scrutinise its expenditure and ask questions.

I use this opportunity once again to raise an alarm with members on the government side; namely, to alert them to what faces them down the track in 2012 and 2013 because of the lack of decisions that have been made about public transport.

In 2003 we ordered a raft of new trains; in fact double. We ordered the same again—93 railcars. That was the same number of railcars that we already had in place. Half of those were to service the new Perth – Mandurah rail line but the others were to augment capacity on the existing lines. Well before the Mandurah line opened, because of the growth in population, the spread to the outer suburbs and the need for even greater distances per unit of person to be travelled, we found we required more trains. In 2006 we ordered a tranche of about 45 new trains. Those trains have been coming on stream since 2009. They will all be on stream by around the end of 2011. We made a commitment to make a further order of a minimum of 30 new railcars in 2008. The current government did not continue with that commitment. As a result, there is no chance of there being any new trains coming on stream in 2012 and 2013—there is certainly no provision in this year's budget or in the forward estimates. In the best-case scenario, if trains are ordered in 2011, those trains would not come on stream until 2015. I do not think members of government actually understand what that will mean. In the next two years we will go into a state of considerable economic boom and population growth, yet there will be no capacity to add trains onto our system. We will find ourselves in a situation where the trains are at peak capacity and we just cannot respond. It needs to be understood that the ordering of new trains requires a lead time of at least three years, and sometimes four to five, to get those trains delivered. The failure to act on the need to order new trains in 2008, or even 2009, is something that is just not registering with government members. I point out that members will be going into an election in 2013 and that failure to act will become very apparent at that time.

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I also point out that the number of buses that have been committed to is totally and utterly inadequate. Again, Perth's population is expanding very rapidly, but we are not even ordering. The plans post-2011 are really not even adequate in relation to the numbers of buses being ordered to replace the vehicles that will have to be retired. The numbers that are being ordered simply will not allow any growth in the system. I do not understand how the government thinks that in 2012, 2013 and 2014 it will have the capacity to provide even the current levels of public transport service because it is simply not making the investment that would enable it to keep up with growth. It is just extraordinarily short-sighted. I know it is probably falling on deaf ears here but I feel compelled to say this—it will be a disaster in 2012 and 2013. The government will not be able to respond rapidly. As I say, the government has to think of the lead times that are required to address this problem. I have to say, Madam Acting Speaker, the government will not be able to say it was not told or it did not know. I can only imagine that the government is receiving the same advice that we got about the minimum number of railcars and the minimum number of buses that are required. I think the figures that we were given was that 80 was the absolute minimum number of buses that needed to be ordered each year; it is preferable to have something in the order of 100. The decision has been to order 65 new buses a year, and no trains! No trains were ordered. As I said, there is no capacity to order trains in this current financial year. The government can make a commitment, but at the earliest we will not be getting a train before 2015, leaving this great hiatus. For the time being, it is being disguised by the order that we placed in 2006.

I want to acknowledge the Minister for Health. When I asked some questions about the privatisation of Armadale–Kelmescott Memorial Hospital, he gave me a reasonably frank and honest answer, although there may have been a bit of backtracking in the local media this week. I do note that we have had the benefit of seeing some information through a freedom of information request since then. I will outline our understanding of how we came to go down the privatisation path and shelve the very good plan that the hospital had developed. We certainly know that briefings were given to the minister from as early as 2008 that the most rational way to deal with the Galliers Wing of the hospital was to have a combined private–public maternal health centre. I urge the minister to seriously consider that. It is incredibly important that we do that. The birth rate in the Armadale district is growing by five per cent per annum. When the Galliers Wing is closed because not enough staff have been employed and the private maternity nurses have to staff the public nursing system, we will have the ridiculous spectacle of ladies in the middle of labour waddling across the hospital through reception up into the public maternity ward.

It is also very disruptive for the shared care plan used by many of these mothers. Some absolutely fantastic things are happening at the Armadale hospital with that shared care model. It is something that we should be nurturing. It allows women to have a lot more choice over their deliveries. It is very much in keeping with what we are trying to do nationally, and presumably at a state level, to get a better mix of care delivered by nurses and doctors acting in a greater degree of collaboration. Some truly magnificent stuff is happening. Let us consolidate that. Let us forget Hon Helen Morton's obsession with trying to vindicate her privatisation model that she devised back in 1999 and get on with the plan that the hospital has said is the best way to move forward. I think it will very sensibly provide the greatest outcome for our community. That does not mean that we cannot have private surgical and medical patients. The plan developed by the hospital and given to the minister in 2008 quite clearly shows how that can be managed. Those opportunities to have private care within the hospital are still available but there is a real opportunity to develop a centre of excellence in mother and baby care at the Armadale hospital.

I want to talk a little about the stance taken by the Minister for Forestry. In contrast to the Minister for Health, it is interesting how unforthcoming and unprepared he was to provide data. There has always been an issue about how the Forest Products Commission costs the various coupes that it is logging under the regional forest agreement. We understand the regional forest agreement. This is not an attack on the regional forest agreement, which we entered into after all. We simply seek to understand the total cost of logging in each of these coupes and the extent that that has been brought to account within the departments. When we first quizzed the Department of Environment and Conservation through the Minister for Water, the department made it quite clear that it brings to account the costs for regenerative burns and other activities it undertakes for the Forest Products Commission and that it was able to provide that data on a coupe-by-coupe basis, and that it was indeed prepared to do so. The Minister for Water, who was acting on behalf of the Minister for Environment, agreed that those figures be provided by way of supplementary information. However, when the supplementary information was provided, it was a paragraph of waffle. The information that had been transcribed as being agreed to by the minister—that the department would actually provide the costs for these coupes—did not arrive. I find that extraordinary; the public servants said that they had the figures and that they could provide them, the minister agreed to provide them, and suddenly they were not provided.

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I understand that the Minister for Forestry has been required to leave the chamber urgently in the middle of this debate; I think he might indeed be the problem, because when we attended the estimates committee for the Forest Products Commission and asked questions about its costs and its ability to identify, on a coupe-by-coupe basis, the comparison of revenue with expenditure, the commission agreed that it had those figures and that it could provide them, but the minister said that he would not allow the commission to do so. I find this extraordinary. There may be very good reasons for wanting to log various forest lots at a loss; that is not the argument. The argument is about transparency. The government clearly has the data; why can we not know what the data is? Why can we not have some clarity so that we can, as a community, decide on some compensation if the forest is being logged at a loss? Maybe there are other ways of doing this rather than logging native forests at a loss.

Another very interesting fact was that we got some information on logging quotas and the degree to which logging quotas had been taken up. It has been demonstrated that there is quite a gap between what is allocated and what has been taken up.

Madam Acting Speaker, thank you for your indulgence; I do apologise for failing to bow sufficiently deeply earlier, and I will correct that in future!

THE ACTING SPEAKER (Ms L.L. Baker): Apology accepted, member for Armadale!

MR C.J. TALLENTIRE (Gosnells) [10.03 pm]: The estimates committees this year provided us with some points of interest and many disappointments. The quality of responses was as variable as ever, but what was particularly disappointing was the quality of some of the responses provided through supplementary information; I will come to that later on.

Another most unedifying aspect of estimates this year was the vague responses and denial of climate change presented by the Minister for Water. The Minister for Water is a senior minister; someone who is responsible for a key portfolio that looks after not only our water resources but also the management of water that supports so many aspects of the state's economy. The minister responsible for the water portfolio is hesitant and, indeed, I think, wishes to dismiss climate change as an act of God. There has been some media commentary on that issue, but I think it is important that we put it on the record that this Parliament understands the science. It is not necessarily a matter of believing; it is a matter of accepting the science and looking at that extensive array of scientific evidence that shows us that there is something going on and that it is in all likelihood caused by human activity and the human use of fossil fuels. I think some of the most compelling evidence can be seen in the results of ice core sampling. That is a very rigorous scientific procedure that gives a very accurate picture of the variations in atmospheric carbon dioxide content over the past 600 000 years. We can go back as far as 600 000 years and see the level of variability in atmospheric carbon dioxide content, and that, of course, is one of the principal drivers of climate change. If we do that examination, we can see that, yes, there has been a degree of saw-toothing—a fair amount of variability. But never before in the past 600 000 years have we got to this level of 394 parts per million of atmospheric carbon dioxide content. That is off the scale as things stand at the moment. I mention that because we have a minister who suggests that science is dear to him and who is from a professional background that is founded on science, so I find it all the more difficult to understand why the minister is refusing to accept the science. One can only speculate that there are influences in his political party that are saying, "We don't really want to take this too seriously." The reality is that he should be using the science of climate change to justify levels of investment in his portfolio that go well beyond what this budget has delivered, well beyond the current capital works program and certainly well beyond the level of investment in water efficiency initiatives.

I was appalled to see today that Perth has been rated as Australia's least sustainable city. The Australian Conservation Foundation's very thorough analysis of Australian cities found that the citizens of Perth are consuming some 67 000 litres of water per person per year, which translates to 183 litres of water per person per day. Given the pressures that are on us to manage our scarce water supply, why should it be that each one of us currently consumes 183 litres of water a day? I know that a couple of weeks ago the minister brought into the house some bottles of Evian water to demonstrate a point. I think it was in relation to costing; his reason for bringing in those bottles was unclear. Can members imagine the consumption of 183 of those bottles every day? That is the present rate of consumption by Western Australians. Surely with some good investment and good initiatives, such as a properly funded Waterwise initiative, we could help people to reduce their water consumption. The properly funded Waterwise scheme was delivered by the Gallop and Carpenter governments. It should also be the core business of the Barnett government. Unfortunately, we have this spirit of denial, this refusal to accept the reality and a belief that perhaps in the near future an act of God will come about that means

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that we have wet winters like we had 100 years ago and so all the problems will be fixed. I think we really have to make sure that a proper scientific approach is taken in the future. We have grave concerns about the management of our water resource, and this budget demonstrates that.

I was also disappointed to see in the transport portfolio that the TravelSmart program is not receiving any further funding. In the past, local governments around the state have been able to employ TravelSmart officers, who have been funded by the state government, to provide a very valuable service to their communities. The officers have been able to point people to different transport options other than the conventional use of the motor car. That has been an incredible program. Where the program has been implemented we have seen a massive reduction in the usage of cars and a great increase in the use of other transport options. In my electorate, a well-known Western Warrior cricketer said that he did not know how to use public transport to get to his cricketing commitments at the Gosnells Cricket Club. I was able to offer some assistance to that gentleman, Mr Luke Pomersbach, and encourage him to attend a program that was created through the TravelSmart program. That is a good example of the sort of program that can be delivered to help people.

Mrs L.M. Harvey interjected.

Mr C.J. TALLENTIRE: I heard the member for Scarborough say something. I do not know whether the member is for or against TravelSmart, but I can imagine that in the electorate of Scarborough many people would benefit from having TravelSmart officers who could demonstrate to her constituents that they could do better —

Mrs L.M. Harvey: I was questioning your example. I was wondering whether it was genuine ignorance of the public transport system in that situation.

Mr C.J. TALLENTIRE: The fact is that if people are offered the opportunity and are given support, they can make that switch. I will leave it for others to speculate on what other reasons there may have been for Mr Pomersbach to not be able to use public transport. The fact is that many people are unaware of the quality of service that is available. That is why such programs are needed to assist people and let them see that perhaps there is a very fast, reliable bus or train option or that perhaps they can walk or cycle or travel via any combination of those options to help them get to their place of work or study or to meet their friends and avoid the terrible traffic jams that many of us see when we look down at the city from Parliament House. Our work hours actually permit us to avoid those hours of congestion but many people who travel to the city by car because of their work commitments get stuck in traffic and spend fruitless hours sitting in their car.

I turn now to another aspect of the estimates hearings that was particularly disappointing relating to the environment and conservation division. We should be able to assume that when we get supplementary information, it will be of a quality that is perhaps superior to the off-the-cuff answers that even well-informed bureaucrats give us in estimates committees. On the division on waste management, I was especially disappointed to see an answer to a question that suggested that it was impossible to discern or break down the difference between inert and putrescible wastes and to find the quantities of waste going to those different streams. It was claimed that the total waste diversion rate is not determined according to whether the waste is putrescible or inert. That flies in the face of the information provided by the government. Indeed, the present rates that are imposed on those two forms of landfill are \$12 per cubic metre for inert landfill and \$28 a tonne for putrescible waste. Surely, there is going to be a difference in the amount that is going to those landfill streams if we accept that philosophy that is being put forward by the Barnett government that people are very price sensitive when it comes to how they dispose of either inert waste or putrescible waste. It seems, though, despite that view, that people are so price sensitive on waste it is impossible to tell us what the breakdown is between those two waste streams. I am also aware that when it comes to the \$30 million that was supposed to fund the Department of Environment and Conservation because of the waste levy, we now find that it is a complete shambles and that there is simply not enough waste going through the system to pay for the Department of Environment and Conservation's already strict budget situation.

On a more positive note, I did raise the question with the Minister for Planning on the number of dwellings that are located within 400 metres of a transport node. I asked for that to be broken down by different R codes. We were looking there for some indication of how much medium density and high density accommodation was being provided near transport nodes. I am very pleased to say that the Director General of the Department of Planning acknowledged that there needed to be more detail presented. Indeed, I can see that some trouble has been gone to in the provision of supplementary information to give some indication of how much accommodation in those other R codes exists beyond the very basic information provided in the budget papers. I

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think there is also an acknowledgement in this supplementary information that a better system needs to be devised to present a clear picture of how much medium and high density does actually exist closer to transport nodes.

Just to stick with the transport theme, but this time freight and the very serious need for grain freight to be taken on rail and wherever possible not on roads, I received some supplementary information that explained that the quantities of grain being carted on roads continues to be far too high. It diminishes the quality of our roads. It really does pose a threat to other road users. I am particularly fearful, and I know there have been media reports on this issue, such as the recent *Stateline* report, suggesting that the funding for our Wheatbelt communities, when it comes to making sure that our tier 3 level rail network is properly run, has been completely forgotten about. Many people in rural electorates feel somewhat abandoned by the National Party's present policies when it comes to improving and maintaining the quality of the grain freight rail network. When we look at the figures for grain that is now going on to roads, I think I can understand exactly what their situation is. To conclude, the estimates provided some useful information but there were many points of dissent.

MR F.M. LOGAN (Cockburn) [10.18 pm]: I just wanted to address three issues arising out of the budget estimates committee. The first goes to a theme that was taken up by earlier contributors in a discussion about health. It is the issue of privatisation. The issue of privatisation goes to the area of the supply of water to Western Australia and, in particular, to the Mundaring Weir treatment plant, which the Minister for Water and the disgraced former Treasurer announced on 25 February of this year would be a public-private partnership project. It came as a bit of a surprise to read the budget papers and see that \$315.4 million has been allocated for this plant, given that the plant is supposed to be built as a PPP project. When I asked the minister about that, he flicked the question over to the Water Corporation officer, who indicated that the corporation may not get a taker for the public-private partnership project, in which case the corporation would have to build it, so the money is included in the budget papers. That is quite acceptable. But the question I raise is: why go down the PPP path in the first place? The Water Corporation will pay the government a dividend in the current financial year of \$431.5 million. Next year it is estimated to pay a dividend to the government of \$416.3 million. Clearly that would pay for the Mundaring Weir treatment plant and pipeline infrastructure associated with it. That would be possible if the Water Corporation were able to keep more of its profits rather than have to pass them back as dividends to the government. Why is the corporation not allowed to do that? Because it is used as a cash cow by the government. That is unfortunate because it encourages people such as the former disgraced Treasurer and the Minister for Water to put into the hands of the private sector core infrastructure that would usually be built, owned and operated by the Water Corporation. Whether the Water Corporation can get someone to tender for that PPP and reach a final deal is yet to be seen. However, the opposition argues that that should remain in public hands, and the Water Corporation clearly has the money to do that.

The second issue I wish to raise is the capacity of the water minister to handle his own portfolio. I will give an example of why I raise this. Firstly, he referred fairly low key issues to his departmental advisers more than 20 times. As a former minister, I understand that we are not expected to be aware of all the department's operational issues, and there are times when we pass questions over to our advisers, but not more than 20 times. That is unacceptable. The minister could not explain why drainage charges for all Western Australians have risen by 34 per cent—from \$60 to \$90—in the forthcoming financial year. That increase is more than that recommended by the Economic Regulation Authority, which tabled a report in this Parliament about the real cost of water usage and water service charges in only September last year. The actual cost for drainage charges is more than what the ERA recommended. The minister could not explain that; he referred it to his adviser, who then struggled to explain that the \$90 proposed is more than the \$87 recommended by the ERA in line with the consumer price index. The minister's adviser struggled valiantly but could not really explain how the CPI led to the extra \$3 increase. The minister himself had no idea why the drainage charges had risen by 34 per cent beyond the real cost of delivery of service.

He could not explain why royalties for regions money was being used for core Water Corporation infrastructure such as a new pumping station and pipeline infrastructure in the Karratha region. I point out that this is an unwritten scandal of this government, not yet examined in detail by the media, but ultimately will be; that is, royalties for regions money is being used to fund core infrastructure that is usually paid for out of departmental budgets. That is not what the National Party took to the electorate when it argued the case for royalties for regions money during the election. Some examples of where that money is being spent are water infrastructure in the north west, which I referred to; pipeline upgrades in Carnarvon for irrigation supply; and the desalination infrastructure for Collie, which I believed was being paid for out of federal government funding.

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I hope there has not been double dipping there by the Department of Water. In another portfolio there were upgrades to roads and caravan parks in Department of Environment and Conservation parks. All of those examples I have just given are of normal core infrastructure paid for out of departmental budgets, yet when we go to the *Budget Statements* we find that they are being paid for out of royalties for regions.

Mr M.P. Murray: Member, they were even identified in the forward estimates before!

Mr F.M. LOGAN: Yes, that is right. All of those projects were identified in the forward estimates before the election, and then changed. The Minister for Water did not know when questioned about a report that had been delivered to him about the cost of engineering options for the security of water supply in the north west. The final Pilbara water report, which was released only a couple of weeks ago, clearly identified that Port Hedland is currently running out of water and Karratha will follow it very soon. If we really are going to have cities of the future in the north west, one of the key things they will need is water. The report indicated that there was not even enough water supply for the current moderate growth in Port Hedland, not the expected growth over the following 10 years. There is no money in the budget to meet that growth. When I asked the minister about the cost of the options identified in the water plan for the north west, he said that the government had not yet costed those options. I pointed out to him that he had had a report on his table since last May that set out clearly the capital cost of those options. Clearly the water minister was either completely unaware of the report; or if he was aware of the report, he clearly had not read it. I find it disgraceful for a water minister, faced with the critical situation of the coastal towns in the north west of Western Australia running out of water, not even understanding how much it would cost to fix the problem, even though he has had the report in front of him since May 2009. Those are my criticisms about why I believe the water minister cannot handle his own portfolio.

Finally, and I think most appallingly, our questions in budget estimates exposed the water minister as a climate change sceptic. Why do I say this? I say this because the water minister has admitted in *Hansard* that he believes that the current 35-year decline in rainfall in Western Australia could be the result of an extended drying cycle. He went on to say that I and any other member who questioned him may believe that it could be the result of climate change and that we may believe that climate change could be human induced, but that does not matter as it is all irrelevant. He said that he was aware that we are running out of water.

The point I am making and the reason I take issue with his scoffing at the views on climate change is that if he does not accept the science behind climate change, then we have a real problem with him playing his role as water minister. He believes other members' views on climate change are irrelevant. He says that it does not matter that he does not believe in climate change or that he believes that it could be some long-term drying cycle. He says that is all irrelevant, that he does understand that the climate may well be changing and that he is taking action as a minister. It is relevant. It is very relevant. He must believe in the science that is causing the problem which he is supposed to be addressing. I point out to the house the views of his own department—that is, the Water Corporation itself—which has put forward the Water Forever strategy for the following 20 to 30 years for where the state should be going on water. The Water Forever strategy had a distinguished panel of scientists and academics from Western Australia who advised on the technical and policy issues contained within this report.

That scientific panel stated —

... the south west of Western Australia has been the 'canary in the coal mine' in relation to the impacts of climate change on water resources.

That came from within the Minister for Water's own directions strategy on the future of water in Western Australia, and it came from his own scientific panel on what is causing the climate to dry in Western Australia and how significant it is for Western Australia. What do we get from the minister when faced with this evidence from his own advisers and his own department? "Well, it may be and it may not be—it may be a long drying cycle." That is the reason I say, Premier, that the Minister for Water is a danger. He is a living and present danger to the people of Western Australia and to the future of water in Western Australia. That is why I appeal to the Premier to please do all he can to protect the people of Western Australia from the weirdo, whacko views held by the Minister for Water, because it will lead to a serious situation for the Premier, his government, and the state. How can the minister say that it does not have an impact when we already know it has an impact because he is in the *Hansard*, being questioned about the budget estimates and admitting to changing documents, text and letters to reflect his weirdo views on climate change? He is on the record as saying, "Well, I may have changed documents, text and letters to actually reflect my views." That is why I put to the Premier that the minister is a current danger to himself and to the people of Western Australia. Someone who holds those bizarre views cannot be in the role of water minister. It is dangerous. It is dangerous for the government, but it is more dangerous for

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the people of Western Australia because water is the most precious resource we have. We cannot live and enjoy the lifestyle that we currently do without it.

Speaking of enjoying the current lifestyle, I notice that in tomorrow's paper—because as we know, we are all well ahead of the time in this place—the chief executive of the Water Corporation has stolen the thunder on the minister and indicated that prices will go up significantly for water —

Mr D.A. Templeman: More costs!

Mr F.M. LOGAN: — if we are to enjoy the current lifestyle that we do in Western Australia. We have already got out of the water minister, during the budget estimates committee hearings, that prices will go up by 20 per cent. According to the chief executive from the Water Corporation, she expects those to be much, much higher. I believe that if we were to have a functioning, effective water minister in place of the current one, we may not have to face the type of charges that have been identified by the chief executive.

MR C.J. BARNETT (Cottesloe — Treasurer) [10.33 pm]: — in reply: I simply rise to thank members opposite for their comments during the third reading debate, and also to thank all members, including the chairmen, for the estimates committee process. I think it was generally well conducted and I think the passage of the budget has gone as I would have hoped. I think members opposite have quite rightly raised issues along the way, and the budget has had a good and fair debate in this house.

Question put and passed.

Bill read a third time and transmitted to the Council.