

APPROPRIATION (RECURRENT 2017–18) BILL 2017
APPROPRIATION (CAPITAL 2017–18) BILL 2017

Second Reading — Cognate Debate

Resumed from an earlier stage of the sitting.

MR D.C. NALDER (Bateman) [2.55 pm]: The point at which I left off before question time was sharing with members in the chamber a statement made on 14 August 2013, which I think I would like to repeat —

After the election the Premier and the Treasurer were arguing that something had changed that had given the Premier the licence to break his promises to the people of Western Australia. The financial circumstances of the state, due to royalties, goods and services tax and the like, were somehow massively different from the finances of the state in December and February when the midyear review and the *Pre-election Financial Projections Statement* were released respectively, and different from when the last budget was released ... The Premier made his promises to the people of Western Australia under the same economic conditions that exist today; indeed, economic and budgetary conditions that are not as good as they currently are.

The SPEAKER: Members, if you want to have a meeting, go outside the chamber, please.

Mr D.C. NALDER: I will finish this quote —

He knew the impact of population growth on the budget and he knew what the government's share of GST would be. He has no excuse for breaking his promises ...

Does that sound like 2013 or does it sound like today? I think the points we have been making are exactly what the Premier said in 2013. It shows and strikes at the hypocrisy of this government when government members come to this place and claim that they are honourable and doing the right thing by the people of Western Australia. My point is: the government won a mandate from the people of Western Australia to govern on the basis that there would be no new taxes and no tax increases, that they would pay debt down like mortgage and they would return the budget to surplus by 2019–20, but what we see in the budget papers is that none of the above are being delivered. That strikes at the heart of this government's integrity. When government members stand in this place and say that we can ignore the budget because there are things that are not in the budget but they will be funded and they will be there in the future, renders this budget paper meaningless. I think that is a disgrace on the part of the government.

The Premier is not the only person who has made these claims. Although I believe that the Treasurer was a lot more circumspect during the election campaign and would not make the same level of commitments as the Premier, he did commit that there would be no increases in debt and that everything would be funded out of existing revenues and expense lines in the budget.

Mr T.J. Healy: That's hunky-dory.

Mr D.C. NALDER: He has not; he has increased debt by \$600 million.

I have a couple of quotes from the Treasurer —

There has never been a revenue problem; I have made that point time and again. There has never been a GST shock; we have always known each year what the GST would be.

The budget papers state that part of the problem the government has is that there is \$5 billion of revenue writedowns because of the GST shock, but the Treasurer argued over and again that there is no such thing as a GST shock, because Treasury can work it out. On 13 May 2014, the Treasurer said —

I still think that one of the more interesting arguments about the way that the books are presented around the goods and services tax—I have made the point time and again—is that there has never been a GST shock to the budget—ever. The GST revenue comes in almost exactly as expected by the state Treasury.

That is the second time he said that I am using today. Yet in this budget we have \$5 billion in revenue writedowns partially because of the GST shock.

We then heard from the Minister for Tourism, who stated —

There are no sudden shocks here. Yes, iron ore prices fell a little more rapidly than anticipated, but it was always anticipated that they would fall.

I am not sure that they were anticipated to fall to that level. He continues —

Changes in revenue from GST was never a shock.

The Minister for Transport stated —

Extract from Hansard

[ASSEMBLY — Wednesday, 13 September 2017]

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Mr Dean Nalder; Dr Tony Buti; Mrs Liza Harvey; Mr Sean L'Estrange

We can prove again and again that there was no revenue problem. The GST was not a GST shock. The government constantly knew ... the GST numbers were.

Apart from the GST shock that is built into the government's argument for why it had to break its promise on no new taxes or increases in taxes, we also heard in those arguments that there is not a revenue problem; it is an expense problem. If it is an expense problem, why are we introducing changes and breaking election promises by introducing new revenue measures for the state in this budget? The government will introduce a gold royalty and payroll tax but, apparently, the state has no revenue problem! We are going to generate additional revenue. It seems to fly in the face of logic.

I want to spend a little bit more time going through the deficit and the budget predictions, and provide some further analysis. The budget highlights a return to surplus in 2020–21 at \$1.3 billion, but it is based on some pretty large assumptions. It predicts that the state's share of the GST pool will rise from 34.4c to 61.7c in the dollar in 2020–21, and that state final demand will increase to 3.25 per cent in 2019–20 from minus 1.5 per cent in 2017–18. This is based on the assumption that household consumption will increase exponentially and drive economic growth, even in light of the exorbitant increase in fees and charges. Business investment is forecast to increase by six per cent in 2019–20 and seven per cent in 2020–21, from minus 12 per cent in 2017–18. Dwelling investment, as I touched on earlier, is forecast to increase by five per cent in 2018–19 from minus 2.5 per cent in 2017–18. This is despite recent cuts to the first home owner grant boost.

We also hear claims of constrained expense growth of 1.9 per cent over the forward estimates. That is largely driven by budget repair measures and machinery-of-government changes. This includes a 1.3 per cent decrease in expense growth for 2018–19 and average salary growth of just 0.1 per cent per annum in the three out years. I want to touch briefly on the issue of salary increases of 0.1 per cent. The forecast consumer price index this year, 2017–18, is one per cent. It is forecast to increase to 1.5 per cent next year and further increasing to two per cent, and 2.5 per cent in the final year, 2020–21. Inflation will start to move and grow to 2.5 per cent in the out years, but we will maintain wages growth at 0.1 per cent. I see these as significant pressures on the government's ability to deliver these outcomes. They are massive challenges. How the government can deliver this without cuts to frontline services remains one of the major questions.

We have also heard that 3 000 public servants will lose their jobs through a voluntary redundancy program. I have an issue with establishing voluntary redundancy programs because they tend to be filled by two types of people: people who were planning to retire and people who are very good at their jobs and can easily get one elsewhere. This needs to be thought through carefully because it comes with the added burden of large payouts. I encourage the government to consider freezing the hiring of non-frontline staff as an alternative to the voluntary redundancy programs for this number of positions. There is a risk that the government will not be able to deliver on this; that is, at the same time that it removes 3 000 public servants, it will create 50 000 new jobs in the economy. It will be an interesting exercise to watch.

In wrapping up, we would agree with elements of this budget. We agree with the principle of looking for efficiencies in the public service. The government is making large attempts to reduce expenditure. As I said earlier, the government will be judged not by what it intends to do, but rather on the outcome, and that will be to deliver on the numbers in the budget and the process it follows to achieve those outcomes. It will come down to change management and implementation. The track records of governments in the past do not suggest that it will be plain sailing. In addition, I think that there has been a shuffling of numbers to make it look like the budget deficit and the level of debt accumulation will reduce. I pointed out, whether deliberately or otherwise, that capital investment will slip from early years to the later years, along with shifting dividends from utilities and port authorities. Changes to the dividend ratio of utilities and ports, which potentially reduces their ability to meet and maintain their maintenance programs, is a serious concern for this budget and the way forward for Western Australia.

The major problem for the state of Western Australia is that this government has failed to deal with the debt issue. It has kicked it down the road. We will see a 34 per cent increase in debt over the term of this government to \$43.6 billion. Interest rates will rise from the current three per cent to 3.4 per cent. The opposition lost the election but we went into the election with our commitments costed by Treasury, which confirmed that we would reduce net debt to \$28.8 billion. If I accept all the revenue write-downs, it could be argued that it would have been \$33.8 billion, but it is significantly less than what the debt position will be under this government. The government has gone to the people with this budget and said that everybody has to play a role in fixing the finances and it has blamed it on the previous government. Yet, by the end of this term of government, a third of the total state net debt will have been accrued. The net debt increase is applied against purely the new debt. The interest that will be charged in 2020–21 of \$380 million against the \$11.1 billion increase in debt is far greater than the revenue that will be generated by the combined payroll tax increases, the gold royalty increases, the household fees and charges increases of this year, and the rebate reduction for self-funded retirees. That revenue will not even meet the interest charged on the increased level of debt. It is a furphy that corporate Western Australia and the households of Western Australia are tipping their hands to help fix the finances from previous administrations. The revenue that

these new taxes will generate will not meet the commitments that have been created by this government in increasing debt from \$32.5 billion to \$43.6 billion by the end of this term. Members of the government should hang their heads in shame because this is misleading the people of Western Australia. They are not helping to fix the financial situation of the past; they are helping to meet the liabilities created by this current government in this current term.

DR A.D. BUTI (Armadale) [3.10 pm]: I rise to contribute to the debate on the Appropriation (Recurrent 2017–18) Bill 2017 and the Appropriation (Capital 2017–18) Bill 2017. I have to say that this is the seventh budget I have witnessed in this house, but it is the first budget that has been delivered while sitting on this side of the chamber and it is the first budget on which I can report back to my electorate with good news. There is particularly good news for my electorate on page 632 of budget paper No 2. The member for Bateman should be very interested in this, because he knows how much I advocated for this over a number of years while he was Minister for Transport. I would like to read this out —

This Budget provides funding for the construction of the Forrestfield–Airport Link, the Thornlie Line Extension, the Yanchep Rail Extension, the removal of the Denny Avenue level crossing, ...

As the member for Bateman would know, that area has caused a lot of consternation and trouble for local residents. It was fantastic to hear during the election campaign the now Minister for Transport commit to the removal of a number of level crossings in the rail network as a number one priority. It is fantastic that that has finally appeared in the budget papers. There is a lot of other good news in the budget—the commitment to the Armadale Road bridge, the confirmation of funding for the Armadale Road duplication and, of course, an allocation of over \$10 million for development in the Wungong–Armadale region. That is all very good news for my electorate. The budget also contains a number of commitments in the local projects, local jobs program, including \$200 000-odd for Save the Children programs that assist marginalised youth to give them hope and guidance so that they can move ahead positively. Also, more than \$100 000 will be allocated so that Armadale can again have a police and community youth centre. It has been tragic that Armadale has not had a PCYC. I commend the government, the Treasurer and the minister for making those commitments.

I have only a brief time to speak, but I must say that I was interested to hear the Leader of the National Party say that the government has broken election promises. The Premier has apologised for breaking certain promises, but it is interesting that the Leader of the National Party spent considerable time on this matter. I think I am right in saying that in the first few months of this government she was imploring the Treasurer to break election promises on the variation of state agreements. She said that we should introduce a \$5 levy on BHP and Rio Tinto. She thought that it was okay for the government to break election commitments if they suited her agenda; that was fine.

She is absolutely wrong when she says that we have gutted royalties for regions. I notice that the member for Bateman is speaking to his National Party colleague. The member for Bateman knows that before the last election the Liberal Party said it would make major changes to royalties for regions. The Premier of the day admitted that the current funding of royalties for regions was not sustainable. Royalties for regions is sustainable if it is funded appropriately for appropriate projects that lead to further and better development of Western Australia. In an article published on PerthNow on 17 May 2016, the then Premier flagged a big change in the way regional funding would be carved up. He talked about the need to look at things that would create employment and economic development for Western Australia. That is what royalties for regions should be used for. It is interesting that the National Party is suggesting that the government is using that funding for projects that should be funded out of consolidated revenue because I think it did something similar for a lot of projects. Hostels that provide accommodation for country students and a number of hospital projects were being funded by royalties for regions.

Mr C.J. Barnett interjected.

Dr A.D. BUTI: That is as they should be. The remote area essential services program and the community sporting and recreation facilities fund were being funded by royalties for regions. A former director general of a government department, who of course I will not name, said to me that the way royalties for regions was being applied amounted to institutional corruption. The Leader of the National Party yesterday talked about vanity projects. What could be more of a vanity project than musical toilets? The government is funding royalties for regions appropriately. Royalties for regions is not dead; it is viable, and this government is doing only what the former Premier had flagged he would do. The current government is doing the same thing, so the National Party can criticise us as much as it wants.

I know that the Leader of the House would like me to sit down soon, but I just want to make one more point. Yesterday, a considerable number of comments were made about funding in the Mandurah region. Mandurah is a regional city that takes in Pinjarra, Yarloop and Harvey. People from those places go to Mandurah, so if they are not country people, I do not know who are.

MRS L.M. HARVEY (Scarborough — Deputy Leader of the Opposition) [3.17 pm]: I am pleased to rise to contribute to the debate on the Appropriation (Recurrent 2017–18) Bill 2017 and the Appropriation (Capital 2017–18)

Extract from Hansard

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Mr Dean Nalder; Dr Tony Buti; Mrs Liza Harvey; Mr Sean L'Estrange

Bill 2017. I will cover some of the commitments in the budget that I am pleased to see and some of the commitments that are not included and that are very disappointing for my constituency.

The seat of Scarborough is undergoing a transformation, as people know, along the foreshore. The previous government committed to improve the Scarborough foreshore precinct to turn it into a premier tourism activity node. Indeed, private sector investment is starting to blossom in Scarborough as a result of the \$30 million commitment of the former government. However, I am very disappointed to learn that, quite prematurely, a committee that had been established for a particular purpose has been unable to finish its work. There has been some controversy about road extensions in Scarborough. The Esplanade runs through the foreshore in Scarborough and all the businesses, the surf club and the new swimming pool receive traffic from that one short strip of road. The Metropolitan Redevelopment Authority proposed—the City of Stirling was also looking at this proposal—to extend the roads at each end and to connect them to West Coast Highway to free up congestion in the foreshore zone so vehicles can move freely through that zone. This important issue needs to be addressed. The government came in and ruled out those roads being completed, so the opportunity to relieve some of that congestion on the foreshore is now lost. I fear it is lost permanently, in addition to the ability to perhaps look at an alternative congestion-busting solution at the foreshore, because the \$8 million that had been allocated to the roadworks has been stripped out of the Scarborough foreshore development project. The \$30 million investment had been made and the City of Stirling had added its investment to it, but this state government has ripped out \$8 million and, similarly to Roe 8 and Roe 9, has not identified the alternative solutions to ensure the safety of people at Scarborough Beach.

The reason that a congestion solution at Scarborough is important is that Scarborough Beach is one of the most dynamic beaches on our coastline. Conditions at Scarborough change very quickly. Indeed, it has the record for the highest number of rescues on any day at a patrolled beach, with over 500 individuals having to be pulled from a series of rapidly forming rips on one day in summer a few years ago. An unfortunate consequence of that day was that the beach was very crowded. An individual with a spinal injury who had taken water into their lungs was trapped in an ambulance. Obviously, with a spinal injury, there was no way for them to exit except on a flat surface in the back of the ambulance. The ambulance was trapped for 45 minutes in a congested car park at the foreshore while trying to travel 500 metres from the surf club to West Coast Highway to safely evacuate the patient to an emergency ward to be treated for the spinal injury and inhalation of seawater into their lungs.

There was some controversy around the roads and the former Minister for Planning, Hon Donna Faragher, put together a committee to look at what could be done to ensure that that situation would not happen again and there was a congestion solution for the foreshore. With \$8 million being taken out of the project, I fear that no solution is on the table and, indeed, there is no funding for a solution. I dread the first summer after the foreshore is opened and there is a flood of tourists. A lot of people who are rescued at Scarborough Beach are from other countries. They are visitors to our state who are unfamiliar with the conditions and do not know how to swim. We will be promoting Scarborough as a tourist node, but if individuals get caught in the surf and need to be taken to hospital by ambulance, which happens on a daily basis in summer at Scarborough, they may not be able to get out if the foreshore is congested and busy. It is an unfortunate circumstance that the government may have set up for my constituency and I am not very happy about it, and neither are the people of Scarborough or, indeed, any of the visitors to Scarborough Beach. Members might be interested to know that a survey that was done at Scarborough about 10 years ago found that 85 per cent of visitors to Scarborough Beach were not from the local area; they were people from Armadale, Mirrabooka, Balga, other parts of Western Australia and Australia, and many other countries. Therein lies a significant risk to beachgoers and the need for speedy evacuation should those beachgoers not be able to swim and find themselves in difficult circumstances in the surf and in need of rescuing by our lovely volunteer surf lifesavers who put so much effort into ensuring that they make that service available to my community.

The other issue that my community is very concerned about is the government's bloody-mindedness in refusing to progress the City Beach high school solution. Kitchener Park does not cut it for my constituents, and the reason for that is that the government's population predictions —

Ms S.F. McGurk: It shouldn't cut it for the people in Mt Lawley either.

Mrs L.M. HARVEY: I will take the member's interjection. The western suburbs schooling strategy that the former government put together over a two-year period of consultation involved upgrades to Balcatta Senior High School, Mount Lawley Senior High School, Shenton College and Churchlands Senior High School and a new City Beach high school. All those strategies were needed to cater for the growth in the number of students aged 10 to 19 years over the next 10 years. They were all needed and the previous government worked very hard with the Department of Education on a very neat solution. The reason we needed upgrades to all those schools was to even out the catchments, because the 10 to 19-year-olds who will need schooling in 2026 are coming from the suburbs in my electorate. In Innaloo–Doubleview, the forecast for 2026 is that there will be 2 900 young people

aged between 10 and 19 years, which is growth of 1 380, or 91 per cent. In Scarborough, there will be 2 600 young people aged between 10 and 19 years by 2026, which is growth of 132 per cent. The youth population in Scarborough will more than double. Scarborough is adjacent to City Beach. Students would not have to travel far. They would not have to go through the centre of Subiaco and cause further congestion at that end of Subiaco that has difficulty coping every day with the traffic from Perth Modern School. All these students will be expected to do that trip, because City Beach high school is no longer on the agenda. This is of grave concern to my constituents. They know, and I know from the enrolments in all my primary schools, that a lot of young people in my area want to travel to Churchlands or City Beach to go to school and do not want to go as far as Subiaco. They do not know how they will get there. Presumably, there will be some sort of school bus, but a short bus trip of a couple of kilometres from Scarborough, Innaloo and Doubleview to City Beach would be a much more sensible outcome for them. It is disappointing that the government seems determined not to consider that as part of the solution. Indeed, if the Town of Cambridge is correct, it sounds as though the City Beach high school site may be sold so that the Town of Cambridge can have a rates bonanza from a big new subdivision and the government can get some money in its coffers to fund the Metronet commitments that it has no policy or plan to fund. The opportunity for Department of Education land to be made available for a school in the future will be forever lost to my constituents.

My constituents are still smarting from when the then Minister for Lands, Hon Alannah MacTiernan, who is a member in the other place, sold the Scarborough high school site. If the Scarborough high school site had been left as public open space, there would be a site in Scarborough upon which to build a high school, but it was sold. Similarly, the Swanbourne and Hollywood Senior High School sites were sold. The only site left was the City Beach high school site; indeed, that is why the former government was circling around it as the solution for a western suburbs high school. We do not have much time between now and 2026 to cater for the additional 3 500 students who will need schooling.

The Kitchener Park site is a really interesting proposition. I thought it was interesting the other day to see the West Australian Football Commission suddenly being doggedly determined to get a 50-year deal out of the government to move to the new stadium—and why would it not? The government has just handed it the best bargaining chip it could have. The government has said that it wants to build a high school at Kitchener Park, so the commission needs to go, notwithstanding that it has a 70-year lease. The government has said that it will give the commission an opportunity for 10 years at the new stadium, but it will not buy the commission out of its 70-year lease, because it has no regard for contracts at all, and we have established that already over the short six months that this government has been in office. Not surprisingly, the WA footy commission is starting to bargain a little harder. It does not want the deal that was previously on the table, because now it knows that the government needs access to Subiaco Oval so that there is an oval for the students who will be housed at Kitchener Park to exercise and to have their physical education and sporting functions. I hope the government finds a solution to this, but if I were the WA footy commission, I would be bargaining hard as well.

Dr A.D. Buti: Are you supporting their tactics?

Mrs L.M. HARVEY: It has a 70-year lease and the government has decided, on the run and out of the blue, that it will build a school right beside its oval and will use that oval for its purposes instead of a City Beach high school site that is owned freehold by the Department of Education. Why would it not do that? For the record, I do not support that kind of activity. However, the government is dealing with a business that has a contract, and governments need to honour their contracts, just like they need to honour election commitments. They are like contracts to our community, and that is the problem the government now has.

Having covered those two significant local issues, I will go back and talk a bit about these transport promises. When the government, in the heat of the election campaign, was promising these big, grand transport and other commitments, we pointed out at the time that there was no plan to pay for any of them. As a government, we put all our commitments to the Treasury for costing. The total cost of our commitments was around \$2.9 billion. The now government, in putting its commitments out, had just its public transport commitments costed at \$2.9 billion. We know that the government has made over \$5 billion worth of commitments, and that a raft of local commitments in electorates—\$100 000 here, \$50 000 there—did not form part of the calculations the government did when looking at the impact of its commitment on future net debt. Let us go back to those core commitments. Gold standard transparency has been trashed with the CCC committee, and also ministerial double dipping; trying to get an answer from someone in authority about that debacle was like pulling teeth. There would be no increases to fees and charges, no new taxes and no increases to existing taxes. All these commitments have been completely trashed. The government refuses to accept the advice of people in Treasury about its public transport commitments, and we now find that it has not catered adequately for them, and indeed it had no plan to pay for them in the first place anyway.

The Forrestfield–Airport Link, which has been claimed by the government as the first Metronet project, was many years in the planning, and indeed the former government started and funded that project. That did not even form

part of these commitments; there was just a commitment to continue with it, I suppose. The Thornlie–Cockburn line, which I talked about during question time, had been costed by the government at \$474 million, but has come in at \$535 million—\$62 million above what the government estimated. The Yanchep extension of the Joondalup line was costed at 386 million, but has come in at \$520 million—\$134 million over what the government estimated. The Morley–Ellenbrook line, which has surprisingly not been funded in this budget, was costed at approximately \$863 million. The Treasurer and the Minister for Transport claimed yesterday that Hon Christian Porter was a supporter of the project and had secured an agreement for 80 per cent commonwealth funding for it. That was completely misleading; it did not happen. There has not been a conversation, as I understand, about securing that funding for Ellenbrook. We fail to understand, after eight years of listening to the now Minister for Transport talk relentlessly about the Ellenbrook railway, why she chose to repurpose the Perth Freight Link money.

[Member's time extended.]

Mrs L.M. HARVEY: She chose to repurpose the Perth Freight Link money to the Thornlie–Cockburn line and the Yanchep extension of the Joondalup line. Her excuse is that there is no business case, because the government had not done any work on it et cetera, but that does not cut the mustard. The business cases for the other rail lines were not shovel-ready projects either. Why would the member for West Swan relentlessly campaign for Ellenbrook rail and then, when she is the minister and she can actually divert federal government funds, with the commonwealth government's blessing, from the Roe 8, Roe 9 freight link project, not fund the project for which she had been campaigning for eight years? Why would she fund the Thornlie–Cockburn line and the Yanchep extension of the Joondalup line? We are a bit baffled by that.

[Quorum formed.]

Mrs L.M. HARVEY: Thank you, Mr Acting Speaker; it is nice to drag people away from their afternoon tea to sit in the Parliament.

Once again, the Morley–Ellenbrook line is not funded in the budget, yet it is the minister's pet project.

Mrs J.M.C. Stojkovski interjected.

The ACTING SPEAKER: Member for Kingsley, I will call you if you keep that up.

Mrs L.M. HARVEY: Then there are the new and existing station upgrades. Some figure has been plucked out of nowhere that these will cost \$144 million. However, we know that the Karnup station upgrade will be \$101.3 million, leaving only \$44 million for the other train station upgrades, which I understand are Midland and Bellevue. It will be interesting to see where that ends up, as well. Going back to that Ellenbrook line, even if that project comes in at \$863 million, and is 80 per cent federally funded—I am quite confident that the Turnbull commonwealth government will put more funding into Western Australia for infrastructure—the government will still have to stump up around \$200 million. That is a lot of money, and there is no provision for it in 2019, when the government says it will start the project. That is very curious indeed.

This brings me to one of the other projects in my electorate that is funded, although, curiously, not to the level it needs for completion—that is, the Stephenson Avenue link from Scarborough Beach Road through to the Stirling Station. The previous government spent \$14 million on a planning project for the Stirling city centre plan, which needs the Stephenson link as a congestion buster to facilitate the development of business in that precinct. The City of Stirling was involved with Main Roads, the Department of Planning and the Public Transport Authority on a collaborative planning process to facilitate the development of the Stirling city centre as an alternative business centre to the central business district. This is a terrific project. I was pleased to be part of the planning process. The road link that is needed to facilitate the project is this Stephenson link to the freeway. It is a \$300 million project, and I notice that the government has put \$60 million towards it. I suspect that the government is hopeful that it will get some federal funding for it. I have spoken to some of my federal colleagues and suggested that that would be a good project to be part of. The reason I say that the Stephenson link to the freeway would be a good project to be involved in—I have been campaigning for that for eight years as well—is that it will assist in the Westfield Innaloo retail precinct redevelopment. Westfield is looking at more than doubling its floor space, and that will create some congestion issues for the Stirling city centre. However, when the Stephenson link goes through to the freeway, that will allow for Cedric St to become a bus-only access point to the bus and train interchange, which will allow us to significantly increase the number of bus movements through the Stirling interchange. It will take all the commuter vehicles away from that access point to the freeway and bring them over to Stephenson Avenue. It really needs a solution. It required a lot of planning because it is basically a road project going through an already built-up area, notwithstanding the road reservation in place. Indeed, out of this project some of the road reservation could be sold to private investment to facilitate further development. The big block to any development in those Innaloo and Osborne Park precincts is the congestion because of the nexus of freeway on-ramps and off-ramps, the bus terminus, Ikea and a range of other businesses as well as Westfield.

I hope that project goes ahead. I am pleased to see that the government has put that funding in there. I know the member for Balcatta will be very pleased with that, too. As former Deputy Mayor of the City of Stirling he has also been part of that planning process for the last eight years.

Mr D.R. Michael: I have my fingers crossed for the federal government to make a contribution.

Mrs L.M. HARVEY: A couple of our federal members' ears are bleeding, I can assure the member, because I believe that would be a good project to facilitate as well.

It is interesting that there is no federal commitment for the Stephenson road but there is money in the budget, yet the Treasurer and minister are saying there is a commitment to the Ellenbrook rail with no money in the budget. I do not know; maybe we will learn how to do things by the time the next budget is handed down.

Four level crossings were proposed, costed at between \$50 million and \$70 million, with a \$257 million allocation. Only the Denny Avenue crossing at \$70 million is in the budget, so potentially there is a big black hole of underfunding there. But the railcars is the curious one. In the lead-up to the election the promise was made to start a railcar manufacturing industry in Western Australia—the government was going to be part of that—to build all the railcars for the new rail-link projects in WA. Funding of \$410 million was allocated for 78 railcars as part of the election costings; however, the costings based on current orders are looking at a requirement of around \$508 million for the railcars. That is if they are actually manufactured in India, which is the cheapest place in the world to get railcars from at the present time. To start up an industry in Western Australia and indeed have manufacturing occur in Western Australia sounds like a terrific idea, except the reason all our manufacturing industries have gone offshore is the cost of doing business in Australia, unfortunately. That is why countries like India, China and others have capitalised on their cheap labour costs.

Several members interjected.

Mrs L.M. HARVEY: The important thing —

Several members interjected.

Mrs L.M. HARVEY: It is not a union rally!

Several members interjected.

Mrs L.M. HARVEY: With the railcars I think the important thing is that we get the railcars so that when the rail comes online we actually have something for people to ride in. Starting up a brand-new —

A member interjected.

Mr T.J. Healy: He's not in his seat.

Mrs L.M. HARVEY: The Leader of the Opposition is not in his seat.

[Quorum formed.]

Point of Order

Mr S.K. L'ESTRANGE: Further to that out-of-order point of order, I call for a quorum.

The ACTING SPEAKER (Mr R.S. Love): A quorum was called, I think, about five minutes ago. There have to be 15 minutes between quorum bells, so we will not be accepting that particular point of order at this point.

Debate Resumed

Mrs L.M. HARVEY: It will be interesting to watch what happens with the manufacturing industry to manufacture railcars. Some election commitments, it seems, are easy for the government to break, and others are not. We had the Premier smiling feebly down the camera the other day, saying, "I'm sorry. I'm sorry about the new taxes. I'm sorry about increasing payroll tax. I'm sorry about hitting households with \$3 000 worth of additional fees and charges over the forward estimates. I didn't realise how bad the books were, even though all I've been talking about for four years is the state of the books. Notwithstanding that, I committed to over \$5 billion worth of election commitments with no plan to pay for them. Somehow we will get \$5 billion worth of commitments without increasing the loan." That is another election commitment gone because net debt is now out to \$43 billion, with around \$2.5 billion of commitments not funded or catered for. It will be interesting to see how that election commitment goes in the future.

No fees, charges and taxes—that is already done. If we will not be selling assets, which indeed the Premier has ruled out, I expect there will not be a way to fund these election commitments into the future. During the campaign I was actually curious to know—knowing the state of the polling and understanding that there seemed to be a certain inevitability to the outcome—why the now government went out and overcommitted in such a grandiose

way with no ability or plan to fund its commitments. I have put it to individuals that we were so unpopular that we could have been running against Percy Penguin and Fat Cat and we probably still would have lost.

Mr D.J. Kelly: Good point. If you knew it was inevitable, why did you waste so much money on Roe 8? You were the Minister for Police, weren't you?

The ACTING SPEAKER (Mr R.S. Love): Minister for Water!

Mr D.J. Kelly interjected.

The ACTING SPEAKER: Minister for Water!

Mr D.J. Kelly interjected.

The ACTING SPEAKER: Minister for Water! I call you for the second time.

Mrs L.M. HARVEY: I am glad the member raised Roe 8–Roe 9, because, consistent with City Beach high school and the western suburbs schooling project, the government cancelled it in a bloody-minded manner and tore up contracts with no alternative plan to deal with congestion.

Several members interjected.

Mrs L.M. HARVEY: I drive out to the southern suburbs. I have a business out that way. I know what it is like on Leach Highway when a truck breaks down. It turns into a car park. That affects freight and people's lives, and keeps them away from their jobs. It is a problem. I know from constituents and relatives who live out that way that there are accidents at those intersections on Leach Highway every day of the week, and many of them serious enough to require hospitalisation. They take people out of work and congest Leach Highway. The government cancelled Roe 8–Roe 9 with no alternative plan. For each of those members in new seats south of the river who have just stepped in, put the pressure on the minister to have a congestion-busting plan. Even though it was called a freight link, only 16 per cent of the traffic on Roe 8–Roe 9 would have been freight. The rest of it would have been commuter traffic. Constituents living in the southern suburbs are absolutely sick and tired of being stuck in traffic every day.

Several members interjected.

Mrs L.M. HARVEY: They are sick of the travel times, and Roe 8–Roe 9 was the solution for those commuters. Roe 8–Roe 9 was the solution to open up the industrial areas in south metro and create employment. Roe 8–Roe 9 is needed for the outer harbour or the Fremantle port to facilitate the full use of the port, which we know from the Maritime Union of Australia has 30 years' life left in it—30 years' capacity. Roe 8–Roe 9 was needed for all that. Yes, the Labor Party won. It campaigned against those commitments, has come into government and cancelled them but it has no alternative plan. In four years' time we will be going out to south metro and saying we had the solution and this government cancelled it —

Several members interjected.

Mrs L.M. HARVEY: — because it wanted to do anything other than what the previous government had said. It was just like City Beach; that is what it was. Members, when a project like that is cancelled with no alternative to bust congestion, a price is paid. We will make sure south metro constituents know. Every single crash, every single truck crash and every time Leach Highway turns into a car park we will be reminding people.

MR S.K. L'ESTRANGE (Churchlands) [3.49 pm]: I rise to speak on the Appropriation (Recurrent 2017–18) Bill 2017 and the Appropriation (Capital 2017–18) Bill 2017. This budget is a disgrace.

Several members interjected.

Mr S.K. L'ESTRANGE: I say to those members who are in the chamber to listen to this debate, and I am glad one member of the frontbench is here, that this budget is nothing more than spin. It is absolute spin. I will tell members why I say that.

Mr T.J. Healy interjected.

Mr S.K. L'ESTRANGE: Member for Southern River, let us look at it. The *Pre-election Financial Projections Statement* had debt at 30 June at \$33.2 billion. The Labor Party knew that going into the election campaign. It had projections out to 2020 of \$41.1 billion. This budget was delivered by the new Labor government—by Treasurer Wyatt and Premier McGowan. This new Labor government has taken over the reins. This Labor government has projected the debt level that was handed to it as less than was projected in the *Pre-election Financial Projections Statement*. The debt that was handed to this government was \$32.5 billion. However, the government in its budget has projected the debt level out to 2020 at \$43.8 billion. That is an increase of \$11.3 billion out to 2020 and an additional \$3.4 billion on what was projected in the *Pre-election Financial Projections Statement*.

Extract from Hansard

[ASSEMBLY — Wednesday, 13 September 2017]

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Mr Dean Nalder; Dr Tony Buti; Mrs Liza Harvey; Mr Sean L'Estrange

The Labor Party said during the election campaign that it has a debt reduction strategy. All the Labor government has done in this budget is come up with a plan to increase debt—nothing else. The government's conservative estimate, based on the *Pre-election Financial Projections Statement*, of that increased debt is \$3.4 billion.

We need to put this in context. A core element of the Labor Party's election plan was to tell the people of Western Australia, "Don't trust the Liberal-National government. They trashed the books." The Labor Party went on and on about that, and it is still going on about it.

Several members interjected.

Mr S.K. L'ESTRANGE: Members opposite need to harden up and accept responsibility for the additional \$3.4 billion in their budget.

Mr T.J. Healy interjected.

Mr S.K. L'ESTRANGE: Members opposite won the election. Right. I have got it.

Mrs J.M.C. Stojkovski interjected.

Mr S.K. L'ESTRANGE: The member for Kingsley is out there. To use a *Game of Thrones* analogy, she is part of Treasurer Wyatt's walking dead. She is sitting on a margin of 0.7 per cent. When members of her community look at the budget, they will say, "Miss 0.7 Per Cent, how is this budget going? How is your debt reduction strategy going?" There is not a debt reduction strategy. The debt reduction of the Labor Party was, "We will pay off debt like a mortgage on a house." That is what the Labor Party told the people of Western Australia. Guess what else the Labor Party did?

Dr M.D. Nahan: It was like an interest-only mortgage!

Mr S.K. L'ESTRANGE: The Labor Party just decided to add more debt!

Before the election, the now Treasurer, Mr Wyatt, said, "We will take 50 per cent of iron ore royalties and we will put that into a debt reduction account and pay off debt in that way." When we asked the Treasurer how he was going to do that, he said, "We will wait for the iron ore price to reach \$85 a tonne, and we will also wait for the GST per capita redistribution to hit 65 cents in the dollar." Was that ever going to happen? Of course it was not. It is what we call a pipedream. It is also what we call spin. The Labor Party spun that going into the election campaign, and it deceived the people of WA on its debt reduction strategy. It was elected to government. Well done! The Labor Party had its debt reduction plan. That was an absolute furphy. Treasurer Wyatt then upgraded his debt reduction plan. Guess what his upgraded plan was? It is written into budget paper No 1. That is the most obvious piece of spin in this entire budget program that we can look at. He said, "We are going to create a debt repayment account, and we are going to wait for unanticipated or windfall revenue, and that is how we are going to pay off debt." Do members know what people in the suburbs who are struggling to pay their household mortgage would say about that? They would say they have got a \$400 000 or \$500 000 mortgage, and their plan to pay down that mortgage is to win Lotto. It is called a windfall unanticipated revenue account. Imagine saying to one's bank manager, "Excuse me, I have lost my job, but I have a plan to pay back my mortgage. I am going to win Lotto." The Labor Party has had the audacity to write that into its budget papers. It is unbelievable to see the contempt that this Labor government has for the people of Western Australia. It is appalling to see the smugness of the Premier in thinking that he can get away with hoodwinking the people of Western Australia into a debt reduction plan that does not exist.

Several members interjected.

Mr S.K. L'ESTRANGE: I can tell members and "Miss 0.7 Per Cent" that the people of Western Australia are starting to wake up to what this government is doing. They are starting to see it for what it is. Members opposite can point the finger at me. They can do that. They won government. They have the books. They have presented a budget that is basically spin. They are telling the people of Western Australia that their debt reduction strategy is to wait until they win some money. That is outrageous. The people of Western Australia should know better than to trust this government into the future. Trust is a key element of this budget, and it is clearly not there. The Labor Party deceived the people of Western Australia going into the election, and it is continuing to deceive them post-election and continuing to break its promises.

Ms A. Sanderson interjected.

Mr S.K. L'ESTRANGE: I have mentioned that we have the walking dead in Joondalup. The member for Morley is Cersei Lannister. She is sitting up there on the backbench. She has her eyes on the throne down here. We know what she is up to. She is all ambition and no substance.

Several members interjected.

Extract from *Hansard*

[ASSEMBLY — Wednesday, 13 September 2017]

p3960b-3969a

Mr Dean Nalder; Dr Tony Buti; Mrs Liza Harvey; Mr Sean L'Estrange

The ACTING SPEAKER (Mr R.S. Love): Member for Churchlands, can you please address the Chair and confine your comments to discussion on the budget and not direct them to other members in the chamber.

Mr S.K. L'ESTRANGE: Mr Acting Speaker, instead of interjecting, they need to listen. The member for Morley chose to interject, and I chose to respond to her very improper interjection.

One key aspect of this budget that I find unbelievable is how this Labor government is treating the people of Ellenbrook.

Ms A. Sanderson interjected.

Mr S.K. L'ESTRANGE: For eight and a half years, while the member for Morley was in the other place, she went on and on about how we were failing the people of Ellenbrook by not building a railway line to Ellenbrook.

Several members interjected.

Mr S.K. L'ESTRANGE: Members opposite said to the people of Ellenbrook that we lied. Guess what members opposite said for eight and a half years in opposition? They said, "We won't lie. We'll give you that railway line."

Ms A. Sanderson interjected.

Mr S.K. L'ESTRANGE: Guess what, member for Morley? It is not in the budget.

Mrs J.M.C. Stojkovski interjected.

Mr S.K. L'ESTRANGE: Sorry! The government has allocated \$20 million for a feasibility study!

Ms A. Sanderson interjected.

Mr S.K. L'ESTRANGE: Members opposite had eight and a half years to go on about the MAX light rail, member for Morley. The member for Morley is now in government. The member for Morley is the aspirational Cersei Lannister. She has her eye on the throne down here. All she is about is aspiration. She is not interested in the people of Ellenbrook. She could not care less about the people of Ellenbrook. She only cares about herself. That is all she is worried about—her own career promotion. That is why she shirtfronted somebody out of this place and made her chess piece move from the upper house to the lower house. She only cares about herself. She is the last person who is going to care about the people of Western Australia. She certainly does not care about the people of Ellenbrook. The people of Ellenbrook still do not have a railway line. There is nothing in this budget for a rail line. This is an \$863 million project, and it has not even been brought into the budget. It does not exist. It is not there.

Several members interjected.

Mr S.K. L'ESTRANGE: Member, we lost government!

Mr T.J. Healy: Did you promise it in 2008?

Mr S.K. L'ESTRANGE: Yes, we did, and guess what? The people of Western Australia voted us out.

Mr T.J. Healy: Because you did not build it.

Mr S.K. L'ESTRANGE: That is right. Is the member learning something here? The next move is that the people of Ellenbrook are going to say, "Hang on. You promised it as well, for eight and a half years. You won government, and in your first budget, it is not there!"

Mr T.J. Healy interjected.

Mr S.K. L'ESTRANGE: The member for Southern River needs to read his government's budget. He needs to understand that when a government wins an election off the back of promises and then leaves those promises out of the budget, it is not us that it has to worry about; it is the people in the suburbs to whom it made those commitments that it has to worry about.

The member for Kingsley is sitting on a 0.7 per cent margin; the member for Joondalup, 0.6 per cent; the member for Murray–Wellington, 1.4 per cent; the member for Burns Beach, 2.5 per cent; the member for Kalamunda, 2.5 per cent; the member for Jandakot, one per cent; and it goes on. Guess what they are? They are the walking dead. There he is on his horse; the Treasurer is out there with his white walkers. He has his walking dead-like mummies all strolling across the snow. Members have no idea. He is taking them off a cliff and they cannot even see it!

Debate interrupted, pursuant to standing orders.

[Continued on page 3989.]