

ESTIMATES OF REVENUE AND EXPENDITURE

Consideration of Tabled Paper

Resumed from 26 June on the following motion moved by Hon Kate Doust (Parliamentary Secretary) -

That pursuant to standing order 49(1)(c), the Legislative Council take note of tabled paper 2699A-H (2007-08 budget papers), laid upon the table of the house on 10 May 2007.

HON KEN BASTON (Mining and Pastoral) [5.45 pm]: I wish to add my comments to the debate on the 2007-08 budget papers. At page 47 of budget paper No 2, under Legislative Council, the first dot point under "Major Initiatives For 2007-08" states -

The introduction of an awareness program to promote to the public of Western Australia the roles and functions of the Legislative Council and its committees.

I am very pleased about that, because in the short time that I have been a member of the Legislative Council, it has become blatantly clear to me that not many people know about, and understand, the role that is played by this house. In fact, when I first came into this Parliament, I came across a group of schoolchildren who were visiting the Parliament, and one of the parliamentary education officers was explaining to them that they would not know many of the members of this house. I thought that was very interesting. Perhaps that is because the members of this house do not perform as though they are in a theatre, as do the members of the other place. I believe that the role of this house needs to be explained to the public. To put it very simply, a bill is introduced into the Parliament. If that bill is passed by both houses of the Parliament, it becomes an act, and it then becomes law for judges and magistrates to rule upon. This house plays an essential role in enacting that law. People do not differentiate between a lower house member and an upper house member. That is the case particularly in the area that I represent, the Mining and Pastoral Region. I therefore welcome that initiative, and I hope that the amount of funding that has been allocated to that initiative is adequate. I did notice, incidentally, that there is a large differentiation between the budgets for the two houses.

The budget speech that was delivered by Hon Kate Doust, as parliamentary secretary representing the Treasurer, states that Western Australia is thriving. Of course that is the case. Western Australia generates more than one-third of the nation's total exports. That is due to the buoyant resource sector and strong commodity prices. Page 222 of budget paper No 2 states that China has taken over from Japan as Western Australia's leading export destination. In 2006, Western Australian exports to Japan were worth \$11.6 billion, and exports to China were worth \$11.8 billion. That can be compared with the situation in 2005, when Western Australian exports to Japan were worth \$10 billion, and exports to China were worth \$8.6 billion. That is a result of the rapid expansion that has taken place in China. Western Australian exports grew from \$43.6 billion in 2005 to \$54.8 billion in 2006. Over that same period, imports grew from \$15.2 billion to \$21.7 billion. That increase in imports is understandable, because the buoyant resource sector has led to the need for more mining infrastructure such as trucks and machinery. That still gives Western Australia a very much improved balance of trade.

One of the concerns that I noted from looking at the budget papers is that Western Australia's share of exploration expenditure declined from 65 per cent in 1998 to 48 per cent in 2006. Why is this? I cannot find anything in the budget that explains that. One wonders whether too many hurdles are being put in the way of exploration in this state. Do we have too much red tape? Why has it shifted to other states? I believe that we need to be aware of those answers because our resource sector is only as good as our exploration for the future mines that will be developed.

I noted with interest the royalties of the resource sector on page 33 of budget paper No 3. I only picked out two of the royalties. The two major ones are iron ore and nickel. It was very interesting to look at those figures. The figures for iron ore show that in 2005-06 the actual was \$722 million, the estimate actual for 2006-07 was \$94 million and the budget estimate for 2007-08 is \$1.144 billion. That is just for iron ore. That is half the surplus in iron ore that is being mooted for the end of this financial year. That is an enormous amount of funds from royalties for iron ore. Nickel, on the other hand, is a product that has had a rapid rise as well. From 2005-06 the actual was \$93 million, the estimate actual in 2006-07 - that is, the end of the financial year - was \$213 million, and the budget estimate for 2007-08 is \$263 million. We have gone from \$93 million in 2005-06 to \$263 million in 2007-08, an incredible rise in mining royalties. No wonder our state is buoyant with funds. Taking in all minerals, mining revenue is expected to be 22 per cent higher than 2005-06.

I will move to the fifth dot point on page 254 of budget paper No 2 under the Department of Agriculture and Food. I noted with interest that Western Australia currently exports \$4.2 billion worth of agriculture products, being 40 per cent of Australia's grain exports; 25 per cent of the Australian wool clip, not that I am sure how big that is these days, having grown wool all my life, but that is another sad story; 14 per cent of the world's fine apparel wool; 31 per cent of Australia's vegetable exports, a very important percentage of Australia's vegetable exports but I will allude to that further on in my speech; and 60 per cent of Australia's live animal exports. That

shows the importance of the Australian live animal exports to Western Australia. I might add that 60 per cent of Australia's live animal exports go to Indonesia and Malaysia. The northern sector of Western Australia very much hinges on the outcome of that live export trade, and is very important.

The agriculture and food section of the *Budget Statements* states that carbon trading will support agriculture. Many pastoralists with pastoral leases have said that carbon trading is the way to go in the future. When I attended a meeting at Mt Magnet, I asked the Perth-based chairman of the Pastoral Lands Board, who owns the right on pastoral leases for carbon trading, bearing in mind that a pastoral lease is owned by the government and leased to a landholder for pastoral and grazing purposes. He could not answer my question. That is something that we will have to investigate in the future. Some people praise carbon trading; however, I do not know whether it is the answer for pastoral rangelands.

Hon Kim Chance: It is an interesting question in respect of not only carbon rights, but also sandalwood rights, because a pastoralist goes out of his or her way to improve the sandalwood. We need to find a way to encourage them to do that.

Hon KEN BASTON: As the Minister for Agriculture and Food well knows, that is something over which the Gascoyne-Murchison Strategy battled, but it did not get anywhere. If we are going to encourage pastoralists to look after the rangelands, we need to think of incentives for there to be a trade-off. The minister raised an important point. One could also refer to the collection of seed from pastoral properties.

Talking of pastoral leases, the capital works program on page 276 of the *Budget Statements* refers to \$700 000 being spent on the bait production unit. I presume that that money will be used to control wild dogs and other feral animals. I saw somewhere else in the budget that whatever the bait production unit produces, the cost will be claimed back in collecting at cost the baits that are sold.

Hon Kim Chance: It is a business unit.

Hon KEN BASTON: I was disappointed when I could not find any reference to a rangelands council, which was an initiative in last year's budget. Does funding for that initiative still exist, or has it fallen off the bandwagon?

Hon Kim Chance: It is a Department for Planning and Infrastructure matter, not an agriculture matter.

Hon KEN BASTON: I could not find reference to it anywhere in the *Budget Statements*.

I turn to the towns in my electorate. I deliberately began my speech by referring to the value of agriculture to the state, because it relates to the first town that I want to allude to - namely, Kununurra. Having recently visited Kununurra, I want to raise some of the issues that exist in that town. It would be pertinent for me to advise the house of the amount of water contained in the Ord River dam and Lake Argyle. When Lake Argyle is full, it holds 10 700 gegalitres. The diversion dam, which is the main dam down the river, holds another 101 gegalitres. The current volume committed to irrigation is eight per cent. There is a 90 per cent reliability of filling that dam, although that rate is probably a bit higher given the recent record rains of some 100 millimetres. When I was in Kununurra last week, it was very boggy indeed. Going back to that 10 700 gegalitres, the state is prepared to build a desalination plant that will produce 45 gegalitres. The second desalination plant will cost \$1 billion by the time it is built. That tells us about the value of that water, which is very important for people to understand. A hydropower station is based on Lake Argyle dam, which produces 60 megawatts of hydropower. I understand that the station is privately run and owned. I was told some time ago - I cannot remember the exact figure - that that station produces some of the cheapest power in Western Australia, if not Australia.

Sitting suspended from 6.00 to 7.30 pm

Hon KEN BASTON: Before the dinner break, I was alluding to the quantity of water in the Argyle Dam on the Ord River. The dam was built in 1972, and I believe it cost in the order of \$22 million. Of course, that does not sound like a lot of money today. As \$22 million was spent building the dam in 1972, we now have a huge asset and huge equity in that dam. Later I will allude to the infrastructure that is needed for the dam, but it will probably fade into insignificance as a percentage of that equity.

Some interesting crops are being produced at Kununurra. I have some 2004 wet season and 2005 dry season figures from the Western Australian government Department of Agriculture and Food. Many members are aware of some of the crops that are grown in the region. There were 4 132 hectares of sugar cane planted, and there were 40 hectares of cotton planted at the research centre. Another crop that was planted was chick peas. Six hundred and fifty-one hectares of sorghum and grain forage were planted and harvested. Of course, there is horticulture in the region. Rockmelons were planted over some 472 hectares, and honeydews, watermelons, mangoes and Jarrahdale, butternut and Japanese pumpkins were also planted.

Hon Kate Doust: I just had a feeling of *deja vu*.

Hon KEN BASTON: I started this speech, Hon Kate Doust, by referring to the value of agriculture to Western Australia and the important part that this area plays in that.

There were a lot of very disappointed people in Kununurra. I asked a question in the house yesterday of the Minister for State Development about whether the 10 proponents know that the Ord River development will not go ahead because the government is waiting on federal funding. There is a flow-on effect. People have bought trucks. The agricultural opportunities in the town have opened up the area. There are roads, airstrips, tourist facilities, hotels, caravan parks etc. Those people are extremely disappointed. I met with the President of the Shire of Wyndham East Kimberley and he informed me that the shire made a decision to contribute \$50 000 to a campaign to lobby the government on this issue. A press release issued on 11 June by the shire president, Michelle Pucci, and the chief executive officer, Peter Stubbs, states -

Cr Pucci said "State Treasurer Eric Ripper has personally driven through the Ord Final Agreement on Native Title, -

I commend this government for achieving that native title agreement. However, I question whether it will still apply subject to the outcome of federal funding to link the Northern Territory into that area. The press release continues -

paving the way for sustainable development in the region, but seems to have lost his way on Ord Stage 2.

A very good article was published in *The West Australian* on Monday, 4 June 2007, under the headline "Complacency threatens Ord's prospects of huge growth". It states -

It does not take much vision to predict that the region, with its abundance of water and soil, has a massive future as a food bowl for the nation and our Asian neighbours, provided that there is a genuine official commitment to its development.

By coincidence, the problems at the Ord came to light last week as previously unseen Cabinet records from 1976 were released. These served as a timely reminder of the efforts of the government of the time, led by Sir Charles Court, to realise WA's huge economic potential. Sir Charles showed that it is not enough to have good ideas and intentions.

These have to be reinforced by perseverance and relentless drive. He also showed that government can be a real force in securing the type of development on which continuing prosperity can be built.

Of course, Sir Charles Court was the main driver of the iron ore industry and the North West Shelf gas project, which I mentioned in my opening remarks when I referred to the reason that we have the funding we do today. The information I have is that infrastructure of approximately \$100 million will be required for the Ord stage 2 development.

I will briefly touch on the sugar cane saga, which is still at the negotiation stage. It became very clear to me at a meeting I had with one of the bigger growers that the mill was always a pilot mill. One grower said that the sugar from that mill is low yielding, but the molasses is well above world standard. The mill is not as efficient as it should be and it never will be in its current form. The second stage of that mill must proceed; however, that will happen only if there is economy of scale.

I urge this government not to wait for a task force report. I attended a Kimberley economic forum in Broome at which Senator Bill Heffernan spoke. I came away from that forum thinking that the proposed task force would take two years to establish before it would be in a position to consult with anybody. It would probably be three years before we would see the result of that task force. If Western Australia is tied in with the Northern Territory for federal funding, we will be waiting a long time and an opportunity that should have been taken up by this government will be lost.

While I am on the subject of Kununurra, I allude to the fact that until the issue of native title is cleared, there will be a shortage of land for housing. That may be alleviated if Ord stage 2 is knocked on the head, but who knows? That is a quite concerning matter. To make land available for housing in Kununurra, it is important to carry out the land clearing and roadworks etc at the correct time of the year because of the wet season. I have alluded to that in a previous speech I made to the chamber. The Environmental Protection Authority approval for Ord stage 2 runs out in 2012, after which time we will have to go through the process again.

Another issue that was raised with me regards a question I asked about the Marsden report that was released in 2004. I believe that that report has never been publicly released. That report alluded to the necessity for infrastructure to be part of Ord stage 2. The problem with the sugar mill in Kununurra is severely disappointing to the people of that town. When I was there three or four weeks ago the people were bubbling and excited, but when I visited it again last week they had their chins down. One fellow who had won the contract to cart sugar

from the sugar mill had just bought new trucks. I commend the government for providing some \$3 million if there is to be a clean-up.

Hon Kim Chance: It actually peaks at \$4 million.

Hon KEN BASTON: That will obviously be a very costly exercise. It will probably take two years to get rid of the sugar cane.

Hon Kim Chance: We hope that that might not be necessary.

Hon KEN BASTON: I sincerely hope that the minister is correct.

Hon Kim Chance: We are in discussions as we speak between the growers and C.J. I just spoke to Ian Longson a moment ago.

Hon KEN BASTON: I sincerely hope that a successful outcome is achieved. I know nothing about growing sugar cane but I picked up on some issues when I was in Kununurra the other day. The Minister for State Development alluded to the fact that there is plenty of land in Kununurra to grow sugar cane, which is correct. However, it is of paramount importance for horticulturalists to diversify their crops. I have not been a horticulturalist, but I know that they must have more than one string to their bow. It looks like this year's sugar cane harvest might be a bumper harvest.

Hon Kim Chance: At very low prices.

Hon KEN BASTON: Unfortunately, it will be sold at a very low price, but that is the nature of agriculture. When the prices are high we do not have the product and vice versa. On 22 June 2007 on the Radio National Breakfast program, Chris Smith from Cambridge University was interviewed. He said that scientists have found a new sugar-based fuel called DMF that could be used in the future as an effective replacement for petrol and is supposed to be much cheaper than ethanol. I will not read the entire interview, suffice to say that it could be a quite exciting future for the sugar industry. There are also opportunities to develop bioplastics and biofuels.

The issue of roads is an everlasting issue in the Mining and Pastoral Region. I recently visited a new mine site out at Roy Hill, about 120 kilometres out of Newman. It is a Hancock Prospecting new exploration area. It looks as though it has quite exciting prospects for the future. The proponents are talking about a billion tonnes of iron ore in that area. However, some four weeks ago I travelled the road that runs from Newman through to Nullagine and Marble Bar. I must say what an excellent road it would be if it were sealed. I noticed that Hon Norman Moore asked a question during the estimates hearings whether there were any plans to have the road sealed, and the answer was no. I have since travelled on that road again and I could not help notice that the stretch of road to the mine on the other side of Roy Hill has deteriorated at an incredible rate. Fortescue Metals, Bonny Creek and I know cattle properties are in that area and that tourists visit it. We asked whether any traffic counts had been done on that road. My staff obtained a letter from Rob Giles, chief of staff of the Minister for Planning and Infrastructure, which indicated what the figures are. It was interesting that the letter referred to the part of the road "from Marble Bar to Newman". Members who have driven that road know that no self-respecting truck driver would drive his truck on the road from Nullagine to Marble Bar because the road contains too many sharp ditches for an articulated vehicle to drive over. The figures were interesting because they indicated that an average of 60 vehicles a day used the road between October 2005 and August 2006. Most people will know that the Main Roads standard for requiring a road to be sealed is use by 70 vehicles a day. I studied the classes of vehicles that travelled during that period and 76.4 per cent were class 1 vehicles, which are the normal four-wheel drive or "short vehicles" as they are called. The next rating was class 3, which is the normal bobtail truck. If the road were sealed, it would provide a much shorter route for road trains. At present people must travel from Newman to Port Hedland and come back down around to use the bitumen sealed road from Port Hedland to Marble Bar and out to the various mines such as Telfer etc. If the road were sealed through to join the Marble Bar road, it would also provide access through to the Kimberley further north. I believe that badly needs doing. In the meantime, one of the problems on that road for cars, trucks etc, especially on the early stages of the road from Newman to Nullagine where the mines operate, is the Fortescue River crossing. It is a one-lane crossing, but the bridge is in a hollow and there is no sealed section at either side of the bridge. I am talking about simple measures that could be taken to create some form of safety on those roads. At present, they are extremely dangerous.

One of the other main roads I have spoken about previously is the New Norcia to Wubin road, which needs urgent attention. I acknowledge that money has been spent on it and funds have been allocated so that a whole section of the road can be repaired at once. However, it basically needs widening so that road trains can pass each other with ease and safety. At present, road trains have very little distance between them when they pass each other. That road is the main artery to the resources of the north. It is the fundraiser of the nation, and the area of Western Australia that produces a third of the wealth of the nation. I noticed in the budget that \$48 million has been allocated to the black spot program for 2007-08. I look forward to seeing where that money will be spent. I believe that will come up on the website soon. I note local government has a role in

identifying black spots. The one I just mentioned, Fortescue River crossing, is extremely dangerous. I also note the Tom Price-Karratha road will get further funding to seal 115 kilometres. A question was asked in the estimates hearing about that matter. I noted there was no further funding. The member for Burrup at the time said that if he did not get that road sealed in the first four years, he would resign. He is still there, but he is the member for North West Coastal now, not the member for Burrup. The truck bay stops and 24-hour rest stops are important safety features on that road. A problem occurs during the tourist season when caravans pull into the truck bays and do not leave enough room for the road trains to pull in. The truck bays are very important for safety, bearing in mind that many road trains travel mainly at night and if the drivers are stressed and tired, they need those spaces to pull up and rest.

Another road I wish to mention is the North West Coastal Highway to Coral Bay Road, which is a narrow ribbon strip road. I will not go into detail about that tonight. A media release was put out on 18 June - Hon Vince Catania was asking about it during the dinner break - by Minister Ford and Minister Kim Chance with regard to Mt Augustus and the Gascoyne region receiving a boost for development. I commend the government for this and I look forward to seeing what the committee comes up with. Mt Augustus is the biggest monolith in the Southern Hemisphere and a fantastic tourist icon. In future, I would like to see that road to Mt Augustus completely sealed and then sealed down through the middle or across to Meekatharra. It would make an excellent tourist destination. Something more than a caravan park is needed out there, such as a resort of some nature so that the people who go there can stay and explore and climb that rock. I have only climbed Mt Augustus once, and it is quite a feat.

I wish to raise some other issues. There are still issues with the Carnarvon courthouse, the power station, and Coral Bay boat ramp, which I believe is going ahead now that the rubbish tip saga has been sorted out. It will be interesting to see how Coral Bay continues to develop. There is a land issue on the coastal strip up there. I will look with interest to see how it will be managed, bearing in mind that two kilometres of coastal strip at Gnaraloo, which is about 90 kilometres north of Carnarvon, has been handed back in exchange for the 21-year leases on the tourist nodes at Three Mile Camp and Gnaraloo homestead. There is a strip of land there that runs right through to Warroora station, which is north of Gnaraloo, and which is a magnificent piece of coastline. I am concerned about whether the Department of Environment and Conservation or the Department of Planning and Infrastructure will manage that. It will be very important to manage that property because it has not had open access in the past due to a pastoral leaseholder being there. It is virtually one of the last pieces of coastline that has been protected. My fear is that because it will suddenly become so-called government land, everyone will believe that they have a right to camp there. It is another management problem that has been created.

At Quobba, which is further south, a management agreement has been in place under which the pastoral leaseholder cares for and manages that strip of land and has a form of grazing right as well. I believe Warroora and Ningaloo Stations have kept their two-kilometre strips. It will be interesting to see what happens in 2015 when those pastoral leases run out.

I notice from the budget papers that the government has implemented an electronic land development program, at a cost of \$21.1 million over four years, to streamline the land approvals process. That will operate 24 hours a day, seven days a week. That will be an absolutely fantastic program.

Just in case the budget surplus is not all spent elsewhere, and some money is left over, I want to raise some issues that are very important in the north of the state. There is a pressing need for a safe boat harbour in Broome. That will need to be both federally and state funded. It will need to be large enough to take boats up to 50 metres in size, as well as small customs patrol vessels. It will also need to be built with locks to allow for the variations in the tides in that area. I visited Dampier recently. It surprised me to learn that a safe boat harbour is also very much on the agenda in Dampier for people with pleasure boats, and also for people with yachts who are sailing around Australia or the world. The problem is that the amount of protection that is available for small craft during a cyclone in those areas is very limited.

I have talked about the disaster that occurred recently in Newman because of the cyclone. Newman urgently needs a weather radar system so that it is not caught unaware when a cyclone turns and heads inland. This is, again, an issue that will probably require federal as well as state funding. There is a weather radar at Port Hedland. However, weather radars have a range of only 260 kilometres. The next weather radar down the coast is at either Learmonth or Carnarvon. Newman certainly needs a better cyclone warning system, because a large number of people are involved in the huge iron ore projects in that area, and they need to be protected.

I commend the state government for increasing the threshold for the stamp duty concession for first home owners to \$500 000. Unfortunately in some of the northern towns it is very difficult to find a house for \$500 000. The median house price in Broome is now over \$600 000.

Hon Nigel Hallett: That should also be the case for seniors who want to downsize their home. They should also get a concession if they are under that \$500 000 price bracket.

Hon KEN BASTON: That is a very good point. I agree that we should be looking at a stamp duty concession at the other end of the spectrum as well. We basically have people who are starting out in life and are having a family, and people who are at the other end of life and are retiring. In a paper that I read recently, an economist pointed out that stamp duty leads to inflation in the price of a house. People tend to hang onto their homes because of the additional burden of stamp duty. Stamp duty is also very much a cost on the mobility of labour. The mobility of labour is of paramount importance during this resource boom in Western Australia. A person in the city who wants to work in a regional area probably thinks that if he sells his house, he will need to pay stamp duty, so he may as well just fly in and fly out and not live in that regional area. It is time the government considered also providing a stamp duty concession for retirees for their principal place of residence. That would be no different from the situation in the stock market, where capital gains tax applies to the sale of shares. However, homeowners are not required to pay capital gains tax on the sale of their home. Stamp duty is a state tax. It is in the interest of the state to keep the prices of homes down when it can. That may occur with the release of land or whatever.

We are very fortunate to live in this state. There are obviously many things that we can spend money on. On a light-hearted note, I know that Kununurra has always looked for a barramundi ladder so that the fish can swim upstream to Lake Kununurra. I noticed an article in *The West Australian* on 2 June showing the conceptual layout of a lock fishway. I am not sure whether funding has been approved for that. The minister may be able to tell me. It was to be funded by the Department of Water and the Department of Fisheries.

Hon Kim Chance: I believe it is. I believe I heard somewhere that it was, although it's not my portfolio.

Hon KEN BASTON: I was trying to read between the lines and wondering whether the funding was available. The concept is certainly there. It would open up tourism in that area. It would be fantastic. I did a trip up that river the other day. I could just imagine someone on a houseboat with a line out catching barramundi, having it grilled at night and washing down any bones with a small vintage wine from the southern region of the honourable member sitting at the back.

I will conclude my speech by making an interesting point. I alluded to the powerhouse in Carnarvon. In making decisions for the future and climate change, I noticed that there was a prospect of towns such as Carnarvon, Exmouth, Geraldton, Bunbury and Broome having a geothermal future. Maybe that is what is holding up the \$10 million powerhouse in Carnarvon. It will not happen for another two years. Unfortunately, residents will suffer in the meantime with the lack of power while waiting for the geothermal of the future.

I wish to raise the issue of elective surgery waiting lists. I had a patient in Carnarvon who was on a waiting list. If a person is waiting for an appointment, that means he or she is not actually on the waiting list. If we took into account the number of people waiting for appointments, how long would the waiting list be? This gentleman from Carnarvon waited over 12 months for a double hip replacement. He had surgery cancelled three times before his operation. He was on crutches and in great pain. It is probably the first time that I have experienced the waiting lists of hospitals as I aided him to try to get through. I will not say any more, except that I will wait and look with interest. Talking about hospitals, I am a little disappointed that we have had an attitude of quarantining \$1.09 billion and saying that we will pay for the Fiona Stanley Hospital in cash. An asset of that size would normally take half that funding or some of that funding would be borrowed over a long period because it is a huge asset. One could easily see how some of that capital could be freed up. The railway line was done in the same way. If I can use some words of the people of Kununurra, "We only want a little of the overrun of what the projects in the city cost."

HON DONNA FARAGHER (East Metropolitan) [8.05 pm]: In noting the tabled papers, I will reflect on a couple of particular issues relating to the East Metropolitan Region, and also on some issues that relate to my shadow portfolio responsibilities, particularly the drug abuse strategy portfolio. Before doing so, I want to reflect for a moment on the enormous revenue windfall this government enjoys, not only as a result of the mining boom, but also through record levels of taxation. The government has collected billions of dollars in taxes derived from record stamp duty collections, fees, charges and other taxes. Just last week it was revealed that the government surplus is already \$240 million more than projected in the state budget, with two months of the financial year still to go. However, have we seen any real measurable improvement in the lives of Western Australians? For some, yes, but for many, no. We have seen public service blow-outs, delays in critical infrastructure, teacher and police shortages and hospital meltdowns. For example, on page 17 of the *Sunday Times* of 1 April, an article entitled "Year's wait for 30min surgery" was published. It reads -

An eight-year-old boy has lost hearing capacity while waiting nearly a year for simple ear surgery.

Kyle Inglis has had two operations cancelled since he was diagnosed with a tumour in his left ear last June, while Health Minister Jim McGinty boasts about how surgery waiting lists are at record lows.

The Wambro boy is one of nearly 1000 WA children waiting up to 642 days for ear, nose and throat operations.

It is outrageous that nearly 1 000 children in this state have to wait nearly two years for an operation that takes about 30 minutes. It is just not good enough. We also see continual disasters in our education sector, from the need for fly in, fly out teachers to dozens of classes without teachers earlier this year. We also see various reports of emergency patients waiting for hours for beds in emergency departments. An opinion piece by Tony Rutherford in *The West Australian* on 7 March highlights this fact. It reads -

The question is whether the Carpenter Government has what it takes to get results in education or, for that matter, in any other field of public service provision.

A quite astonishing statement uttered during the height of the Corruption and Crime Commission furore was from the Premier himself, who expressed his disappointment that the controversy was distracting from his Government's proud record of six years of reform.

Most observers would be forgiven if they were to choke a little on this. Seriously dysfunctional education and health systems are hardly anything much to be proud of, and if the Premier and his ministers cannot see that, then there is something seriously amiss.

If we consider some issues affecting the East Metropolitan Region, we see some further examples. I note in the budget papers that the upgrade of Middle Swan Road is expected to commence in 2008. This is a very welcome upgrade; this road is notorious for both congestion and accidents. The upgrade must occur as soon as possible. In saying that, I remain very disappointed that the government continues to ignore the requests of the City of Swan and the local community to expand Reid Highway from two to four lanes between West Swan Road and Beechboro Road. It saddens me in speaking to this year's budget papers to reflect that in my contribution to last year's debate I highlighted the fact that there had been 312 crashes, including six fatalities, along this stretch of road between 2001 and 2005.

One year on, the state government has failed to commit to an expansion of this section. The latest figures show that for the five-year period to 31 December 2006, there have been 352 crashes, four of which were fatal, 10 of which required hospital attention and 55 of which required medical attention. Tragically, these figures do not account for another death on that road just last month. I ask: how many more accidents and deaths will it take on that section of road before the government does something about it? Quite frankly, it is not good enough. Within that section of road there is also the Lord Street-Reid Highway intersection. Again, members of the local community have been calling for the government to install traffic lights at that intersection. In response to a question I asked of the Minister for Planning and Infrastructure in this place last year, I was told that that intersection was considered to be a low priority for the installation of traffic lights. If that is the case, I draw the government's attention to the fact that this very intersection was identified as Perth's seventh worst traffic hot spot in the Redspot survey recently conducted by the Royal Automobile Club. Indeed, it is one of nine intersections in the east metropolitan community that have been identified as traffic hot spots. The others include the Great Eastern Highway-Roe Highway intersection in Bellevue, which I will come back to shortly; the Great Eastern Highway-Hardey Road intersection in Glen Forrest; and the Great Northern Highway-West Swan Road intersection in West Swan. It remains my very strong view that the government should upgrade Reid Highway to include a dual carriageway between West Swan Road and Beechboro Road, with lights at Lord Street, in conjunction with the Middle Swan Road upgrade. The expansion of this section of Reid Highway is a high priority to the 20 000-odd people who travel along this stretch of road daily. If the government stops the upgrade at West Swan Road, it will be doing only half the job. I also briefly mentioned the hot spot between Great Eastern Highway and Roe Highway. This intersection is a notorious black spot. It is ranked seventeenth on a crash frequency index of all intersections in the metropolitan area and twentieth on a crash frequency index of all intersections in the state. Under the most recent AusLink funding agreement, this intersection was identified for upgrade. The upgrade will involve a new bridge, on-off ramps and a clover leaf off-ramp to eliminate long queues of traffic that travel northbound on Roe Highway and turn onto Great Eastern Highway. Funding was provided by the Australian government to the tune of \$22.4 million. The estimated total cost is \$28 million. The AusLink website states that planning will be completed in 2006-07 and that construction is expected to start in 2007-08. What have we seen? We have seen nothing. According the Budget Statements, the cost has now blown out to almost \$70 million in just one year. The state government has contributed nothing and the Minister for Planning and Infrastructure has asked that the project be delayed post AusLink 2 which, I understand, will not commence until 2009-10. The end result is yet another delay. Delays and cost blow-outs are second nature to this government. I foreshadow that we will never see that interchange upgrade during the life of this government. It should be ashamed. It is a terrible intersection and it is outrageous that, given the funds that it has at its disposal, the government has failed to make a commitment to upgrade that intersection.

I turn to the issue of power. I note in the Budget Statements that \$761 million will be spent on Western Power's capital works program. I acknowledge that the government is belatedly doing some work to fix power problems in the hills area. However, I place on record that it is totally unacceptable that with all the money available to this government that it still cannot assure reliable power to people whether they live in Gidgegannup,

Bassendean, Southern River or any other suburb or township for that matter. Residents and small business owners in Gidgegannup, Chidlow, Stoneville and surrounding areas experienced 158 network outages in one 12-month period. Of those outages, 35 were caused by equipment failure and 62 were planned by Western Power so it could carry out maintenance and upgrade work. That is completely unacceptable. The high frequency of power disruptions obviously has a flow-on effect throughout the entire community from the loss of business to heightened health and safety concerns, let alone general inconvenience. Many members of the local community have also raised with me the continually low and often fluctuating high voltages, which obviously cause damage to various electrical equipment ranging from home computers to microwaves and other kitchen appliances. That might be all very good for Harvey Norman, which gains from people having to come in and buy new microwaves. It is certainly not good for people who have to continually deal with high voltage changes. Power is an essential service. Quite rightly, the community expects that service. It is the responsibility of this government to do all it can to rectify problems as soon as they become apparent.

I now turn to some issues pertaining to my shadow portfolio responsibility of drug abuse strategy. The most recent national household survey undertaken by the Australian Institute of Health and Welfare found that more than 2.5 million Australians aged 14 years and over had used an illegal drug. That equates to around one in seven Australians using an illicit drug in the past 12 months. One in nine Australians have used cannabis, with one in six of them using it every day. If we look at other statistics, we find that Western Australia has the unenviable record of being the speed state of the nation. There are approximately 4 500 emergency department presentations across Perth and 460 mental health admissions to hospitals due to amphetamine use every year. When we look at the budget papers we see some general comments with respect to drug and alcohol services. I have to say that I am continually disappointed in the government's general lack of action on the drug scourge. I have outlined in this place on many occasions the failures of this government. The best example is the failed cannabis decriminalisation experiment, which has seen thousands of offenders treating the laws with contempt. Of course, we now have the upcoming drug summit on 3 July. I will come back to my concerns about the summit a bit later.

It remains my very strong view that if we are to effectively tackle the drug scourge we need to tackle it on three fronts: health, education and law enforcement. From a law enforcement perspective all too often the drug law reformers say that law enforcement is a waste of time and that more resources should be placed in other areas. I disagree. I point to some recent research undertaken by the Australian Federal Police using its drug harm index. It is a useful tool. It is one that I believe governments at both the state and federal levels should look to replicating when making resource decisions. A report appeared in the House of Representatives magazine *About the House* in June 2007 titled "Drug seizures saving community billions". I will read some of the article. It states -

Using a drug harm index that factors in what various drugs are costing in terms of police, courts, prisons, hospitals, ambulance services, road accidents and a drug user's loss of work productivity, the AFP assistant commissioner Michael Phelan told MPs its drug seizures have saved Australia more than \$3.1 billion in harm between 1998 and 2003.

When the AFP prevents one kilogram of crystal methamphetamine or 'ice' from reaching the streets, it saves the community \$280,000, the House of Representatives Families Committee heard.

Disturbingly the cost to the community of 'ice' and other amphetamine drugs has more than tripled from \$88,000 in 2003. As well as committing crimes to support their crystal methamphetamine habit, long term users can suffer from psychotic episodes, paranoia, hallucinations and aggression as the drug wears off.

It goes on to give a direct quote from Mr Phelan -

"There is approximately a \$6 return on the harm index for every dollar the AFP invests on its operations to target illicit drugs," Mr Phelan said. "The more effort we place on our international operations preventing drugs from reaching our shores results in a greater return on investment in the AFP."

It goes on to state -

"The drug harm index is extremely valuable as it helps us target resources to where they should be targeted at the end of the day."

It is quite clear from the figures cited in that article that law enforcement is critical in reducing the harm associated with drug use. However, much like the role of law enforcement, the role of education from a prevention point of view also is critical. Public education campaigns, for example, are extremely important, yet when was the last time we saw a strong antidrug television advertisement from this government? Thousands of dollars are spent on TV ads promoting liquor licensing changes. We see plenty of ads on smoking, and I have no problem with that. However, where are the antidrug TV ads? Where are the ads that unashamedly show the

dangers of illicit drugs? The government needs to utilise advertising and media outlets to show the negative effects of drug use. We need ads such as the one that I have been provided with. This ad was in a United States newspaper. It was done in conjunction with the local sheriff's office. It is entitled "The faces of meth: before and after". It is quite graphic. It shows the changes in a person after three or so years of taking methamphetamine. It says -

Methamphetamine destroys the mind and body.

Jail photos show only a hint of the drug's devastation.

Meth eats away at brain tissue, accelerates blood pressure, creates psychosis and causes the body to overheat. Teeth fall out.

The body stops craving food, and only wants the drug.

It goes on to state -

One addict said it's the closest thing to becoming a living zombie. "I can't stand to look at myself in the mirror," she says.

If such an ad saves one child from taking up drugs, in my view it is worth it. In conjunction with the public campaigns, I believe that school drug education also must be a very strong focus. The importance of the early and ongoing role of parents, schools and other role models in supporting preventive actions and initiatives that actively discourage students from taking up illicit drugs cannot be underestimated. In Western Australia we have the school drug education project, which is a joint initiative of the Department of Education and Training, the Catholic Education Office of Western Australia and the Association of Independent Schools. It is a very good project, and although the government might like to claim it, it actually was a Court government initiative. However, as I say, I am very supportive of school drug education. Unlike the government, I believe that school drug education should be a mandatory component of the school curriculum. Again, however, I find it extremely disappointing that to this day, the government has not been able to provide me with information on how many schools actively incorporate school drug education into their school curriculum. From the answers to questions that I, Hon Peter Collier and Hon Simon O'Brien have asked in this place it is quite clear that the government somehow links a teacher attending a development course to active incorporation of a drug education program in a school. To illustrate my point, I asked the Minister for Health, through the Minister for Child Protection, what percentage of Western Australian schools have actively implemented a drug education curriculum. The answer was -

Drug education curriculum support materials have been distributed to all schools in Western Australia. To date, 78 per cent, or 586, of Department of Education and Training schools, 75 per cent, or 102, of Catholic Education Office schools, and 62 cent, or 74, of Association of Independent Schools of Western Australia schools, have attended school drug education and road aware project training.

I again reiterate that training and the distribution of support materials does not equate to actual incorporation of school drug education into the school curriculum. Further, the government has no reporting mechanisms with respect to those schools that do not incorporate the school drug education program. Again, I refer to a question that I asked in this place last year. That question was -

Of those schools not participating, are the remaining schools participating in an alternative drug education program; if so, what are these alternative programs; and, if not, why not?

The minister's answer was as follows -

This information is not available. Schools in Western Australia determine the type of program they choose to meet their health education outcomes. Information about drug education programs is collected only from schools that participate in the school drug education project.

That is unacceptable. For all we know, a teacher might have attended a school drug education project training session and then put the training manual on the shelf, never to be seen again. For those who have not participated in the project, there is no reporting mechanism in place to ascertain what they are teaching. It is, therefore, self-evident that the extent of school drug education program delivery within schools, as well as the quality of that program delivery, is unknown to the minister and the department, and this must be addressed.

In raising the issue of school drug education, I must also raise the lack of funding to non-government organisations that provide school drug education. Organisations such as Life Education provide a valuable service to thousands of students in this state. A comprehensive drug education program complemented by other school drug education initiatives should be encouraged. Life Education, for example, states on its website that it provides a range of services with an overall vision of all Australians enjoying life free from the effects of drug misuse. I am told that in Western Australia, despite having its funding cut by this government three years ago, Life Education continues to service 30 000 students. I see no reason that the government should not support

non-government organisations that would clearly complement the work of the school drug education project, but clearly this government does not agree. I find that highly regrettable.

In mentioning Life Education, I turn briefly to the upcoming drug summit. This proposed summit has been called to address the issue of amphetamines. There is no doubt that amphetamines is a significant issue for this state. I might add that the summit has been called to address the failure of the first, much publicised summit held a few short years ago. I will not speak at length on the drug summit because I did that in this place a couple of weeks ago. However, I remain disappointed that the government has not reversed its decision to allow the public to observe and listen to keynote speakers at the drug summit. A number of organisations have not been invited to participate in that summit. Organisations that might well have criticised the government on its soft stance on drugs quite rightly should be invited to participate in the summit because they no doubt have important information to share. Again, one of those organisations is the Life Education. It made me very angry when I learnt just last week that Life Education was knocked back from attending the forum. On 24 May 2007, the Chief Executive Officer of Life Education WA, Mr Jay Bacik, wrote to Mr Terry Murphy, the Executive Director of the WA Drug and Alcohol Office. A copy of that letter was copied to me. It states -

Dear Mr Murphy,

I would like to indicate my interest in Life Education Australia having the opportunity to participate in the drug summit in Perth on 4 July 2007. Life Education Australia is the largest provider of drug education in Australia. We service 750 000 children in Australia and about 30 000 in Western Australia. We receive significant funding from the states of Victoria, New South Wales and South Australia. Our WA funding was cut three years ago, \$170 000, but we continue to deliver drug education in the west because 98 per cent of schools invite us to come back. Recently the federal Department of Health commissioned a report on the efficacy of Life Education, and I enclose a copy.

As an organisation that represents hundreds of thousands of the people in the community and has had 25 years of experience in drug education for children, we believe we have a contribution to make. I would be very disappointed if your summit does not take into consideration the needs of the providers in the community like us. I look forward to your response.

The response from Mr Murphy was not great. I do not intend to read the entire letter because it refers to the format of the summit. However, the last paragraph of the letter from Mr Terry Murphy to Mr Jay Bacik states -

As you can appreciate, demand for places has been substantial and the event is oversubscribed. I am sorry, therefore, that we are unable to further extend the invitation list.

I would have thought that it was immensely important to provide the opportunity for organisations that have a drug prevention focus to participate in the summit. Oversubscribed! The conference is being held in the Convention Centre, which can hold up to 2 500 people. It is not as though there is a lack of room; it is a question of government inconvenience. Whether or not the government likes it, Life Education provides drug education to around 30 000 students in this state. The organisation should be invited to the summit. Frankly, the exclusion of that organisation and others from the proceedings is wrong, and the government should be held to account for it.

Finally, I will raise an issue that requires significant attention in a general sense. I refer to the alarming increase in the number of babies in this state suffering from neonatal abstinence syndrome. I recently read with great interest and alarm a submission from King Edward Memorial Hospital to the inquiry by the House of Representatives Standing Committee on Family and Human Services into the impact of drug use on families. I will read some excerpts from the submission of KEMH because it makes some rather disturbing observations. Page 4 reads -

Addictive illicit drugs taken in pregnancy can cross through the placenta and result in the fetus becoming addicted. After birth the baby then can develop drug withdrawal, referred to as Neonatal Abstinence Syndrome. The symptoms of drug withdrawal in the baby include irritability, crying, difficulty settling and sleeping, increased tone, sneezing, yawning, fever, diarrhoea, vomiting, poor feeding and seizures. Rates of drug withdrawal and timing of onset do vary with the illicit drug being used.

It states further on -

The babies will receive medication to help control their symptoms. The choice of medication depends on the illicit drug involved. Methadone and other opiate drugs will be treated with morphine. Discharge planning for the babies relies heavily on input from the Social Work Department. Once the baby has been stabilised, discharge plans can be confirmed.

It states further on -

The above scenario reflects treatment of the more severely affected children with drug withdrawal at King Edward Memorial Hospital. However babies who come from drug affected pregnancies may well be at risk of other adverse events such as increased rates of sudden infant death syndrome and long term neurodevelopmental difficulties. Milder forms of drug withdrawal may result in the baby being difficult to settle, difficult to feed and add to the stress these often fragile families face. The babies from drug affected pregnancies and with drug affected parents remain at potential risk of neglect and other forms of child abuse.

It is quite clear that neonatal abstinence syndrome is an increasing problem in the community. According to King Edward Memorial Hospital, in 2005-06, 102 babies were admitted to the special care nursery for the management of neonatal drug withdrawal, with the number of referrals to the chemical dependency clinic increasing threefold since 2004, and that relates to pregnant women. As such, King Edward Memorial Hospital has identified a range of recommendations for action. While I do not intend to go through all of them, I think it is important, in light of the upcoming drug summit, that these issues be seriously considered by the government. Some of the recommendations outlined in the paper are: funding for improved health education programs for the community and health professionals, both rural and metropolitan; education about the effects of drug misuse in pregnancy, and inclusion of families in school health education programs; increased funding for adequate staffing of multidisciplinary care teams and centres in each state and territory to provide optimum care for substance-using pregnant women and their families; and comprehensive one-stop care programs that are community based and multidisciplinary and include family support services such as child care, medical and mental health care, parent role models, education vocational planning, crisis intervention and legal help. These programs need an assertive outreach component and should include transportation to services. The last recommendation is increased funding to facilitate adequate staffing for allied health support services, both rural and metropolitan. These are serious issues involving the safety of children, their mothers and their families. While I do not shy away from the fact that drug-taking pregnant women must take personal responsibility, as well as responsibility for the dangers they place their unborn child in by continuing to take illicit drugs, I ask most sincerely that the government consider the state-related recommendations made by King Edward Memorial Hospital and that it adequately resource the chemical dependency clinic. One would hope that the clinic was not required. Unfortunately, it quite clearly is and, for the long-term interest of the child, it is very important that that clinic and the neonatal services be adequately resourced.

In concluding my remarks, I reiterate that although this government is awash with money, we see relatively few gains in the areas of health, education, critical infrastructure and other essential services; we continue to see cost blow-outs and delays; we see gross mismanagement and waste; and we see policies that are deeply concerning. That is a price we pay for a Labor government.

Debate adjourned, on motion by **Hon Bruce Donaldson**.