

McGOWAN GOVERNMENT — ECONOMIC PERFORMANCE

Motion

MR S.K. L'ESTRANGE (Churchlands) [4.01 pm]: I move —

That this house condemns the McGowan government for its savage cuts to frontline services, its increases to cost of living imposed on struggling Western Australian households and its failure to deliver a comprehensive plan for delivering long-term, full-time jobs.

This budget does not do what the people of Western Australia need it to do. It fails to deliver appropriately on essential frontline services that the people of Western Australia rely upon the government for. I will focus on the health portfolio because health represents one-third of this budget, with \$8.8 billion budgeted to health.

Health services impact on all Western Australians. Western Australia's population will soon be 2.7 million. It does not matter who or where you are—every man, woman and child is impacted by the standard of health services provided in WA. It does not matter whether they live in Kununurra, way up in the north east of the state, Port Hedland in the north west, Wiluna in the centre, Augusta in the south west, Eucla in the south east, the capital city of Perth or anywhere in between. Every single person relies on frontline health services. It is not an area in which the budget should be cut lightly. The government should think very carefully about changes and decisions made in the health budget because it will have a direct impact on people. People rely on having access to safe, effective and up-to-date health and mental health services. We must continuously look to improve health services and systems in Western Australia, particularly given that we have a growing and ageing population. We must improve efficiencies, infrastructure and the patient experience. We must improve the health and wellbeing of all Western Australians.

The second McGowan budget is the fiscal halfway mark of this government's first term—hopefully, its only term. Some people, especially new backbenchers, forget that for economic and fiscal management, this is the halfway mark. This government has brought down two budgets to set the direction for Western Australia and outline its priorities for the future. Unfortunately, it is a very underwhelming budget for health.

Premier McGowan, Minister Cook and their very keen and enthusiastic rent-a-crowd of backbenchers bask in the glory of attending ribbon-cutting events for Liberal–National government projects. I have seen them rock up with their families, get photos taken, and push to the front of the reserved seats as though it was their project and they did all the work. I have seen them do it. It is not unusual! We have to turn up to these events with our elbows up!

Mr J.R. Quigley interjected.

The SPEAKER: Members!

Mr S.K. L'ESTRANGE: The rent-a-crowd wants to shove us out of our seats. The other day I went to the opening of Perth Children's Hospital, which is a wonderful \$1.2 billion facility planned and built by the Liberal–National government. Was a seat reserved for the second longest serving Premier of Western Australia? Was the seat reserved to say thank you to Premier Colin Barnett for what he did to build this hospital? No, they just shoved him up the back. I asked him, "Premier, haven't you got a reserved seat?" He said, "Sean, it doesn't matter. The public will notice. The public will see the arrogance of this government not to acknowledge the hard work of the Liberal–National government in advancing health infrastructure in the state like no other." The public will not forget the way Premier Barnett and others were treated at the opening of Perth Children's Hospital. That marks this government's standard.

Unfortunately, although members opposite go to these ribbon-cutting events, they do not recognise the ongoing priority of our health and mental health infrastructure and programs. This government does not recognise the ongoing priority needs. In January 2018 the sustainable health review interim report was published. It congratulated the former Liberal–National government for putting things on a sustainable financial trajectory. Page 3 of the report states that the focus on financial accountability and rigour over the last two to three years has set the foundations towards fiscal sustainability. But the government chooses to ignore the pat on the back the author gave the former Liberal–National government for setting the health budget on a sustainable track. Members opposite ignore that and keep pulling the figure of \$40 billion out of their hats. They keep saying that we handed it to them when they took power in March 2017. We know that is false and they know it is false, but they continue to prosecute a false argument and ignore some very important facts.

The executive summary of the sustainable health review interim report provides 12 directions. I want to focus on four of them at the moment: first, to keep people healthy and get serious about prevention and health promotion; second, to focus on person-centred services in WA; third, to make better use of resources with more care in the community and; fourth, to facilitate effective interaction between acute and community-based mental health services to deliver mental health reforms across the WA health system. I will focus on those. Focusing on community-based programs will make sure that not only are acute care requirements in our big hospitals right, but also interactions with community-based health care services, which are delivered by both government and non-government organisations, are effective.

However, we on this side of the chamber are concerned. Although the sustainable health review has outlined those 12 directions—of which I have highlighted four—the budget presented in this place last week cuts the health budget by \$200 million. If we break that down further and compare the Labor government's first budget last year with this its second budget, we find that in 2018–19 there is a \$37 million cut, in 2019–20 a \$74 million cut, and in 2020–21 a \$90 million cut. A lot of people in Western Australia who rely on these health services to stay healthy and to keep themselves on track, plus the people who provide those health services as their job, will now wonder what has been cut: “Where will over \$200 million of cuts come from and how will they impact on me, the patient, or me, the service provider?” We asked that question in this place during question time. We asked what services and programs would be impacted by over \$200 million worth of cuts. The minister declined to answer that question. We do not know where those savings will be made and what programs will be impacted.

We have seen recently how this government has treated the education sector with its sleight-of-hand budget cuts. We saw that in the Christmas period, in the summer break when people were leaving their workplaces and taking leave with their families to go on holiday. Almost on Christmas Eve a community that relied on Schools of the Air found out that Schools of the Air were going to be cut, without any consultation. Their whole lives were turned upside down with worry at a time of the year when they should have been coming together with family and friends to relax and recuperate and prepare themselves for the next year. Yet they had to confront the uncertainty around how their child would be educated when they relied so heavily on Schools of the Air. That uncertainty created an enormous amount of anxiety.

We have also seen and continue to see how Moora Residential College parents and children feel about this government's sleight of hand on the education budget. That is an ongoing saga because they, too, are very concerned about their own future with education. More locally in my own electorate a program that has been running for a long, long time by an organisation established over 80 years ago—a science and environmental education program at the Herdsman Lake Wildlife Centre—was scratched with the stroke of a pen, gone. In terms of budget allocations, it was not even a rounding error. Thousands and thousands of schoolchildren throughout the metropolitan area utilised that service through their schools to learn more about the environment around them and more about science, yet this government just scratches those types of programs. I use examples—Schools of the Air, Moora Residential College and the Herdsman Lake Wildlife Centre—because there are health and mental health programs with similar sized budgets in the community right now. We ask the question: which of those are going to face the chop under this government that is cutting over \$200 million from their budgets? Western Australians who rely on community-based health and mental health programs, plus the organisations and groups that deliver these programs, will need to keep a close watch. What programs are under threat?

I want to focus now on public and community health services because that was a key aspect of one of the drivers for the “Sustainable Health Review” interim report. I want to look at what types of programs exist under public and community health services. I will read them out. These programs are in the budget, but it does not tell us what will be cut. These are programs such as those that increase optimal health and wellbeing; encourage healthy lifestyles; reduce the onset of disease and disability; and reduce the risk of long-term illness as well as detect, protect and monitor the incidence of disease in the population. Public and community health service includes public health programs; Aboriginal health programs; disaster management; environmental health; the provision of grants to non-government organisations for public and community health purposes; emergency road and air ambulance services; services to assist rural-based patients; travel to receive care; and statewide pathology services provided to external Western Australian agencies. They are some of the programs that exist under that particular category. What is going to happen there?

The health system is also reliant on excellent fit-for-purpose facilities. This is why the former Liberal–National government set about being world leaders in re-energising, reinvigorating and renewing the health infrastructure in Western Australia. Members on the other side might have loved going to the opening of the Perth Children's Hospital last Saturday and claiming it as their own, but the public of Western Australia knows exactly who built that hospital and who set about ensuring that the families of Western Australia would have a state-of-the-art child health facility for now and for the next 100 years, replacing Princess Margaret Hospital for Children—a fantastic institution but replacing it nonetheless. The people of Western Australia know who built that hospital.

Ms C.M. Rowe: Do you think that is all they care about? I think they care about their children actually being cared for.

Mr S.K. L'ESTRANGE: I could not agree with the member for Belmont more. The member for Belmont says that the people of Western Australia are worried about the health services that they are provided. I could not agree with the member for Belmont more. That is why the member for Belmont and her constituents, like me and my constituents, want to know where this \$200 million of cuts to the health budget is going to come from and what services are going to be impacted. No doubt her constituents in Belmont will very much want to know that.

I get back to the point about health infrastructure needs in Western Australia, because the former Liberal–National government recognised the need to continuously look to improve and renew this infrastructure. I will give some examples: Fiona Stanley Hospital, a fantastic state-of-the-art hospital. I have mentioned the Perth Children's Hospital. The Midland Health Campus, which I visited recently, is a fantastic hospital facility in the eastern region of Perth. There are new regional hospitals in Albany, which we know the Speaker thoroughly enjoys, and in Port Hedland and Broome, plus of course the redevelopment of Joondalup, Busselton and Kalgoorlie health campuses. The last Liberal–National government was a government that understood the need to not only provide excellent health services, but also make sure that the facilities there to support the delivery of those services were up to date and fit for purpose. With this Labor budget—the government's second—the government had an opportunity to really set the pathway for how it was going to deal with infrastructure, yet it has overlooked key infrastructure needs. It has overlooked necessary upgrades, which have been either inadequately addressed or ignored altogether. For the Minister for Health to get up today in this place during question time and say that \$37 billion has been allocated to infrastructure development simply does not make sense. On the one hand the government is telling us that it took \$40 billion of debt from us, which we know is false; on the other hand the minister says that he has \$37 billion. He does not. I do not know where he got that figure from or where the person who asked that question got that figure from. Maybe they can get to their feet in this debate and let us know.

In any case, I want to look now at some of the infrastructure needs that were overlooked. The first is Royal Perth Hospital, whose needs have been overlooked. This is interesting because Minister Cook stated in 2016 when he was in opposition that “Royal Perth Hospital needs a new emergency department, an acute care block and single rooms”, yet he has not allocated a single cent to that commitment. Royal Perth Hospital—overlooked.

The next one is the Peel Health Campus. I know that the Minister for Health takes great pleasure in targeting the member for Dawesville and his passion for the Peel Health Campus. I attended a rally in Peel to support the member for Dawesville. Not one member of the government attended that rally to address the crowd.

Mrs R.M.J. Clarke: We gave our apologies.

Mr S.K. L'ESTRANGE: It was very nice for the member to give her apology.

Mrs R.M.J. Clarke: We were not ignoring it, as the member said at the rally.

Mr S.K. L'ESTRANGE: The people at the rally would have liked to see the member there, but she obviously had something else on. I am just making the point that not one member of the government or the backbench attended that rally to talk to the people who are concerned about Peel Health Campus. It is not a judgement; it is a fact. Peel Health Campus has also been let down because earlier this year Minister Cook said that there would “definitely need to be some sort of expansion in the physical capacity” of Peel Health Campus. The budget allocates funding for upgrades to the car park at Peel—no doubt the car park needs a good upgrade—and an upgrade to the closed-circuit television system that is no doubt necessary. But the real pressing need was the need that Minister Cook identified himself, and that was an expansion of the physical capacity of Peel Health Campus, yet it is not in the budget. These are the member for Murray–Wellington's constituents.

Ms S.F. McGurk: Did you guys put it in the budget?

Mr S.K. L'ESTRANGE: It is the government's second budget.

Ms S.F. McGurk: In eight and a half years did you put it in the budget? Not once. The last time Peel got money was under Labor.

Mr S.K. L'ESTRANGE: The member for Fremantle, the minister, continues to play the blame game. She is halfway through her first term of government. This is her government's second budget, not ours. The member for Mandurah in opposition advocated to make all sorts of changes. The Minister for Health has said that it needs an expansion, yet there is nothing in the budget. Again, these are not judgements; these are observations of fact, member for Fremantle. Another hospital that was overlooked was King Edward Memorial Hospital for Women; it dropped completely off the state government's radar. This is despite the sustainable health review interim report stating that there needs to be a commitment to progress plans for King Edward Memorial Hospital and for the co-location of women's health services with the Queen Elizabeth II Medical Centre. What do we see? We see no commitment for this and no forward planning of this in this government's budget over the next four years—nothing.

The state government is also letting down mental health patients, with Graylands Hospital being completely ignored in this budget. The Australian Medical Association has lobbied this government on the basis that Graylands Hospital is not fit for purpose. Is the government getting serious about those mental health patients who are most in need—those who have to be hospitalised at Graylands Hospital, which the AMA is saying is not fit for purpose? Members opposite and ministers have put out a health budget, but they are stripping \$200 million out of it and they are not continuing the good work of the former Liberal–National government to upgrade the infrastructure

requirements of the health system in Western Australia. These system requirements are things that it has identified. I have just quoted where the government has identified them and it is ignoring them in this budget. That is simply not good enough.

Moving away—those projects I just mentioned were city-based projects, with Peel obviously being a regional area of metropolitan Perth—there are country people who are also looking closely at how they are being treated in this budget. The people of Laverton certainly feel let down. I will read members a news article about Laverton. This was last year so they got pretty upset last year. The ABC News article titled “McGowan Government under fire as WA’s Laverton hospital loses out on promised \$19.5m funding” states —

Health Minister Roger Cook defended the Government’s spending priorities this week —

This is last year’s budget, and I will get to this year’s in a minute —

as the McGowan Government stepped back from funding a significant number of promised projects.

“We made the promises because we believe that the health system should be working for everyone,” Mr Cook said. “We believe in putting patients first.”

But in Laverton, 1,000 kilometres north-east of Perth in WA’s Goldfields, a promised upgrade to the town’s eight-bed hospital has gone from a \$19.5 million funding pledge to zero

That is an example of how regional Western Australians feel when they are promised one thing, listen to the minister say one thing and then it is gone. That was last year; did it come back this year? No; they are still waiting and wondering what is going to happen. This is in the context of listening to ministers put out press release after press release about bells-and-whistles projects that are programmed for the future. People who need and rely on frontline healthcare services are seeing news headline after news headline at night and the Labor government is out there saying, “We are going to build Metronet”, “We are going to build houses on a railway line” or “We are going to open up Perth Children’s Hospital.” They are asking, “What about us? What are you doing to improve our health services out here in the bush?” They are getting more and more distressed because they are seeing what the government is doing in education as well.

It is good to see that the member for Geraldton’s hard work in really pushing the case for a hospital in Geraldton has been honoured and respected, because he is a hardworking member of this place and he has fought for the people of Geraldton to get a new hospital. It has been put into this budget, which is fantastic for the member for Geraldton. However, the execution of this Geraldton Regional Hospital redevelopment has come under some criticism. I will share some of that criticism with members now. An article dated 11 May this year in *The West Australian* titled “WA State Budget: GP chief appalled, disgusted at timeline for Geraldton Hospital funding” states —

The head of a Mid West general practitioner’s organisation has welcomed State Government funding for the Geraldton Hospital redevelopment, but described the timeline for the long-awaited project as appalling.

It is good that he is getting it, but what about the timeline? The article states —

Budget papers show the hospital will get nothing this year, \$1,792,000 in 2019–20, \$2,224,000 in 2020–21 and then \$36,654,000 in 2021–22.

“We will have got nothing for the first three years of Labor’s term in office—not a cracker,” Dr Taylor said.

Yes, the member for Geraldton is pleased that the hospital is in the budget, but some of the people of Geraldton feel let down that the priority has been pushed back to 2020–21. They need improvements now. Instead of cutting ribbons at our projects, how about getting bricks laid on the government’s own projects now? It is very important.

What other city and regional health services have been acknowledged by the Labor government but have been allocated no funding in this budget? It has acknowledged their needs but it has allocated no funding to them. Given it has \$200 million of cuts over the next four years, which one of these is now sitting under a cloud of doubt? Let us look at some of those. In the budget there are longer-term election commitments with no funding yet allocated to them, including, as stated in the budget papers —

- the upgrade of the Collie and Bunbury Hospitals, a renal dialysis service at Newman Hospital, a Magnetic Resonance Imaging scanner at Kalgoorlie and the establishment of a Kimberley Mobile Dialysis Unit;
- the Review of Regional and Country Ambulance and Royal Flying Doctor Service;
- investigating options to provide Culturally Appropriate Housing for Regional Visitors, as well as Medihotels and Urgent Care Clinic concepts, in different locations within the Perth metropolitan region;

- the review of Fremantle Hospital;
- continued promotion of public involvement and engagement in the health sector under the Ministerial Roundtable on Primary Health Issues. Additionally, the Health Care in Public Hands priority is reviewing opportunities to bring services back into the public sector;
- consultation with stakeholders to introduce and implement the State Men's Health and Wellbeing policy, aimed at improving the wellbeing of men in Western Australia;
- a campaign to reduce Family and Domestic Violence (FDV) with key activities including the provision of routine FDV screening for antenatal patients and FDV training for health workers;
- a review of the policies and procedures affecting the WA Health workforce including the public sector employment policy, and introduction of contemporary performance management arrangements for nurses; and
- the Future Health Research and Innovation Fund, which proposes to provide a secure source of funding for Western Australian health and medical research.

All that stuff is shown in the budget as "not yet funded".

It is all well and good for the government to put out press releases telling people what it is thinking about but if it does not allocate money to it, how do we know whether it will ever happen? How do we know whether it will ever happen in the context of a budget that is cutting over \$200 million over four years? The bottom line is that we do not. The Treasurer might think that his ministerial office is rolling out press release after press release and he is hitting his own ministerial office key performance indicators with the Premier's office to communicate with the people of Western Australia how good he is, but the people of Western Australia are out there saying, "Show us this service that you are telling us you are going to provide. Show us where the money is in the budget. Show us where over \$200 million of savings will hit us. What will you take out? What will you not commit to that is already there that you are going to take out?" The people of Western Australia do not know. These are certainly questions that the Treasurer needs to answer for the people of Western Australia.

Many people are now getting a picture of this health budget. It is simply an underwhelming smoke and mirrors budget. That is all it is. This underwhelming smoke and mirrors health budget has been critiqued by the Australian Medical Association of Western Australia. It put out its own media release on this budget on Thursday, 10 May 2018. I will read a few points that the AMA made about this budget. First, it states —

WA health is in a holding pattern as the State Government waits for the Sustainable Health Review report ...

Second —

"We've seen an overall cut in the health budget ...

Third —

"The State Government is relying on the SHR to deliver any sort of plan for the future of WA health, yet the interim report of that review has many problems and doesn't augur well for that future," ...

That statement was made by Dr Khorshid, the AMA president. Fourth —

"We badly need a plan for the future of health services in WA. We know that demand will continue to rise ...

Fifth —

"We had great hopes for this Government and health. This has been shown to be a false hope so far. The only real new money in the budget for health has come from the Federal Government ...

Sixth —

"What we need is a proper plan for health across all areas of the service and the State ...

Seventh —

Dr Khorshid said the AMA (WA) was especially concerned about an 83 per cent cut in infrastructure spending between this 2017/18 and 2021/22.

Eighth —

"This is completely unacceptable. Infrastructure is a critical part of planning for proper health services in WA," Dr Khorshid said.

Ninth —

“There is no specific spending outlined for King Edward Memorial Hospital or Graylands Hospital and almost no funding for the future of Royal Perth Hospital.

Tenth —

“For patients turning up at a hospital this budget will mean more pressure, not less.

Eleventh —

“We need a total plan for health that delivers on emergency care and elective surgery, with real increases in spending that will cope with rising demand.

Twelfth —

“Today’s Budget has failed to provide for WA’s health future,” ...

I will say that again because that is an assessment by the president of the AMA of the health budget —

“Today’s Budget has failed to provide for WA’s health future,” ...

We could not possibly get a more damning critique of a health budget than that. That is what we, as an opposition, have had to read through and that is what constituents from all our electorates, regardless of political sides, are now looking at carefully. They are looking at what services have been cut and they are very concerned about the pressure points in the health system because the government is not planning for the future.

The government is also ignoring frontline GP services. One of the reasons the hospital system is under so much pressure is because GP services are not able to capture people before they turn up to an emergency department. There is a reason for that. It is because the government is not addressing the need to increase the number of GP services in Western Australia. A recent article in *The Sunday Times* dated 6 May was titled “PROGNOSIS: DISASTROUS”, “GP shortage makes WA worst State in Oz—and future looks bleak”. The government was getting all these hints for its budget from commentators and stakeholders in the industry. They have been telling the government this since it took office. The Labor Party knew this when it was in opposition. What is the government’s plan? The AMA says that the government does not have a plan. This GP situation is of concern. The article states —

WA HAS a “critical shortage” of GPs that is set to worsen, adding more strain on emergency departments and “poorer health outcomes”.

A new Department of Health report shows there was a shortfall of 534 general practitioners in 2015 and warns the ageing GP workforce is being replaced by millennials who want to work less.

...

The median age of GPs in WA is now 55 and many are facing retirement.

About 500 metropolitan GPs and 134 rural GPs were due to retire by 2021. A shortfall of 774 GPs was expected by then, which would be 974 by 2025.

Where is the plan to sort out the GP situation, which will help alleviate pressure on our emergency departments—a secondary consequence if it fixes that problem? We could not find a plan because it does not exist. Again, lovely press releases went out, telling everybody nice, warm, fluffy, fuzzy things that might make them feel good but when we dig into the issues that really matter, they have been ignored.

The Labor government also committed to a methamphetamine action plan. We heard the Minister for Health today. Maybe he pre-empted that I was getting to my feet today to talk about some of these matters and he thought he would do a pre-emptive strike and say, “Nothing to see here. Everything’s fine.” No, it is not fine. The government committed to this plan. We know how important a methamphetamine action plan is because we know that there are close links to methamphetamine and alcohol and other drugs usage with mental health. It is important that we have a good plan to deal with the meth situation. Earlier today the government targeted the member for Vasse. Part of that methamphetamine action plan involved expanding specialist drug services into rural and regional areas of need and opening two specialised rehabilitation centres, one in the south west and one in the Kimberley. We know that the government said it was going to do that. In the 2017–18 budget, linked to the government’s commitment was the line item “\$18 million from Royalties for Regions ... to expand specialist alcohol and other drug residential rehabilitation services in the South West ...”. What happened after that? We found a press release by the minister dated 10 May 2018, which states —

The shift from a capital build approach to a purchase of services model ...

That promised \$18 million facility is gone, from its first budget to its second. The government got up in this place today and said that it has a methamphetamine action plan, which is to provide 33 beds and other hospitals in

Bunbury and whatever, but that is still not offering what it committed to not only in its methamphetamine action plan but also in its 2017–18 budget. The member for Vasse is saying, “What about my constituents that you made a commitment to?” I managed to get hold of some of her commentary on this. An email from the member for Vasse stated —

“We are in the midst of a meth crisis and this Government has turned its back on our community.

“Providing an additional 33 beds to existing facilities in Bunbury does not meet the needs for support services in Busselton and the surrounding Capes communities, particularly when those effected have no access to transport. Current growth statistics from the ABS show over the next two years the City of Busselton will be the biggest local government area outside the Peel region which underlines the urgent need for support services that are easily accessible for this community.

A local member knows what is going on in her community. She would have been thinking, “Great, this 2017–18 budget—the government’s first budget last year—is going to do something about it.” Now the government has pulled the plug on that one and in a nice little press release, with a bit of smoke and mirrors, it says, “No, nothing to see here. Everything is fine. We are still going ahead with it.” No, it is not. The government has completely scrapped it; it is doing something completely different. It is not good enough.

What about the delivery of health services throughout Western Australia? With the examples that I have provided today to this place, everyone should now be thinking, “What’s happening in my local community? What services are going to be stripped from my community, or not actually committed to at all?” As I said at the start, the delivery of health services is critical to the wellbeing of all Western Australians, and the existing infrastructure must be monitored to see where improvements and expansions are required. That is evident. I have outlined this cut of over \$200 million in this budget, and I have outlined the number of hospitals and facilities that need upgrades. I am not saying this just because I think it is a good idea; I am saying this because there are pressure points on our health system now. The minister and the government do not have to look far to find out; they can just get online and go to the existing system performance targets that are set by the government to assess how the hospitals are going.

One of those systems examples is the four-hour wait times. The Liberal–National government introduced a key performance indicator for four-hour wait times; that is, the percentage of emergency department attendances with a length of episode of four hours or less. The goal is that anyone who turns up at an emergency department is seen within four hours. If that is not achieved, that statistic is recorded. It shows which hospitals are under strain. If they cannot clear people through in four hours, they are under pressure. This statistic is not there to have a go at emergency department staff, who are some of the hardest working and most dedicated professionals in the hospital setting, and they work under pressure situations. We are not at all critiquing the performance of staff; we are simply saying that if they cannot get to a patient within four hours, the workplace that they are in is under pressure, and may be understaffed or may not be big enough to cope. In the year between March 2017 and March 2018 which hospitals’ four-hour wait times actually went a bit backwards, or did not improve? I will read them out: Princess Margaret Hospital for Children, Sir Charles Gairdner Hospital, King Edward Memorial Hospital for Women, Fiona Stanley Hospital, Rockingham General Hospital, Albany Health Campus, Broome Health Campus, Bunbury Hospital, Narrogin Hospital, Nickol Bay Hospital and Northam Health Service. They are only the emergency department statistics. A suite of statistics can be looked at on the website to see how things have changed over the past year—a suite of key performance indicators. That is just one—the emergency departments.

The system will always be under pressure if it is not continuously improved. It will always be under pressure because of one very fundamental truth at the moment in Western Australia; that is, that we have a growing ageing population. If we do not work hard to continuously improve and build the system so that it is fit for purpose, these pressure points will get worse. We have not seen enough in this budget to show us that the government is focused on trying to achieve those advances in health service delivery. This is in the context of an economic and fiscal outlook and the government’s budget that sells a blue sky outlook to the people of Western Australia. People in Western Australia might not feel that it is a blue sky outlook at the moment, but that is what the government is selling with its budget. I will give an example. I refer to page 3 of budget paper No 3, the *Economic and Fiscal Outlook*, which states —

... general government revenue has been revised up by \$2.2 billion over the period 2017–18 to 2020–21 relative to the Mid-year Review, reflecting:

- higher Commonwealth infrastructure grants (up almost \$1.1 billion over the four years to 2020–21, with a further \$129 million in 2021–22);
- mining revenue is projected to be \$1.2 billion higher ...
- higher taxation revenue (up \$112 million) ...
- an upward revision to GST grants (up \$107 million) ...

The budget also shows that economic growth is projected to be equal to or greater than three per cent over the next four years, plus a rising population. The people of Western Australia are hearing from the government that things are going to get better. We have more money coming in—more than ever before—and things are going to get better. But what is the government doing with that extra money, while patting itself on the back for having a good relationship with Canberra? It is not investing in health. When we ask mums and dads, grandparents, young people—any people in Western Australia—what they think they must have as their backup, what has got their back, and what is going to look after them, one thing they will all say is health care. When people are healthy, they might not think of it so much, but if they themselves, or a member of their family has a health problem, or something goes wrong, they very quickly want to get highly effective, world-class health care. That is what this budget fails to do. It fails to address that fundamentally, critically important frontline service of health. It does not, as the Australian Medical Association president outlined in his scathing critique of this budget, set a plan for health for the future. This is this government's second budget. It has another one next year, and one after that, so if it does not fix the health system next year, it means that the government has ignored health, because it certainly has not done enough in this budget. These press releases, which are warm fuzzies, simply will not cut it.

It is absolutely vital that this government reconsider its priorities and stop prancing around cutting ribbons and focusing on big bells and wheels projects that are some time in the never-never, and actually roll up its sleeves, hit the books, work out which of these hospitals need fixing, and how it is going to value add, improve and enhance delivery in the community of health services, not cut them by \$200 million, and not in the context of painting a blue sky picture of the economic outlook for Western Australia. That means that it does not actually care about the health system in Western Australia, which means that it does not care about the people of Western Australia.

MRS L.M. HARVEY (Scarborough — Deputy Leader of the Opposition) [4.48 pm]: I rise to make a contribution to this debate. I would like to draw the attention of members to some of the issues that we have been raising about the cuts to education. As we alluded to yesterday, the education budget is going to be experiencing cuts of about \$234 million. However, as we go further into detail in this budget, that figure is now looking to be more like around \$280 million worth of cuts to the education portfolio, when compared with the last budget. When he was pushed in question time today and yesterday, we heard a lot of obfuscation from the Premier. We heard him skirting around the issue, and when I attempted, with my supplementary question to the Premier today about the education budget cuts, to get him to declare categorically that there were no cuts to essential services, contracts, the Department of Education and other items, he skirted around it and he was not prepared to rule out cuts to the education budget. That is because the truth is that there are cuts to the education budget. At the end of last year, when the government handed down its first budget, we knew that there were cuts to education. We knew that the government would find it difficult to find budget savings measures, as the government likes to call them. They are actually cuts. When we were in government and we called these sorts of savings efficiency dividends or efficiency measures, the then opposition called them cuts. That is what they are—they are cuts to the budget that will impact on frontline services.

The Premier and the Minister for Education and Training need to be honest and live up to the promise of gold-standard transparency that they made to the people of Western Australia in order to be elected. They should tell us where those cuts will come from. They need to be grown up about it. They should not be sneaky, as they were after last year's budget. The minister had to be dragged kicking and screaming, in front of the media, 12 days before Christmas, to put out the garbage and declare where those cuts would come from. Do not do it that way this time. The government should let organisations that have contracts with the Department of Education and Training know about these cuts in advance so that they can prepare themselves and adjust the service delivery of education in this state to accommodate the \$280 million worth of cuts that they will need to find.

I turn now to the performance of the Minister for Education and Training. The Premier did not agree with my assessment of the minister's performance. On 12 April 2017, Ministers Ellery and Saffioti, two staffers and two bureaucrats, went to Sydney for one day to learn about putting a high-rise school in Northbridge. That one day cost the taxpayers of this state \$30 880. How many schools did they visit? Zero! Not one school was visited. That \$31 000 of taxpayers' money was wasted on a junket for those two ministers. I do not know why one minister, and a staffer to take notes, could not have gone to Sydney and come back and told the other minister what they had found out. There seems to be some need for ministers in this government to get about as part of a collective entity.

Dr D.J. Honey: They are a bit lonely!

Mrs L.M. HARVEY: They have a beehive mentality—they think the collective intelligence is better than the intelligence of the individual.

We saw that also most recently, and most outrageously, with the Premier's junket to China. Why on earth could a delegation to China not comprise just the Premier and another minister, or just the Premier and a parliamentary secretary? In November 2017, the Premier went on a delegation to China. That is a neat trick to remember for the

future, members. We should promise the community that if we are elected, we will go to China and hold an education summit, and then have the community elect us and endorse us to go on a junket!

Dr D.J. Honey: It will be Paris next time!

Mrs L.M. HARVEY: Exactly. The delegation comprised the Premier, Mark McGowan, and Hon Sue Ellery, MLC, Minister for Education and Training. It appears that the minister cannot be let loose with her travel arrangements but needs to be chaperoned. Minister Saffioti chaperoned her on her trip to Sydney. The Premier and the Minister for Education and Training were accompanied on this junket by Hon Paul Papalia, MLA; Hon Bill Johnson, MLA; and Hon Pierre Yang, MLC. They were accompanied by 11 ministerial staffers and bureaucrats. The cost of flights was \$119 282. The cost of accommodation and meals was \$118 284; there was a lot of dining. The total cost of that junket—the Chinese delegation—with all those ministers flitting around China, was \$237 566. The government prioritised that expenditure over the \$500 000 that would be required for the necessary refurbishment to keep Moora Residential College open. Some of the students at Moora Residential College are disadvantaged kids from difficult backgrounds. They are frightened to live in a large community. They want to live in a small community that will support them and enable them to obtain their senior school education. The government prioritised that \$237 000 junket to China above putting that money towards the Moora Residential College refurbishment to enable those kids to access education in their local community.

It is interesting that also on that junket to China were the deputy chief of staff to the Premier, and the director of communications to the office of the Premier. Other members of the delegation were the director general of the Department of Jobs, Tourism, Science and Innovation; and also, from that same department, the deputy director general of international education, trade and investment; the country manager for greater China; the principal business development officer and interpreter; and the Chief Scientist of Western Australia. The other members of that delegation were Minister Sue Ellery, as I have said, and her chief of staff; a principal from Rossmoyne Senior High School; the director general of the Department of Training and Workforce Development; and the managing director of North Metropolitan TAFE. The taxpayers of this state paid between \$6 000 and \$10 000 a head for these individuals to have some briefings, collaboration dinners, train rides, round-table collaborations, a collaboration lunch and a media interview. Those were interesting ways in which they could spend their time, but that should not have been at the expense of the kids at Moora Residential College, and certainly not at the expense of the delivery of education services in Western Australia.

I want to go back to some of the other failings in the education portfolio. Members will remember the Perth Modern School backflip. That election commitment was a fiasco—a high-rise building in Northbridge for Perth Modern School. I put it to members that the Minister for Education in the other place, who is struggling desperately, was likely pinged by the consultants who ran the campaign that resulted in the election of this government. They said to the minister, “Hey! We need something from Education and Training. We need you to come up with a couple of ideas for our 100 good ideas.” I reckon the minister was struggling. She said, “Oh, gosh! I don’t think I’ve got too many fresh ideas. What are we going to do? I know! We will build an inner-city high school.” Forget the education department’s well thought out plan to utilise the City Beach high school site and the investment that had been made in Doubleview Primary School and the International School of Western Australia to ensure that there would be a high school in City Beach. What we are getting from people on the government benches is ridiculous class warfare.

The reason the City Beach high school site was chosen was that the growth in student numbers in the western suburbs is forecast to be extensive. The number of students aged between 10 and 19 in the suburbs of Innaloo and Doubleview is forecast to increase by 91 per cent by 2026. That is an additional 1 380 kids aged between 10 and 19. In Scarborough—my patch—with all the redevelopment and the intensification of development at the foreshore, there will be a 132 per cent increase in the number of students aged between 10 and 19. That is 1 480 kids aged 10 to 19 years who now have to travel to Subiaco to go to school. They do not want to travel to Subiaco to go to school. I put it to members in this house that not many families are going to want their kids travelling to Subiaco, because it is a congestion nightmare. Imagine putting a school into the heart of Subiaco when we already have a congestion problem around Perth Modern School. We already have an issue with commuters and traffic congestion on Thomas Street. Why on earth would the government decide to put an additional high school in that space when we have an opportunity for a massive urban regeneration program through that area that could integrate public transport. To try to do a development such as that around an established school will seriously impede our ability to have a successful project. It is a stupid idea.

The City Beach high school idea worked very well and would have allowed students from Innaloo, Doubleview and Scarborough to have a five to 10-minute trip to school instead of a 40-minute bus ride that stops all along the way and drops them into a heavily congested area at Subiaco high school. It is a nonsense. My constituency is outraged. The member for Southern River was in here bleating about the McGowan government’s investment in Doubleview Primary School. He needs a lesson on how to read the budget papers because there is no new investment in Doubleview Primary School. The little portion of money sitting in the budget for Doubleview Primary School is finishing off the final payments on a school that was constructed largely under the

Barnett government. The brand-new primary school has had students in it from the start of this school year and a couple of final payments are to be made to the contractors that built that school. I might add, we are now into May and the minister is refusing to give that school an opening date. I do not know whether the impediments are that it was a Barnett government initiative and it is in my electorate of Scarborough, but the minister is refusing to talk to the P&C and the principal of that primary school and give them an official opening date.

I will fund an opening myself. I have asked the P&C to let me know when it wants an official opening and I will get a delegation of Barnett government former ministers. We will get a plaque made and open the primary school for the community and officially recognise the brand-new Doubleview Primary School—all those students, all those parents, and all those amazing teachers. I am on the board of that primary school and I will fund a community event to acknowledge that fantastic contribution of the Barnett Liberal government to a brand-new school in Doubleview. Doubleview Primary School was well over 50 years old. It was disgraceful. I campaigned for a new school for a long time with Hon Peter Collier from the other place, the minister at the time. I walked into the toilets at Doubleview Primary School and I gagged. I put it to members that there was 50 to 60 years of goodness knows what on the floors of those bathrooms. Thank goodness they have now been knocked down and there is a new school. There was rising damp through the school. The roof continually leaked. There were all sorts of problems with the old school. We are very proud of our brand-new school. My school community want the minister to come out and officially open their primary school. They want some acknowledgement of their taxpayer money being reinvested into an appropriate building for their children to learn in. They want the government to acknowledge how proud they are of that school. They cannot get that hapless minister from the other place to give them a date for an opening. I think that is outrageous. We will hold our own school community event to celebrate the opening and we will invite the minister to come and we will see whether she turns up.

[Member's time extended.]

Mrs L.M. HARVEY: Speaking of Doubleview Primary School, we cannot forget that at the start of the year there was that issue about the potential of lead in the water in schools. We knew that the brand-new Doubleview Primary School needed to be opened for the start of school. We knew that a move was happening over the school holidays to ensure that students could start in their brand-new school on the first day of school this year. What did we find? We found that the minister knew that there was a potential problem with elevated lead levels in the pipes of certain schools, particularly if the water had been lying latent over a long period such as the school holidays. Was the testing for the lead in those schools performed on time? No. In the first three or four days after Doubleview Primary School was opened, the students were provided with bottled water at great expense to the taxpayer because we could not be certain that there was not lead contamination in the pipes. I agree with the actions of the minister in providing fresh clean bottled water, although potentially with some plastic kind of aftertaste. I appreciate that was a good decision, but why on earth was the testing not done in time for the opening of the school year? It is not as though the start of the first school term date for 2018 had not been published. In fact, it had been published on a website about three years in advance. We knew when the students would be there.

Why not get the testing done in time for the start of the school year and avoid any kind of alarm in the community and avoid an issue? That is called managing one's portfolio. This Minister for Education and Training is not terribly adept at that. The Premier's comments on the day were outrageous. Five schools were in the same predicament as Doubleview Primary School and the Premier blamed the bureaucrats and said someone in the bureaucracy needed a good kick up the pants. Quite frankly, if the minister is notified that there might be a problem with lead contamination in the water pipes of schools, she needs to drive her agency to run a testing regime that ensures the government can have the schools open and know that they are lead free. The minister did not drive that project, and it is not good enough to throw the bureaucrats under a bus. If the government is not asking the bureaucrats when they will test in schools, the bureaucrats are busy racing around trying to cope with \$280 million of budget cuts and looking after other activities. That is clearly what happened.

Let us look at the cuts to Schools of the Air announced on 13 December 2017. The funding has been reinstated—thank goodness. The announcement was —

Schools of the Air ... will also close. The School of Isolated Distance Education ... will take over the provision of education services delivered by SOTA. This eliminates duplication.

Thank goodness that was reversed. Who would ever think it was appropriate to close the Schools of the Air? We do not know whether it has been proposed to close the Schools of the Air in this round of budget cuts because the Premier and the minister are silent on that. The minister could not answer a question about the budget on the day that the budget speech was read in by the Treasurer, because apparently she did not know what was in her education budget. She could not answer questions on it even vaguely. She could not answer a simple broad question about whether there have been any cuts to the education budget. That is pretty much a yes–no question. That is not a case for “I better check my notes. I am not sure whether my budget has been cut.” A minister knows whether their budget has been cut and where they need to make savings. They know whether they will make those savings by cutting stationery expenditure for six months, for example. I had to find \$26 million worth of savings with police, so the police started to manage tightly their overtime budget. That was one of the options put to me and I said,

“Yes, do that. Make sure that you don’t impact on the services that police provide to the community, but if you can improve overtime practices and save money, that is a great way to save money. Let’s do that.” That is what the WA Police Force did, and it saved a lot of money doing that. If the minister is communicating appropriately with an agency, the agency will provide options to find savings measures. The minister then has to make a decision about whether it is a politically and economically appropriate saving or whether it will have an adverse effect on their portfolio. Ministers make those decisions, but this minister did not do that. She said, “Yes, okay; put a line through Schools of the Air. None of those kids are in my electorate; that’ll be fine.”

Thankfully, the funding for the gifted and talented program was reinstated. Why on earth would we punish the most intelligent children in our public education system, cut funding to the program and say, “Sorry tall poppies; you don’t deserve additional funding to expand your God-given intelligence. We won’t help facilitate you to become a future leader for Western Australia. We’re just going to cut funding to your program.” We do not know whether that will be cut this year because the minister will not tell us.

We have gone on and on about Moora Residential College, but I still think this government has made a devastatingly drastic decision. Yes, there was a proposal to completely rebuild the college. Those are decisions governments make, as do householders: we make decisions about whether we will refurbish and refit our houses, or build a new one. We as a Liberal–National government decided to build a new Moora Residential College at a cost of around \$7 million. However, there was an option to refurbish it to make it safe for students to continue to reside there. An option is available to this government to refurbish the college for \$500 000. If the government was a bit more prudent about the number of ministers and bureaucrats it sends away on junkets and cut two international trips, it could afford to do that. If it cut two international delegations with a cast of thousands, it could save Moora Residential College. It is a matter of priorities and the government’s priorities are wrong.

The government cut funding for the best and brightest award. Once again, it is too bad for tall poppies. If someone gets to be a top academic student in a particularly subject area in any year, they get the best and brightest award. The Labor government brought it in many years ago. It attracted \$1 000 cash prize for getting the top mark in the school for their subject. Fifty students who win general exhibitions for achieving the best exam results would get \$3 000. That amount for a lot of those students might be the down payment they need to facilitate university entrance, but that has been cut: “Too bad, tall poppies; we do not like people who are smarter than us, and we will not help them expand their intelligence and contribute to the state; we will not give them any encouragement at all; we will just cut that.” That will save \$320 000 a year, so we are punishing the best and brightest students in the state for about the same price as one junket to China. They the wrong priorities.

Tuart College has been closed and no decision has been made about what to do with it. It is an unfortunate turn of events. Program delivery at Canning College will be turned into an overseas fee-paying student facility that focusses on Western Australia’s international education centre. That is very interesting because those student numbers have fallen off a cliff because this government took Western Australia out of the regional sponsored migration scheme. When international students come here, they want to get something out of that international education experience through some form of employment. Taking Western Australia out of the regional sponsored migration scheme affects the entire chain of international students. They like to come here to do the top three years in high school, then go on to either TAFE or university. At the end of it, they want to work for a couple of years before returning home. Those opportunities are not available to international students in Western Australia anymore because the Premier did not understand the importance of that program to international student numbers and is still in denial that it is having an impact. We know that international student numbers in other states have significantly increased and Australia-wide there is growth. But in Western Australia, we are not getting even our per capita share of international students. The number has dropped off the cliff. It was not happening under the previous Barnett Liberal government. We did not get our fair share of international students then and action needed to be taken; however, we are now down to zero, and that has happened on this government’s watch due to the change to the regional sponsored migration scheme. The government needs to reconsider that because the international student strategy is an important part of the tourism strategy and it needs to change.

Landsdale Farm School has gone—too bad!

Mr T.J. Healy: It will be run by another provider.

Mrs L.M. HARVEY: It is too bad for children with disability who needed to be able to interact with animals in the metropolitan area. It has been run by the government because the private sector cannot fund it. The only way the private sector can make that work is by increasing the fees charged to students who attend, or reduce their educational experience. That is the only way the private sector can make a business like Lansdale Farm School stack up. It is an important facility to provide for children with disabilities. Some of them cannot sit for long bus rides to the country to experience what it is like to be on a farm, and I think that is really sad.

Camp schools also are gone. Thousands and thousands of students used to go through those camp schools. Once again, if the private sector could successfully run these schools, they would be running them. The fact remains that

camp schools need subsidising for kids to have that experience. Children need the experience of being away from home in groups like that. It helps to prepare them and provide them with growth and leadership opportunities and all sorts of other experiences.

My time is nearly up. I made reference to the Herdsman Lake Wildlife Centre. That, too, is a really important centre. It provides programs to more than 6 000 students across Western Australia. A major component of it is ancient science. Contemporary science and traditional Aboriginal culture is explored. A lot of people do not understand the importance of Herdsman Lake to Noongar people and that at certain times of the year that lake system was the main food source for the Noongar people. The gilgies, fish and crabs and things that lived in that lake formed a very important food source for the Noongar people. It was a very important meeting place. Now there is no opportunity for children to learn about that. The amount of \$165 000 a year was given to the WA Gould League supporting one teacher and an administration assistant. Once again, all the government needed to do was take one minister, one chief of staff and one bureaucrat off the junket to China and we could have the funding for the Herdsman Lake centre. That is all it would take. Reduce the delegation by five people and fund Herdsman Lake, but those are this government's priorities; those are its choices. The Premier cannot go overseas without a media adviser to make him look great.

DR D.J. HONEY (Cottesloe) [5.18 pm]: As the member for Scarborough and the member for Churchlands have made very clear, this budget is characterised by numerous sleights of hand. It does not tell the whole story. Disturbingly, it does not appear to include costs the government is likely to incur during the forward estimates period. Water charge increases are a regressive tax, and members opposite know this. I am a new starter in this place and gradually learning my new trade. I had some advice from former members in this house, and that advice was to spend time in this Parliament and observe body language. I will admit that I do not have special insight into body language; however, I do not need to be an expert to interpret the body language of members opposite whenever water price increases are discussed. I have observed a couple of things. Members opposite become quieter and quite a good number look embarrassed—and for good reason. As I have said on at least a couple of occasions, I know that a fair number of members opposite really do care about disadvantaged people. The member for Swan Hills and the member for Armadale seemed to show particular interest in this topic when I was speaking yesterday. I know that the member for Swan Hills has heard stories from her parents and knows how hard life can be when families struggle to meet the daily bills. More than most people in this house, she would know how deeply unfair these water charges and other utility charge increases really are. The member for Armadale appears to have a special empathy for people in his electorate who live in social housing. I assume that he led the charge inside the Labor Party in vigorous opposition to the unfair cost burdens these increases would place on the poorest members of his electorate. Most members opposite know that people in their electorates are struggling and are doing it tough. They know that over 100 000 people in Western Australia are unemployed, which is the highest level for 16 years. They know that house prices have dropped and that around 71 000 people in Perth have a mortgage that is greater than the value of their house. They know that 35 per cent of families with mortgages are suffering mortgage stress, with 30 per cent or more of their family income simply committed to paying the mortgage each month. On a daily basis, these people worry that they will lose their family home and their principal asset. Members opposite know that most families have not seen any real wage growth for at least a couple of years and that many are struggling on a weekly basis to make mortgage and other household payments. They know that this financial stress is causing people to make life-altering decisions, such as putting off having children or getting married. Members opposite know that utility price increases will hit the poorest members of our community the hardest. Perhaps some members opposite know what it is like to live in a poor household, especially in the metropolitan area, where the comparison with wealthier people is apparent on a daily basis. The children go without and the parents anguish over it. They do not have an easy choice to make. Every choice is a compromise or a sacrifice. It is damaging at every level, affecting kids' school performance and personal esteem.

Members opposite become quiet and look embarrassed because a great number of them have some awareness of these issues and know that the budgeted water charge increases will cause real hardship and real harm. In every sense the water charge increases are a regressive tax and will have the greatest relative effect on the poorest in the community. In as little as 18 months, water charges have increased by 11.5 per cent, which is around 13 times the rate of inflation. This increase has come on top of a range of other utility charges that hit those who are struggling on a daily basis. These increases are the major factor driving up household expenses. It is not other costs for education or the food they buy, because those costs have typically stagnated or gone down. Utility charge increases are the major cost burden on those poor households and this government has decided to increase them even further. The Labor government is choosing to increase this financial stress.

The water price increases have been dressed up as a way of reducing water consumption and hitting water guzzlers in the so-called wealthy western suburbs, but it will not hit these people. I have done a bit of a calculation and it will be an increase of about \$200 for the so-called water guzzlers, which wealthy households will not notice. However, these increases will hit every family in Perth, particularly large families and those on large blocks, such as people in Armadale, Bassendean, Swan Hills, Belmont, Kalamunda, Wanneroo, Kwinana and Rockingham. If

the government aims to target water guzzlers, these cost increases completely miss the largest water users in Perth—that is, households with bores, who are estimated to use around 730 kilolitres each year on average. Those households typically have the lowest metered water usage at an average of around 140 kilolitres and subsequently pay the lowest metered water rates. Rather than discouraging the largest water users, this budget will reward them relative to families who are paying higher fees. It will punish poorer families who can barely afford to meet basic needs, let alone afford to install a bore. It may seem like good politics to use the term “water guzzlers”, but it is an offensive way of referring to families who have no real options to reduce water usage.

Yesterday we received another lecture from the Premier on respectful behaviour in this house. How about the Premier and Treasurer treat Perth families with respect? Demonising large families and those who live on large residential blocks—more often those who live in poorer areas—is wrong. The Premier and Treasurer should stop the cheap politics and treat these families with the respect and compassion they deserve. It is patently obvious that the McGowan Labor government is not genuinely interested in reducing water consumption. We know this because its own budget papers state the opposite, indicating that water use will rise by two per cent year on year over the forward estimates. The Labor government is simply using the Water Corporation as a cash cow to fund its election commitments. In 2018–19, it will receive nearly \$1 billion in tax and dividends from the Water Corporation. Water is a critical service for the community. It will rise to \$1.24 billion by the end of the forward estimates. That is \$4.4 billion in tax and dividends from the wallets of water consumers, many of whom are families suffering in the most difficult circumstances.

I have listened to the responses from the Minister for Water and others who justify the tax on metropolitan families by saying that they are trying to reduce water consumption. Based on the government’s own forecast, that is clearly untrue. The government has said that it is only doing what the previous government did and that somehow the profit from metropolitan water users should be used to subsidise losses from regional areas. Even the government’s Water Corporation forecasts indicate a two per cent year-on-year increase, not a decrease. This is in spite of the population decrease during this term of government. I have heard a lot of comments about the previous government. I note that members opposite seem to like to live in the past and not take responsibility for the areas that they are responsible for now. The previous government had to cope with a population rise of over half a million people in 10 years. That is almost the population of Tasmania! It had to cope with that increase, not a population decrease. The Liberal–National government did the responsible thing and tried to ensure that we had proper water recovery rates. However, it recognised that we were heading towards over-recovery and commissioned the Economic Regulation Authority to carry out a review of water supply costs and the cost of recovery so that the charges could be adjusted to remedy that over-recovery. This government has had plenty of time to understand the results of the review and act to prevent this tax on families. The figures show that the amount of over-recovery is an average of \$400 for every household in the metropolitan area. The previous government did not over-recover or intend to. That is why it commissioned the ERA study. However, it recognised that over-recovery would occur and it did the homework to identify the inflexion point to ensure that income matched costs for the essential service. The current government cannot use the excuse that it is simply doing what the previous government did to justify further increases. It knows that it is simply taxing metropolitan families. More seriously, stating that it is continuing the practice of the previous government is more than deceptive; it is completely untrue.

We have discussed the issue of cross-subsidy. The subsidy of regional water users is a social responsibility and a social obligation. All previous governments have accepted that, and that social obligations have to come from consolidated revenue. In this budget we see another sleight of hand. That responsibility is being transferred to metropolitan water users and the families already struggling to meet increased utility payments. The budget papers show a total allocation from consolidated revenue of \$312.4 million in 2018–19, which subsequently disappears by 2021–22.

Mr D.J. Kelly: Will you take an interjection, member?

Dr D.J. HONEY: I am happy to hear the comment from the Minister for Water.

Mr D.J. Kelly: You criticise this government for what you describe as over-recovery. You are aware that the price path we have implemented is less than the price path you went to the last election with. On that basis, how can you say that the previous government was trying to remedy this alleged over-recovery?

Dr D.J. HONEY: I thank the minister for that interjection. I thought it was the member for Swan Hills for a moment there. I am happy to answer that question. I can say that with great confidence, minister, because the previous Liberal–National government commissioned a study by the Economic Regulation Authority to determine if there was going to be over-recovery, and its intention was to adjust that down. That is not what this government has done. That subsidy is a social —

Mr D.J. Kelly interjected.

The ACTING SPEAKER: The member has not accepted an interjection now, minister. Go ahead, member.

Dr D.J. HONEY: That report came down in November 2017. That subsidy is a social responsibility and, like other social responsibilities, it is a cost that should be borne by the general community, not hidden inside the budget of the Water Corporation.

Mr D.J. Kelly interjected.

The ACTING SPEAKER: Minister! I can see that Hansard is struggling to hear what is being said, so please can you not all yell, thank you.

Dr D.J. HONEY: In fact, that subsidy is going to be met by metropolitan water users. As I said, members, it will be met by the people whom members opposite claim to represent—the people who are struggling.

We have seen the sleight of hand with royalties for regions. I listen to what people say in this house and I have listened to a number of lectures from the other side around being direct and honest. Why call it royalties for regions? It is quite clear that the government does not see this as royalties for regions in any way that the general public or members in this house have seen it in the past. If we go to the end of the forward estimates for royalties for regions, some 32 per cent will be used purely for paying the regional water subsidy. As pointed out previously by another member on this side of the house, 58 per cent of that money will be allocated to expenditure that currently comes out of consolidated revenue. It is not at all royalties for regions, and members opposite should be upfront about it—they should not pretend. They believed that the royalties for regions program was overly generous. I have heard that a number of times. They think that it should be cut; that is their prerogative. They have obviously made the decision that they cannot afford to support that level of funding—fair enough, that is their decision. But they should own up to it and be up-front and honest.

Members opposite know that these charges are a problem. They know that the request for support from the hardship utility grant scheme went up fivefold. They know that 35 per cent of all households are under mortgage stress. They know that 100 000 people are unemployed and 171 000 people have negative equity in their family home. The government made the cruel-hearted decision to cut the HUGS payments altogether for a period of time and, subsequently, it has been playing sleight of hand with this issue and forcing the Water Corporation to take over that responsibility. The people who have already suffered an enormous increase in charges will have to take over responsibility for subsidising the HUGS payment for water. I guess it is a little harder —

Ms A. Sanderson: Just give us the evidence.

Dr D.J. HONEY: I will give the member the evidence. We saw the great fanfare with which three ministers opposite dressed up the Start Over and Time Assist programs to assist people who are struggling to pay for their water. Who is picking up the cost for that? The Water Corporation is picking up the cost for that. The responsibility previously carried by HUGS is going inside the Water Corporation's budget. We saw a positive message around medical assistance of around 180 kilolitres of free water to reduce the large water costs that these people incur in running their dialysis units.

Mr D.J. Kelly: You are opposed to that.

Dr D.J. HONEY: I said I support that. It is a great initiative. However, I will be very interested to see what happens with the existing programs that are there to support dialysis patients.

It is very clear that the government has failed to address the recommendations of its ERA report because it needs to keep overcharging the people of Perth to fund its unfunded election commitments—its massively increased dividend payments. It is returning 85 per cent of Water Corporation profits to Treasury coffers, which is a critical, vital service for people in the community. Over four years, \$4.4 billion will be taken from the wallets of water consumers. Furthermore, the government is transitioning the funding of the regional operating subsidy from consolidated revenue to royalties for regions. The government is using the provision of a vital service to hold people hostage with massive price hikes that are six times the current inflation rate this year and hurting all families, in particular large families who already struggle with the massive utility hikes in the previous budget. I see that members opposite are laughing. I do not find it amusing that those thousands of families in Perth who are suffering considerable stress and duress will be compelled to meet those costs.

[Member's time extended.]

Dr D.J. HONEY: We have seen a number of changes in the revenue increases as we go forward. This is not just a one-off occurrence but something that goes on and on. We now have massive over-recovery that just gets worse. In the forward estimates, the dividend payment increase for 2018–19 is 8.56 per cent; for 2019–20 it is 6.5 per cent; for 2020–21 it is 5.68 per cent; and for 2021–22 it is 5.68 per cent again. It is a massive tax on families that will only get larger. There are other changes in this budget but the one that causes me greatest concern and that I wish to highlight is the removal of a capital budget for a new major water source. The budget shows a deferral of

\$200 million for a new water source from the 2019–20 to 2021–22 estimates period to some undetermined future date. The assumption that we can defer this investment appears to be extremely optimistic, based on two points that have been made in the budget: that we had an average rainfall year last year and that somehow we will see a dramatic reduction in water usage due to increased charges. The Water Corporation's own forecasts have demand for water increasing by two per cent each year. The deferral of this expenditure appears to be more wishful thinking than any form of prudent planning for the future. As we have already seen this year, we are facing a well below average winter rainfall, and the supposed reduction in water usage from higher charges is pure fantasy. The minister would know that we have had a drying climate trend for the past 30 years and that there is no evidence to show that this trend has reversed. It is extremely difficult to understand how the government can use a single year of average rainfall as part of a justification for deferring this important infrastructure. I saw the Minister for Water's tweet today lamenting the lack of rainfall. Perhaps the minister could institute a non-denominational prayer session to help out. Any prudent government would be making adequate provision for the future supply of water to our city and regional customers by expanding our existing major water sources. It is too late to initiate these projects when we are facing future water shortages. As we have seen in the forecast, the Economic Regulation Authority also notes that people do not respond to price increases in the short term by reducing water consumption. It is even more difficult for large families or those on low incomes to reduce water consumption. The state government has made large unfunded election commitments and is desperate to fund these in any way possible. The method that it has chosen is to use the Water Corporation as a cash cow, a taxation agency to fund unfunded election promises and, along the way, compromising sound management decisions such as proper planning for a new water source.

We see a range of other charges and increases without a detailed explanation, which I assume we will have a chance to evaluate in estimates hearings. We see regulatory fees and fines going from \$23.8 million in 2017–18 to \$33.7 million in 2021–22. We see a reduction in the rural water grants scheme and the elimination of the Water for Food program. I look forward to more detail on that later.

There is a better way for the government to achieve its ends and also not to hit households. That has been highlighted by the member for Vasse. I will, in large part, follow through on a press release that the member for Vasse has put out on this, because it is something that members opposite should take to heart. The member for Vasse pointed out that the excessive hike on water charges has been dishonestly represented as necessary to support regional Western Australian water services, suggesting that hikes of up to 5.5 per cent on households is important to subsidise regional Western Australia. However, the member has pointed out that it is just false. She said that some regional water services may cost more than others but in the interests of efficiency and transparency of Water Corporation charges, the subsidies paid should be published on a regional and town basis, as many simply cannot be justified. Western Australia's two small regional water corporations, Aqwest in Bunbury and Busselton Water, charge less for water than the Water Corporation. They are not subsidised by government at all for the primary supply of water and still return good dividends to government, while the neighbouring town of Dunsborough, whose water is supplied by the Water Corporation, is substantially subsidised by the government, and householders in that town pay more for their water than Bunbury or Busselton consumers. That is true for many small schemes around the state that are in a similar position. The McGowan government continues to ignore the efficiency gains made by smaller suppliers and the positive impact their growth would have on the statewide water supply. If the Minister for Water was serious about regional water efficiency, he would have supported the 2016 Busselton water proposal to supply water to Dunsborough at a cost that would have removed all need for government to subsidise that water service and provided reasonable returns to state coffers as well.

Several members interjected.

The DEPUTY SPEAKER: Members! Minister and member for Vasse, you have a member on their feet. Would you please let him continue.

Dr D.J. HONEY: The Busselton water proposal was rigorously assessed by the previous government as a beneficial and innovative solution to a raft of state budgetary issues and local water problems.

What I do not see in this budget is any serious attempt to challenge the efficiency or lack of efficiency of delivery of water services in this state. That is how members opposite should be achieving their savings, or in fact achieving their improved dividends to government, not hitting the poorest people and families in our state. They should in fact be doing the hard work that is required to realise efficiencies in their own organisations. This is a punishing budget, with fee and charge increases that will hurt the people least able to afford them—the families who get to the end of the year and cannot afford Christmas presents for their kids and the families who cannot afford to buy proper shoes or uniforms for their children—the people members opposite claim to represent. Dressing the fee increases up as some sort of equitable initiative is a sleight of hand; it is deceitful. People who are rich will not notice the fee increases; they will hurt the poorest and the least able to respond, especially large families.

Be honest; the transfer of royalties for regions funding into consolidated revenue through Water Corporation dividends is a cynical ploy. Be honest; be up-front. The government presents itself as honest brokers. Live that value and simply say that the government is cutting the royalties for regions program—that is the truth. Why justify deferring important capital expenditure for a critical next water source with flimsy assumptions? Our climate is still drying and our population will continue to grow. We cannot wait for a water crisis before we make prudent provision for our next water source. To be honest, as I mentioned yesterday, I am a little perplexed by the water portfolio in this budget. This is a misguided budget that hurts the poorest and confuses the provision of a critical basic service with taxation. It is a budget that harms the most vulnerable people whom this government claims to represent. I very much look forward to clarifying this during budget estimates.

MR B.S. WYATT (Victoria Park — Treasurer) [5.47 pm]: In the short amount of time I have left, I will try to respond to the issues raised by members of the opposition. I will deal with one point up-front, because the opposition gets its knickers in a knot about the reality of the \$40.1 billion in net debt that it bequeathed to the incoming government. Opposition members get their knickers in a knot and say, “Hang on a minute, that \$40.1 million in net debt was at the end of the forward estimates. You owed everything from the moment you were elected.” I have said before that I would give members opposite that on one basis and one basis only: if they had left the forward estimates full of operating surpluses, but they did not. They left them full of operating deficits, which means that we have to borrow to cover those. Because of the financial mess that the previous government created, the structural imbalance in the budget that we are going about trying to repair left us with a trajectory of debt, even if we had stood still and made a decision to spend nothing extra on infrastructure. That is why it owns the \$40.1 billion in net debt. I will be very intrigued—not surprised but intrigued—by the disavowing of the forward estimates and this argument today around cuts and the two portfolios discussed, health and education.

I want to remind people in this place of the poisoned pill, if you like, that was left to this government when we came to office in March last year. I want to remind our colleagues on the other side of the chamber that the assumptions in the forward estimates that also assumed growth to \$40.1 billion in net debt also had assumptions buried in there around general savings, unallocated to a thing. They were unallocated to no projects, no capital spend; they are just global assumptions. I want to remind everybody of those assumptions. They were in the 2015–16 budget of the former Liberal–National government. These were the cumulative savings that were assumed through to 2019–20. For the Department of Education, the impact across those four years was a reduction of 1.9 per cent, or \$95 million, unallocated to anything. For the Department of Health, a reduction of 2.6 per cent across those four years, or \$237 million, unallocated to anything. For Western Australia Police, a reduction of 4.4 per cent, or \$63.2 million, unallocated to anything. For the Department of Training and Workforce Development, a reduction of 5.9 per cent, or \$35.2 million. For the Department of Agriculture and Food—this may not surprise people because we have talked about what the National Party did to the agriculture department—a reduction of 6.4 per cent, or \$14.5 million. For the Department of Communities, an eight per cent reduction across the board, nearly \$56 million. For the Department of Corrective Services, the budget that continues to haunt us on the ERC and in cabinet—check this out, members of the opposition—9.6 per cent of assumed savings, nearly \$100 million, allocated to nothing. The then government even assumed that those savings would apply to private contractors with private contracts to look after our prisoners, which we have a contractual obligation to increase each year.

When I became Treasurer, embedded in those forward estimates were these global savings that the former government assumed to cover their backsides in the lead-up to the 2017–18 election that net debt may not be as bad as people otherwise think, even though it was getting to \$40.1 billion. That even assumed ridiculous unallocated global savings provisions. They are what we are trying to achieve now—the then government’s global savings. Members of the opposition stand on their feet and critique that. They did not have the courage to work out where the savings would be but they had the audacity to assume that they would be made and then tried to say that \$40.1 billion had nothing to do with them. I am not sure what the position of the opposition is, whether it is critiquing an overspend or critiquing too small an allocation. The narrative has not yet emerged but it no doubt will in due course.

I am very, very proud of how the health budget is being managed. I am incredibly proud. We tracked along for the term of the current government—8.8 per cent recurrent expenditure every single year, on average. What we are now seeing across the forward estimates with expense growth, across Health, the total cost of services, by 2021–22, will increase by just under five per cent. That is tight. That is a risk to the budget. I do not deny that. The director general, his senior leadership of Health and the minister should be congratulated for that. We should all want the health department to meet those budgets. I found it interesting because I wrote it down when the shadow Minister for Health said, “What are you doing with the money? You’re not investing it in Health.” This is the problem that we have. The mindset is that every time we get more money, we have to spend it straight away somewhere. I do not accept the AMA critique around the generosity of Western Australians, who are the people spending the money. When we are spending \$9 billion—a third of the budget—I do not accept their critique that there is nothing in the budget for Health. I do not accept that. It may be because the AMA got used to the former government simply throwing money around without any thought of efficiencies.

I want to highlight some things. People critique the budget and say that I am not being truthful or honest and that I am doing something by stealth. It is all in the budget. It is all here. Pages 92 and 93 refer to the health budget spend and increase across the board. Importantly, I want my colleagues to read page 93, because it shows the real story of Health. We got out 20 per cent above the national efficient price on Health. The Productivity Commission highlights the fact that in Western Australia all our service delivery is more expensive than any other state in the nation but Health became particularly problematic. The Minister for Health has managed to get that down to 13 per cent across the forward estimates above the national efficient price. That is a monumental effort. If we can deliver on that, that is a monumental effort. The idea of cuts to the health budget, bearing in mind the critique from the shadow Minister for Health, was \$200 million in cuts. I am assuming that he means that expense growth is not growing as fast as he would like. I remind everybody here that the global provision in the budget of the former Liberal–National government assumed saving provision for Health was \$237 million. I have to find a way to deliver that because ultimately the former government never had the courage to identify where that would be.

I turn to Education. The total cost of services in Education increases by 8.74 per cent. It is not as fast as previous days in the former government but it is still growing across the forward estimates. Of course every group in the education sector would like it to increase faster with no limits whatsoever but that is not the world we are in anymore. There is a growth in the education budget, bearing in mind within that I still have to deliver the assumed global savings that was the poison pill of the former government, bedded in its budget of nearly \$95 million. It just assumed that it would magically appear. We have to go about delivering on the former government's assumptions.

I am surprised that the member for Scarborough spent so much time talking about the Premier going to China. I think it is a good thing. I think it is important that the Premier and ministers travel to China. I think it is important that shadow ministers travel to China. I hope they are using their imprest accounts and going to China.

Mr W.J. Johnston: Last year the member for Dawesville asked me to take him to China.

Mr B.S. WYATT: It appears that the member for Dawesville is looking for a ride to China.

Mrs L.M. Harvey interjected.

Mr B.S. WYATT: The size of the delegation was made crystal clear prior to the election. I want to see more of this because every other Premier in the nation is doing this. They are going to India, they are going to China, they are going to Malaysia and they are taking much larger delegations than the Premier took. If we do not take these relationships seriously—the Minister for Asian Engagement can outline this better than I can—how can we hope to establish those relationships? I hope that the Premier continues to take these sorts of trips and takes the sort of groups that we need to take to forge those relationships. I am surprised because ultimately that was a big part of the narrative of the former government, under former leader Colin Barnett—this whole idea of reorienting ourselves into Asia. We are not going to do that by sitting back and not going to Asia.

Mr P.C. Tinley: Yes, talk to your cousins.

Mr B.S. WYATT: That is correct. This is an important part of our election commitments. I am glad we delivered that early and I hope the Premier does that trip again.

Finally, now that the member for Cottesloe has confirmed that he will implement those recommendations from the Economic Regulation Authority, I will get those costed and also the impact on regional water bills because his understanding of history is simply incorrect. The ERA did this report back in 2012. The former government ignored it, and it has done it again. I said even before it put that out that we would be unlikely to implement many of those recommendations. The member said today that he will do so if his party forms government and, in particular, will be going after those Western Australians with bores. So be it. He cannot come in here and on the one hand critique the effort we are making to reduce water consumption and then critique the fact that we are trying to push out the spend for a new water source. It is one or the other. We stopped the increase in consumption. We can do that. The member cannot critique both; it is one or the other. That is the simple reality.

In the last minute I have, I want to deal with one thing relating to the Water Corporation. There has been no change. That is what has been done for a long period. I looked at the dividend increases. The biggest increase in dividend was in 2013–14 compared with 2012–13, with a 33 per cent increase in dividends. I do not recall the former government complaining about that. So be it. Things change. I think the member for Cottesloe will shortly be making a court challenge about the legality of this, and I look forward to that court challenge.

We will not be supporting this motion. I find some of the arguments from the opposition confusing. It is either for increased spending or agin it. I do not quite get where it is heading. I listened closely to the shadow Treasurer today and I still do not understand the overall narrative.

Debate adjourned, pursuant to standing orders.

Sitting suspended from 6.00 to 7.00 pm

Extract from *Hansard*

[ASSEMBLY — Wednesday, 16 May 2018]

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Mr Sean L'Estrange; Mrs Liza Harvey; Dr David Honey; Mr Ben Wyatt
