

APPROPRIATION (CONSOLIDATED ACCOUNT) RECURRENT 2009–10 (SUPPLEMENTARY) BILL 2010
APPROPRIATION (CONSOLIDATED ACCOUNT) CAPITAL 2009–10 (SUPPLEMENTARY) BILL 2010

Second Reading — Cognate Debate

Resumed from 7 April.

HON COL HOLT (South West) [3.08 pm]: I think I was about to wind up my remarks. I was talking about what a budget and government focus can bring to regional development. That is really what this legislation is about. This legislation is about a budget that has a focus on the regions and develops the regions. Once we get people moving to and living in the regions, services come, which can only be a good thing. I talked about the increase of district allowances in some regions. District allowances help to attract and reward people for living in the more remote parts of the state.

I also want to report briefly on some housing initiatives that were undertaken through royalties for regions and, in particular, the government regional officers' housing initiative. We recognised that many of the houses lived in by public servants who work in regional communities really need to be upgraded. I remember at the last election members of the National Party visited a place in Pingelly that the local police officer was living in and it was a 30-year-old building that really needed a total overhaul. As a result of seeing that, it was obvious there was a need to address those situations, and if we expect essential workers such as police, nurses and educators to live in our regions, we need to provide them with adequate housing. Out of that came a policy to deliver about 400 new houses to the regions for those essential workers, funded from royalties for regions. It was very pleasing to see that of those 400, 263 have now been completed. I think that is an enormous effort. Another 94 are under construction, so we are reaching the stage at which about 350 of those 400 houses are being delivered. How good is that? I think it is pretty special. Even in the Goldfields, where 31 houses were proposed to be constructed, 18 have been completed and another 13 are under construction. In the Kimberley 107 new houses were earmarked for essential workers, of which 96 are now built. We are talking about the Kimberley, where members who have been there would consider it to be one of the hardest places in the state to deliver essential services to and do construction work to deliver the infrastructure. I think the fact that 96 of the 107 have been finished is a tremendous effort.

In the Mid West, of 45 houses, 20 have been completed; in the Pilbara, of 108 units identified, 40 have been commenced and another 49 have been built. Given what is going on in the Pilbara, it is a fantastic effort for almost half of them to be built. In the Great Southern, of 38 units to be built, 32 have been finished; in the south west, of 15, about 12 have been built; and in the Wheatbelt, of 56, 45 have been completed. Out of the list of 400, not too many have been either not completed or not started. Again, this is about programs and budget expenditure that support activities in communities and regions. Housing is one of those provisions that encourage people to move to and stay in the regions and contribute to those communities, which we all want them to do.

I will leave it at that except to say that, again, the government's focus on regional spending is paying dividends.

HON ADELE FARINA (South West) [3.12 pm]: I am pleased to rise to speak on the Appropriation (Consolidated Account) Recurrent 2009–10 (Supplementary) Bill 2010 and the Appropriation (Consolidated Account) Capital 2009–10 (Supplementary) Bill 2010. As members will be aware, the purpose of these appropriation bills is to authorise capital and recurrent expenditure excesses for new items that were not identified in the budget, and for expenditure over-runs as a result of policy decisions or unavoidable cost increases against existing items in the state papers. A not insignificant amount of money is being sought through both these appropriation bills. Although it is usual for the opposition not to oppose these appropriation bills regardless of its political persuasion, the opposition has an important role to play in scrutinising the appropriation bills. Its role is to examine the nature of the appropriations sought, the reasons advanced in the justification for the appropriations, whether the appropriations are of an extraordinary or unforeseen nature or whether they merely represent excesses due to the government's failure to rein in its own spending. Of great frustration to members on the opposition benches, and, I believe, the community in general, is that the bills provide very little detail, and the explanatory memorandum even less detail. In fact, in this case one would be justified in asking why the government bothered with the explanatory memorandum at all because the explanatory memorandums for both bills say very, very little. I join with Hon Sue Ellery in calling on the government to review the level of detail provided in the bills and add that the government needs to also review the amount of detail provided in the explanatory memorandums. As I said, the explanatory memorandums provide absolutely no detail whatsoever and explain nothing other than the purpose of the bill. I think far greater attention needs to be paid to this detail. Our democracy relies on oppositions holding governments to account. In order to do this, oppositions must have access to information, and securing this information should not be akin to pulling teeth or finding a needle in a haystack, which is the sort of process we are being asked to go through in this instance.

Our system of democracy relies also on governments being accountable to the people for the expenditure of public funds. This necessitates a much higher level of transparency than is available through the bills we are considering and the explanatory memorandums that have been provided on these bills. A number of items are identified in the supplementary information that has been provided and tabled in this place. Whether they are in fact unforeseen or unavoidable excesses or have resulted from new policy initiatives is, at best, dubious. As members will be aware, if they do not meet any of that criteria, they should not be in the appropriation bills at all. I am sure members on this side of the house will explore these issues in detail when we go into committee for consideration of the bills.

In reviewing the bills and the little detail that has been provided in the explanatory memorandums, what stood out starkly is what the government is not seeking additional funding for. It is these matters I wish to address at this point. On numerous occasions this place has heard of the impact the massive increases in water and other household costs have had and are continuing to have on so many people across the state. This matter has had extensive coverage in the media. We have heard the Premier tell us that people who cannot afford air conditioning should not turn on their air conditioners and, in his view, we do not need air conditioning in Perth. We all know how well those comments were received by the people of Western Australia. The fact is that many in our community are not receiving the benefits of the boom. They are struggling, particularly in the face of the massive increases in household costs under this government. These people are not, as the Premier suggests, wasteful people. Many of them are very frugal indeed. They have to be; they have no option. They are not making use of water or electricity unnecessarily; nevertheless, they are struggling to meet the massive increases in water and electricity costs experienced under this government. Their standards of living have been rapidly declining ever since this government was elected.

In view of the enormous financial stress faced by so many Western Australian families, pensioners, self-funded retirees and low-income earners, one would have expected the government to introduce some measures in these appropriation bills to address these pressures. But for those families who were hoping that would be the case, no such luck. These appropriation bills ask for a significant increase in funding for a range of questionable purposes, yet not one of these funding increases is targeted at reducing the financial stress faced by many families and individuals throughout our state. We know why. It is because this government does not care whether Western Australians are doing it tough. The Premier has made it clear that if people cannot pay their electricity bills, they should turn off their electrical appliances. That is the message from the government. If people's homes are being repossessed because they cannot stretch their finances to meet their mortgage repayments because of the massive increase in household costs imposed by this government, tough luck; do not expect any assistance from this government. If a home has been repossessed because the owner has been unable to meet the mortgage repayments and has been unable to find somewhere to rent because the rental market is so tight and rents are so high, that person should not look to this government for assistance. No assistance is being offered in these appropriation bills to these people desperately looking to government for assistance. There is no assistance on offer. There are no new government policy initiatives to tackle this growing problem in these appropriation bills. Effectively, these people have been forgotten.

The government is happy to come into Parliament to seek additional funding for government agencies that have failed to curb their spending and failed to meet the three per cent government efficiency savings they were required to meet, and for a range of other areas in which government departments and government ministers have failed to rein back spending. Yet for the Western Australians who are doing it tough, who are struggling to make ends meet and who have had their homes repossessed, no reprieve is being provided by this government through the appropriation bills. This sends a clear message to the community about the government's priorities, which are certainly not the people in the community doing it tough. Waiting lists for public housing have never been longer; the wait for access to public housing has never been longer. The rate of mortgage defaults is on the increase, the rental market is becoming tighter and the demand for public housing is on the increase. This problem is only getting worse, yet there is no funding request in the appropriation bills to address this need. The government is blind to this desperate need for housing in the community. Many in the chamber will be shocked to learn, as I was, that there is no consolidated revenue funding from the state government budget directed to public housing and that the funding for public housing has come from sales of land held by the Department of Housing, or Homeswest, and through redevelopment of land held by that agency. The recent announcements of more public housing have been made possible by funding advanced by the federal Labor government, not the state government. The sad reality is that Homeswest landholdings for sale are fast dwindling, and this is having an impact on the state's capacity to meet public housing needs and to increase public housing stock. Yet, the demand for public housing under this government is increasing at a rate beyond imagination, and the government is doing nothing to address it.

The appropriation bills provide a great opportunity for the government to review its policy settings to address this gaping need, yet it has not responded to this need. The Premier is happy to announce a multimillion-dollar

redevelopment of the Perth foreshore, but is not willing to address the growing number of homeless people in our community. The demand for emergency housing is out of control. Agencies providing emergency housing report that they are turning away as many people as they are able to help and that this number is growing, yet there is no funding for emergency housing in the appropriation bills. The housing industry has raised concerns about the lack of available land for housing and that this matter needs immediate attention by government before the full impact of the mining boom takes hold. The government's response to this desperate cry has been absolute silence. The government has stuck its head in the sand and said not to worry, that there is not really a problem. These are the same people who just over two years ago, when sitting on the opposition side of the house, cried out very loudly and very strongly that there was a land shortage crisis of mammoth proportions facing this state, and that if elected, they would immediately address this crisis. The government was elected over two years ago and since that time it has sat on its hands and done nothing. Now the industry is again crying out about this issue because it can see what is coming on the horizon. The same people who in opposition cried out about a land shortage crisis are now saying in government, "Don't be silly; there is no land shortage." Either they were misleading the community two years ago or they are misleading the community now. I will let the people of Western Australia decide the answer to that.

The appropriation bills provide the government with a great opportunity to review its policy settings and to start dealing with some of these issues, yet the government has failed to take up this opportunity. Not one cent of additional funding is sought by government through the appropriation bills to address these pressing issues. The ramifications for the community if the government does not act are significant, yet the government sits on these issues and fails to act. There are so many areas that need urgent redress by the government—too many to list in the limited time I have to give my contribution to this debate and too many to be given the time that they deserve—due largely to its own policy settings since it has won government. Those policy settings are drastically and negatively impacting on the standard of living of Western Australians. Yet, this government has failed to take the opportunity made possible by the appropriation bills to attend to this redress. This government is not listening to the growing numbers of people struggling in our community.

It is also clear from the appropriation bills that the South West Region, which I represent, continues to fail to appear on the government's radar. The South West Region and its needs, many of which require immediate attention, do not rate any such attention from this government, which has its eye firmly on the north west of the state. I assume that the government believes that the South West, being a traditionally conservative voting area, is a sure thing and that the government does not need to worry about it. However, the government is making a serious error of judgement. The people of the South West are not fools; they know that they are not getting their fair share of the government's budget funds and that this government is not taking the growing needs of the South West Region seriously enough. The people of the South West Region raise this with me all the time and they are angry. If this government does not start taking the needs of the South West more seriously, the people of the South West will send a very clear message to the government at the next election. The government also needs to understand that the population in the South West Region, particularly along the coastal areas, continues to grow at a rate higher than the average state and national population growth rates. As a result, the demographics in the South West Region are changing. This is a change that neither side of politics can ignore.

I touch first on some of the critical infrastructure needs in the South West. Transport infrastructure, particularly in the Bunbury–Wellington area, is operating at capacity and has been for some time. It is widely recognised that this is the case and has been for at least the last two years. It has been known for the last two years that, without a significant upgrade of the transport infrastructure, significant investments will be lost and expansion plans for existing operations will be constrained. There are a number of new resource and industry projects, and project expansions, in the pipeline in the South West, which are at risk if the transport infrastructure problems are not addressed within a critical five-year period, of which we have already lost two years. These projects include coal exports from the Bunbury port; the proposed urea plant; the Worsley Alumina expansion; mineral sands, bauxite and alumina exports; Collie Bluewaters power stations 3 and 4; the upgrade and recommissioning of the Muja power stations stages A and B; the additional power station at Kemerton; and container shipping from the Bunbury port, to name just a few.

A number of critical infrastructure projects have been identified. They are the Bunbury port access road stage 2, the Bunbury outer ring-road, the upgrades of the Coalfields highway, the development of container handling facilities at the Bunbury port and the diversion of the Preston River at the Bunbury port. The critical infrastructure projects also include the improvement and dualling of the rail lines to the Bunbury port, including the rail line from Brunswick Junction to Picton, the rail line from Wagerup to Brunswick Junction, the rail line from Picton Junction to the Bunbury port, and the building of a spur rail line to Kemerton. These are all critical infrastructure projects that are holding back the capacity for the South West to develop and grow.

A joint submission was made, as advised by Hon Brendon Grylls, by the City of Bunbury, the Bunbury Chamber of Commerce and Industry, the Bunbury–Wellington Economic Alliance, the Bunbury Port Authority and the South West Development Commission. However, this has been ignored by the Barnett government in the current budget and these appropriation bills, and in its two submissions to Infrastructure Australia. The impact of not proceeding with these projects directly affects the economic development and growth of the South West and in turn the state—this has a direct impact on the economic development of the state. We face the absurd position of having Infrastructure Australia and the federal government ask the state government what is going on and why these critical infrastructure projects have not been included in the state submission to Infrastructure Australia. The federal government and Infrastructure Australia have had to tell the state government to talk to and work with the South West community on these critical infrastructure projects. It is a sad state of affairs when we need the intervention of the federal government to get the state government to understand the critical need of these projects not only to the South West region, but also to the economic growth of this state. That is what has happened in this case. I am pleased to say that these discussions are now underway but they are not happening fast enough. Clearly they are not delivering results fast enough because, again, we have seen these projects miss the opportunity for funds to be directed to them. Again the South West has seen the Premier announce multimillion-dollar projects in the metropolitan area and in the north west, but no funding announcement for the South West. This is clearly an issue that needs to be addressed.

Recently, the Premier visited Collie and took a media opportunity to walk along Coalfields Road. How he did that and the boldness it took to do that staggers me. This is a man who went to the last state election promising the people of Collie and the South West community that he would commit \$25 million to upgrade the Coalfields highway, if elected. When he was elected, he did not fund it at all in his first budget. In the second budget he redirected moneys from the Eelup Rotary upgrade to the Coalfields highway—only \$16 million—which falls far short of the amount he promised and far short of the amount Main Roads identified as needed to upgrade the Coalfields highway; that is, \$35 million. Over the last two and a half years there has been an increasing number of deaths on that highway, yet the Premier goes to Collie last week and professes to be concerned and committed to the Coalfields highway and the situation there. Let me remind members that it is \$11 million short of the amount the Premier promised at the last election and \$21 million short of the amount Main Roads says is required to deal with the urgently needed upgrade to the Coalfields highway. I think the Premier needs to make another visit back to Collie and deliver on the \$21 million that is missing and that is needed to deliver that urgent upgrade to the Coalfields highway. It is disappointing to note that more deaths will likely need to occur on that road before the rest of that project will be funded.

Another project that I would like to touch on now is the Eelup flyover. At the last state election the member for Bunbury promised to deliver an Eelup flyover to deal with the traffic accidents that are occurring at the roundabout. He committed \$30 million at the time. Anyone who has had anything to do with infrastructure projects knows that \$30 million would never cut it; it is nowhere near close enough to deliver an Eelup Rotary. Despite repeated questions that I have asked in Parliament over the last two years, I have been assured on every occasion that the government was proceeding with the construction of the Eelup flyover and that the concept plans were not available. However, last week when the Premier visited Collie, he paid a quick visit to Bunbury as well and had a look at the situation there. Recently—I think just last week—Troy Buswell, the new Minister for Transport, announced that we are now not getting a flyover at Eelup and instead we are getting traffic lights and a slip lane. How we have moved from a flyover, which was touted by the member for Bunbury at the time as being the world's best solution to the problems at the Eelup Rotary, to a set of traffic lights and a slip lane is beyond anyone's understanding. As I have said, the response from government to every single question I have asked in this place over the last two years is that it is proceeding with a flyover and that it is committed to the flyover, yet last week we learnt that the government has dropped the flyover proposal and we are now getting a set of traffic lights and a slip lane. No evidence has been advanced by the government on how this compares with the world's best solution to the problem at the Eelup Rotary, which was touted by the member for Bunbury some two years ago as a flyover. No evidence has been presented by the government to support the proposal that traffic lights and a slip lane will actually address the problems at the Eelup Rotary. The biggest concern I have is about what we all know happens at traffic lights, especially with the traffic volumes that we are dealing with at the Eelup Rotary; that is, a huge bank-up of traffic. In recent weeks the people of Bunbury have witnessed that bank-up of traffic and the frustration the current roadworks in the area have caused. There have been massive delays in getting to work and massive traffic lines banked up trying to get access through to the Eelup Rotary. My fear is that traffic lights will deliver the same sort of problem.

I put to government yet again: present the concept plans and let us have a look at them. So far this government, which went to the election saying it would be more transparent, more open and more accountable than any government that had gone before it, continues to frustrate every effort by members on this side of the house to get access to information so that they can represent their community. Repeated requests by me for access to those concept plans have just been refused. I continue to be told, “No, we are moving ahead with the flyover.

Don't you worry about it. It doesn't matter that the flyover is actually going to cost \$130 million and we have only initially allocated \$30 million and then reduced that to \$14 million. Don't worry about that but we are delivering this flyover." Now we find out that we are not getting the flyover and we still cannot get access to the concept plans. There must be concept plans available if the Minister for Transport was able to announce just last week that we are now getting a set of traffic lights and a slip lane. Clearly, someone has had to put pencil to paper and start drawing up those plans.

The other thing I asked from the government was for the traffic analysis to be tabled in this place. Last time I asked questions to access that information I was told that while the government had the raw data, it had not quite got on and done an analysis of the raw data; yet last week the Minister for Transport was able to announce the traffic lights and the slip lane. I therefore assume that the analysis has now been completed. I invite the government to now table that analysis, the concept designs and the evidence that the traffic lights and a slip lane will actually deliver the results that the government says it will deliver, as I will be highly surprised if they do.

I could go on about a large number of infrastructure projects but time will not permit me to list every single infrastructure project in the South West that needs addressing. I would like to talk a bit more about the issues of financial stress, the lack of public housing, the lack of rental housing in both the private and public markets, the lack of private housing and the lack of emergency housing, which I raised earlier. They are all critical issues in the South West Region. These issues are at crisis point and are in need of immediate action by the government. I am really disappointed to see no change of policy direction indicated in these appropriation bills and no additional funding sought in these appropriation bills to address these issues; yet the government has come into this place to seek extra funding because at least one government agency has failed to meet its three per cent efficiency savings because its minister has been unable to deliver those results—results that other ministers have had to deliver. As a result of that, real needs in the community are going unanswered because we are having to fund the excesses of this government and its incapacity to rein in its own spending.

In 2009, I raised my concern about the lack of funding for child health nurses in the South West. Despite a massive increase in the population, which I have indicated has been growing faster than the national average and faster than the state average over the past 10 years and on the current indicators will continue to grow at that rate for a number of years to come, not one additional child health nurse has been provided to the South West Region in that time. If it was not so sad, it would be a joke. It is incredibly ridiculous to think that the same number of child health nurses can support a growing population. The figures also indicate that that increase in population reflects that a large number of young families are moving into the area. In fact, a friend of mine comments that the average age of the people of Busselton is becoming younger because of the number of families who have moved into the area over the past 10 years. Those figures indicate that the pressure on the child health nurses is massive. We have never before seen this sort of increase in workload that these members of our community are expected to deal with. The reality is that they are doing the best that they can, but it is impossible for them to keep up with the demand that they face. As a result, many children are missing out on vital health checks. Based on the anecdotal information that I receive from members in my community, the wait times that the government has provided to me in answers to parliamentary questions are greatly, massively, understated. That concerns me. If that data is wrong, it is understandable to an extent that the government policy settings are wrong. Since 2009 I have raised in this place and through my local media the need to address this issue. Despite my, and more recently Hon Linda Savage's, numerous efforts to raise this issue, the reality is that the government has ignored the cry for help to immediately address and improve child health care in the South West. I again call on this government to make those changes. It is really disappointing to see that again the opportunity, which has been provided through these appropriation bills, to change policy settings to start addressing these needs in the community has been ignored. The implications for the community are massive in the longer term because we all know that every dollar spent now has a multiplier effect on any dollar that is spent later. It is crazy for governments to think that they are on to a good policy wicket when they do not invest dollars in the early years.

I have also since 2008 called for additional funding for programs in the early childhood years. I have been working with a number of people in my community who promote the linking education and families program, which has had a really great success rate in the South West where it has been tried and tested. Unfortunately, they were not able to access ongoing funding for the LEAF program and have experienced great frustration in trying to secure ongoing funding. Some schools in the area that have seen the benefit of the program were able to access some private funding to run a limited range of that program to try to continue to provide benefit to their local areas, but it is a great shame that this government does not see the value of continuing to fund the LEAF program. As I indicated earlier, the benefits of the dollar spent in children's early years is far greater than any dollar that is spent later, yet the ability to access funding for such programs through this government has been non-existent. Let me explain some of the frustrations experienced by the people who run the LEAF program. They went to the Department for Child Protection to seek some funding and were told, "No. This is really an educational program, so you've got to go to the education department." They went to the Department of

Education and were told that the department is not really funded for the early years, so they need to go to family services or the children's department or somewhere—anywhere else but the education department. The reality is that there is nowhere for these people to go; they are stuck between government agencies. This situation and the subsequent frustration felt by community groups results from the lack of a whole-of-government approach to deal with problems in the community. These people have also made funding applications through royalties for regions and, to the best of my knowledge, have not been successful in securing funding in the past. Hopefully, they might be more successful in the current funding round. The LEAF program, let me state again, has actually delivered results. Parents who have been involved in the program cannot speak more highly of it. The people who run the program have years and years and years of experience in the early childhood years and the need to focus on the developmental needs and behavioural aspects of children at that early stage. The LEAF program is worth funding and I call on the government to take a close look at this program. It should provide ongoing funding for this program in the South West and then look at expanding it throughout the state because I believe that the benefits of this program will prove themselves in the long run.

Members also know that on a number of occasions I have raised my concerns about the lack of access to specialist medical services in the South West. Again, this is a product of the fast rate at which the population in the South West is growing and the fact that the government has failed to keep up with the growing demand in the region. I have met with many parents who have children with disabilities, such as autism and a range of other mental or physical disabilities, and have heard about the excessively long waiting times they have to access specialist care and medical services for their children. Every parent wants to do the best for their child and the fact that they live in the South West should not disadvantage them in accessing services. Many of the parents with whom I have spoken said that they have to travel to Perth to access services because the waiting time in the South West, whether they seek access to those services through the public system or privately, is so long that it places their child at a great disadvantage. They are simply not able to access those services. Having to wait eight to 18 months or longer to access critical services in occupational therapy, speech therapy and the like can have a disastrous effect on a child's development if these services are not accessed in a timely manner. It breaks my heart that these families are at crisis point and have to deal with these situations that they face. They should not have to be placed in a situation whereby if they have a child with autism and they want to access specialist programs for their child that they have to put that child in the car and travel to Perth to access and undertake that program. These parents have to sustain the financial and emotional upheaval that goes with trying to access a specialist program for their children. I have had parents who have children with mental health problems who have not been able to access the support and services that they need in the South West area come to me and express the frustration that they feel. A number of parents have told me that because of the inability to access specialist services, their child has gone for a number of years without being diagnosed. In this day and age it is unbelievable that we still continue to face these issues of access and that we are not addressing them in a better way. I find it remarkable that I even hear from doctors, from GPs, that although they write letters to refer patients to the child and adolescent mental health service for assessment, their patients cannot be assessed because CAMHS does not have the staff and the resources to meet current demand.

Although I have asked questions in this place and have been told that there is no waitlist or that CAMHS is getting through the children who need to be assessed, I know from anecdotal evidence that that is not the case. I also know that because I had to make personal representations to the Minister for Mental Health for a family in the South West that has two children with autism and mental health problems to get access to CAMHS. Until I jumped up and down and made a huge amount of noise, those children could not get access to CAMHS. I am very sceptical about the answers that I received from the government about the official wait times because I know that those times do not reflect reality. I also find it unacceptable to be told that the family of a child with a disability living in the South West is destined to fail, because it simply cannot access the services and support it needs. I am sorry, but that is completely unacceptable. To be told that by a person in the public sector is completely unacceptable. That tells me that for families who live in the regions, it is tough luck; if they want access to the services they need, they must relocate to Perth, and if they choose to live in the regions, they choose to fail their children. That is unacceptable to me.

Hon Donna Faragher: Did someone actually say that to you?

Hon ADELE FARINA: Yes.

Hon Donna Faragher: Who?

Hon ADELE FARINA: I am not going to put that on the record in this place, because that is not fair to a person who does not have the opportunity to respond. It is not appropriate.

Hon Donna Faragher: I think that is a terrible thing for someone to say and far from the truth.

Hon ADELE FARINA: It is not far from the truth. It really reflects reality. The person said that to me with an abundance of honesty. I have no malice towards that person because that person was being completely honest

with me. I am saying that situation is completely and totally unacceptable and that it is unconscionable for us to sit here and accept it. The gaping need for additional services in the South West Region is real and we need to start addressing that need. The population in the South West has expanded and is projected to continue to grow at an enormous rate. The people moving into the South West are young families. They have needs. Those needs are not being met and we need to address that.

The fact is that in 10 years not one additional child health care nurse has been provided to the South West. That covers the period of the former Labor government and therefore we also bear responsibility for that. In 10 years, not one additional child health nurse has been provided to the South West and when we consider the population growth in the South West, that is completely unacceptable. The people working in the field are committed people who are doing the very best that they can. However, they are at breaking point. They know that they are not even scratching the surface of the need in the South West. It distresses them to know that they are failing the community. However, it is not they who are failing the community. We are failing the community because we are not delivering the services needed in the South West. It disappoints me greatly not only that this government comes to this place to ask for an appropriation of funding because a government agency has failed to meet its three per cent efficiency savings and the minister responsible for that agency has failed to take responsibility for ensuring that saving is delivered, but also that services needed in regional WA are not being provided. I find it really disappointing that, despite all the media attention about the gaping hole in the provision of mental health services, of healthcare nurses and services for the early childhood years and despite the enormous publicity about the financial stress many families now face as a result of the massive increases in electricity, water and household costs imposed by this government on the community, these appropriation bills fail to deliver any policy settings changes that might address some of these issues. This government is either ignoring the problem or choosing to believe that there is no problem. Either of those positions is incomprehensible given the amount of media coverage of these issues and the amount of evidence in the community about people at crisis point and people who are really, really suffering. We need to stop kidding ourselves. We are here for a reason. We are here to provide for better government and to address some of these needs in the community. But we are failing to do that and Liberal members need to take responsibility for that failure because they are the government; they have the numbers and they need to deliver the changes in policy settings that will start to address these issues. If government members fail to address these issues, they will find themselves on the opposition benches, as we did in 2008.

I have here a long list of issues to address, but after addressing those critical service deficiencies, many of the other issues on my list almost seems trite. However, I will address one issue, which is the intensive care unit. At the last state election, the member for Bunbury and the Premier went to the people of Bunbury and said that, if elected, the Liberal Party would deliver an ICU, which was wonderful of them because Labor had already committed to do that in government and the contractual agreement with the federal government was already in place. However, after two years of going through the freedom of information process to access the business case, I have discovered that the ICU being delivered is well short of that needed in Bunbury. Bunbury currently has eight high dependency–unit beds at Bunbury Regional Hospital. It is proposed to change four of those beds from HDU to ICU level 1 beds. The difference between a HDU and an ICU level 1 bed is not very big. What is worse, even with the funding for that change, the recurrent funding needed to staff the operations of a four-bed ICU level 1 unit has not been provided in the budget. The four-bed ICU is now complete and sitting idle because this government did not allocate any money in the current budget for the operation of a level 1 four-bed ICU in Bunbury. I understand those beds will sit idle for some time to come because the Department of Health is currently sourcing staff; that is, it is going through the recruitment process for staff. It was not news for the department that it would need those staff back in February when the ICU was completed. After all, it was the Department of Health that provided the time line for the completion of the ICU. The department knew it would need additional staff when that unit was to be completed at the end of February. The reason that it does not have staff currently appointed to operate the ICU is that the government did not provide the funding for the ICU. I also discovered through accessing the business case that the ICU needs to be upgraded to a higher level ICU and to an eight-bed ICU, but that that is not projected to happen until 2014–15. Again, the funding for that structural change to infrastructure is not yet in place, and neither is the recurrent funding needed to staff the increase from a four-bed to an eight-bed, higher level ICU in the forward estimates. The business case makes very, very clear that the delivery of the election promise to provide an ICU for Bunbury at the level at which it should be provided will not be met—not even in 2014–15—unless this government delivers the funding needed to make that happen. There is nothing in the forward estimates to ensure that that happens. I trust that the government will address this funding shortfall in the next budget in May to enable it to deliver on its election promise. The business case also indicated that even when an eight-bed ICU is up and running, a large number of people who live in Bunbury and other parts of the South West and who need ICU care will have to travel to Perth for that ICU care. That is completely unacceptable, and the government needs to address that. Even the business case advanced by this government and put forward to cabinet falls well short of what the community in the South

West needs. The business case itself states this. It is time for this government to start having a good hard look at itself and its commitment to providing better services and better infrastructure to regional WA.

This government was elected on a promise to the people of Bunbury that it would provide a better health care plan and improve the health care services for Bunbury. Since it has been elected, the only thing that this government has delivered to the people of Bunbury and the South West were those commitments made and funded by the previous Labor government in conjunction with an agreement with the federal Labor government. If the government wants to start delivering on its promise to the people of Bunbury, it needs to start moving fast, because so far it has failed. What has been delivered is stuff that was committed to by the previous Labor government. Not one iota of increased health services has been addressed by this government while it has been in office. The chemotherapy unit, the intensive care unit, the expanded emergency department, and the new hospital for Busselton were all promised by the Labor government. This government has fallen well short on its election commitments to the people of the South West.

Whilst I have been a strong supporter of royalties for regions and I continue to take my hat off to the Nationals for developing and marketing that policy, the fact is that it is failing to deliver to the people of the South West. We are not getting our fair share of royalties for regions, and I hope that the government addresses that some time soon, because royalties for regions was not just supposed to advance the interests of some sectors of the regions over others. The reality is that the South West has demands and pressures on it unlike any other region in the state because of the population growth. That has been ignored; it was ignored by the previous government and it has been ignored by this government and it is getting to a crisis point. We need to address these issues, and we need to address them quickly because the people who are missing out are the people and, most sadly, the children who are living in the South West Region. To me it is unacceptable for families in the South West Region to be told that, if they have children with special needs, with disabilities or with special health problems and they remain in the South West, they are destined to fail their children. I will continue to take every opportunity to make sure that that is changed as quickly as possible.

HON PHILIP GARDINER (Agricultural) [4.03 pm]: I am just going to speak to some aspects of agricultural sustainability. Members might think, “God, not again,” but in actual fact sustainability of agriculture, as we all know, is very important for the regions of the south west of Western Australia in particular and for regions that extend right through to the rangelands and the growing horticultural areas throughout much of the state. Sustainability is a word often misused. The case in which I use it is really about a manageable risk profile of the business activity such that one can establish a financial basis that allows business continuity. The risks associated with agriculture are increasing, because agriculture is at the pinnacle of interaction with variations of climate. It is not just because of the change of rainfall, because in many places the quantity of rainfall over a 12-month period has not changed that much. Agriculture is always prone to a change in the distribution or incidence of rainfall. It is the feature that is causing a great deal of concern right now in the Agricultural Region, but was telegraphed at least eight or nine years ago and maybe even earlier. I will come to the reasons for that later on.

The reason this is relevant to the appropriation bills is the importance of our exports that contribute to the revenue to pay for the imports that we as a nation and as a state need to purchase to sustain both our investment and our consumption. The issue of sustainability is evident and needs to be addressed in four key areas. It is the sustainability of the production and how we manage those risks. It is the sustainability of the innovation and the drivers of innovation and how we manage those risks. It is the sustainability as a result of how we market our products both domestically and internationally and how we manage those risks. Finally, it is the way that individual business operators manage their own financial sustainability.

Agriculture is no different from any other business, especially as what might have been done five, seven or even 10 years ago is absolutely different from what needs to be done at the current time. It is a dynamic enterprise environment and requires continuous analysis of what one has done and the outcomes of what one has done, and it requires adaptation so that one can keep up with the changes that are occurring.

Fifteen years ago there were about 5 600 farmers in the broadacre belt—that is, the lower south west agricultural region of Western Australia. By 2002, that number had fallen to 4 600. Probably now there would be close to 4 000 enterprises. We can see the change that is being forced into that segment of the economy, which is to do with a number of these risk factors. It is the increased production risk that is currently causing the greatest difficulty in the region. That increased production risk is not just a weather factor but a climate factor. Members may well ask, “What is the difference?” The weather is what we have on a micro basis. It can even be for a full year or a couple of years. We might have a wet year or a dry year and so on, and that will affect the production result. Then there is a climate factor that goes over a much longer period—over 30 or 40 years and then onwards to 100, 200 and 300 years. Climate is also a dynamic factor, as we all know, except that some of us may think, “No, it does not really change much. It is just going to be roughly the same, and on average it does not alter

much at all.” The reality is that we might be confusing weather with the climate; our climate may be changing but the weather will always be changing. If the climate is changing, it means that the risks to our businesses are also materially changing. Production risk can be increased by inclement weather, including rainfall, frost, hailstorms and storms that may cause fire due to a lightning strike. These weather conditions are, of course, a function of climatic forces that occur over a much longer period.

Another factor that can affect the sustainability of agriculture is the continuing pressure to keep costs low. We all know food and fibre costs have to be kept low because people have to buy food and clothing every day, and if there is one price in which people notice an increase, it is food costs because they require it every day—in fact, at least three times a day. A good example of how important that is to consumers is the recent price-war strategy employed by Coles in relation to milk. It tried to do the same thing with beer a bit later on, but had to stop because Coles and Carlton and United Breweries are, basically, two big bears who did not want to have a big fight, so the issue was dropped. That is a different situation from that of a food item that is being produced by a lot of small producers but is being marketed to one big bear. Who is going to win that fight? That strategy could probably be used on most of our food products, and it is one of those dynamics of our own economy, and probably the economies of almost every country in the world, that it is highly desirable to have low food prices for the population.

Input cost is another factor that can affect the sustainability of agriculture. The input costs for agriculture have risen materially over the past half a dozen or 10 years or so. Fertiliser prices have increased hugely. The increase in the price of fertiliser began when Europe, America and Brazil decided to use some of their food crops to produce biodiesel and ethanol. That was a very interesting dynamic, because for the first time farmers in those countries had an alternative market to the food market; they were now in the energy market. Of course, once they were in the energy market and there was competition for their produce, the prices of their products increased. As those prices lifted, so did the demand for the inputs. Accordingly, the demand for those inputs affected other countries that did not use biodiesel or ethanol, albeit Australia, in that circumstance, because of the international market into which we sold our product, benefited from the rise in the international prices of commodities such as canola, but not so much corn because we do not grow much corn in this country. It was not only the price of fertilisers that increased, but also that of chemicals, herbicides and insecticides. There was also, at that same time, an increase in the cost of fossil fuels.

The profitability of the agriculture industry is in decline. It has rarely been below zero, which is probably where it is today in many of Western Australia’s agricultural regions. Research done at the University of Western Australia in 2003 using Bankwest data suggested that most farm businesses remained profitable at that time. But the returns on capital outlay are now lower than those in most other industries, which is, to a certain degree, at variance with previous data, especially that collected during the 1990s. Also, agricultural data is very hard to measure because it is invariably inconsistent; some key costs are left out by some and included by others.

The agricultural sector is tenuous at the current time, and it greatly requires measures to give it the sustainability of other industries. How many industries would risk putting half a million dollars on the table at the beginning of the year, knowing the uncertainties they will have to negotiate to get a return at the end of the year? That is what wheat growers, canola growers and barley growers do, with the biggest uncertainty being, of course, the weather, over which we have no control. Weather is the essential determinant of whether they are financially successful during that 12-month period.

The structure of the agriculture industry almost entirely comprises small business. There is no single business at the farm level that is big enough to influence prices, which is quite different from most other industries. The difference occurs because of the small business structure that is typical to agriculture, yet the interaction in a business sense is always with much larger business entities. A structural imbalance exists between the financial strength of the producer, being the farmer, and the buyer, being retail businesses in Western Australia and Australia. That applies especially to large bulk commodities such as grain when the farmer has to deal with either very large corporations or single-desk buyers in other countries. Those people with a very strong bent towards economic rationalism as a philosophy—I am an economic rationalist in certain aspects of commerce—have to understand its basis, which is that it applies only where there is perfect competition. Perfect competition can only ever be a theory, because no economy in the world has all-pervasive, perfect competition. Sectors such as agriculture may represent a similarity to perfect competition, but that is lost as soon as the buying sector—including large retailers, distributors or single-desk buyers—becomes involved because the buying sector does not facilitate perfect competition. They are large entities and they provide competition, but their situation is quite different from that of a farmer or those at that level of the business sector.

Sustainability has seen huge innovations ever since, probably, the agricultural revolution, which took place in the United Kingdom in the late 1700s to early 1800s. Innovation has been the one thing that has kept farmers from having to bow out of the industry. But the scale of operation in agriculture is not never ending; it is not like

retailing or large manufacturing where the scale of the business can keep going for a long, long time without losing its economies. The scale in agriculture tends to reach a limit quite quickly. Then, of course, people say, “Oh yes, we’ve got good farmers and bad farmers.” That is partly true, but it is often totally untrue because the risk profile in agriculture is very different from almost any other industry, due mainly to the weather factor. Good farmers are there often only because they took a huge gamble—a gamble that no bank or financial institution would ever take, but a huge gamble that worked. It rained at the right time and prices were good at the right time and they set themselves up so that they could continue with their businesses and take the difficult years much more readily than they might have done otherwise. The bad farmers are often the ones who did not have that luck, so an enormous amount of luck is required when it comes to agriculture. That luck is dependent upon what happens with the weather.

I have already mentioned that production has been sustained only due to the great innovation that has occurred. Farmers do not compete with each other in a financial sense. They might do in an ego sense when someone says, “I grow a two-tonne crop; what do you grow—one and a half tonnes?” It makes us feel good if we produce more sometimes. But from a financial perspective, we are not competing. The interesting thing is that the innovation that has driven agriculture is not about financial competition between farmers. It may be about emotional competition but it is certainly not about financial competition. There is quite a distinct difference from what we see as being important in many other industries in our country and around the world.

Of course, production innovation has gone another step with the introduction of genetically modifying technology. However, we are yet to see some of the big steps that a number of us would love to see as a result of GM technology; that is, varieties that might be resistant to frost and to dry conditions. All we have is GM crops that are resistant to a very useful and powerful herbicide, that being Roundup, which is based on the glyphosate molecule. GM technology is yet to realise the benefits that many of us hope for. The innovation that has occurred in grain growing has largely been to do with no till or minimum till, which involves much less damage to the soil structure. In the absence of burning stubbles, it is able to slowly build the organic carbon in the soil. For the stock enterprises, there is the introduction and continued breeding of productive leguminous pasture species, which, of course, enable a sustainable carrying capacity for the rainfall area in which they are operating. Once again it comes back to the weather.

The other area in which sustainability is important is how we position the production of the food we grow in marketing our products. I think we have had enormous successes and enormous failures in the marketing of our products. Probably from the 1930s to about the mid-1990s the success was due to the Australian Wheat Board, which, as a single-desk seller, had the countervailing power to deal in a matching fashion with both the single-desk buyers and other large corporations around the world. They were able to aggregate and market the produce from small agricultural producers, which is what every producer of the grains was across the country, especially those in Western Australia. People say, “Yes, but they didn’t have any competition”, and often misused the word “monopoly”. That is a gross misuse of the word. They were a monopsony, which means they had the power to acquire grain, so that part was, if we like, similar to a monopoly. But when it came to the market, there was no monopoly; they were competing with every other grain trader around the world. Almost all those grain traders around the world were large corporations with which a small grower would not have any ability to countervail business power. That was the main difference from a single-desk seller marketing Australia’s wheat. It was one of the marketing success stories for the country, especially during the 60s and 70s when marketing was yet to really hit Australia. There is another twist to effective marketing: we need niche products. The zenith of marketing, especially for agriculture, is in being able to get out of the trenches of being a price taker and into the dynamic zone of being a price maker because of a particular product and the way we service our customers and supply that product to the market. With the change to a deregulated market, which we now have, there is no differentiation because it is all about getting out the wheat and selling it quickly to get a price for the traders. Doing that has the effect of blunting any market penetration of a distinguished product that was there before. They do not hold back the wheat and sell it throughout a whole year to a customer so that that customer in an overseas country can supply the same grain for the manufacturer of the same kind of bread with a similar taste to what their customers want. That does not happen now. That market differentiation—the golden prize, if we like, in agriculture—no longer exists for wheat or canola. It is in the market differentiation that one is able to extract a premium as a price maker.

Let us go beyond grain to wool, because one of the factors stunting our sustainability is the agricultural business organisations. I do not know the answer to this, apart from having a particular individual seeing what needs to be done. Someone might say, “Well, you had the Wheat Board as an agricultural business organisation.” It was not quite that; its members were selected for their skills. I know that firsthand. The great difficulty in the wool industry is that wool is not simply wool; wool ranges across a spectrum of fibre diameters, and each fibre diameter has a different use. We as growers control only fibre; the marketing is done by others and the processing is essentially done by traders with production skills. Wool has one of the longest value chains in the

world. Growers control the fibre, and we have a brand called Woolmark, which everyone knows because we spent so much money on marketing. Even today, Woolmark is recognisable among the top six brands and that is without a lot of advertising over the past five or 10 years. The trouble is that it is a brand that covers the spectrum of wool. That is a mistake, because women who wear wool against their skin do not want high micron wool that can be prickly and irritating on skin; they need to have that soft, luxurious, sensuous feel of wool with a very low fibre diameter.

Debate interrupted, pursuant to temporary orders.

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