

Mr John Bowler; Mr John McGrath; Mr Mark McGowan; Mr Bob Kucera; Dr Kim Hames; Mr Paul Omodei;  
Mr Paul Papalia; Mr Max Trenorden; Mr Ben Wyatt; Mr Grant Woodhams; Mr John Day

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**APPROPRIATION (CONSOLIDATED ACCOUNT) BILL (NO. 1) 2008**  
**APPROPRIATION (CONSOLIDATED ACCOUNT) BILL (NO. 2) 2008**

*Second Reading — Cognate Debate*

Resumed from an earlier stage of the sitting.

**MR J.J.M. BOWLER (Murchison-Eyre)** [7.00 pm]: When the state budget was first brought down in this chamber last week, I must say that I was extremely disappointed. The budget speech that was handed out came on 13 printed pages. I read through those 13 pages and nowhere did I see the words “goldfields”, “Kalgoorlie” or “Boulder” mentioned, nor did I see any of the towns in my electorate mentioned. Therefore, I described the budget there and then—maybe it was too precipitous—as the 3P budget: pedestrian, Perth and Pilbara. However, although I may have given it a fail mark initially, upon closer inspection I would have to give it a pass, but only just. I say that because that we have \$58 million for waste water and water supply projects and \$15.1 million—long overdue—for road improvements in the region, including \$11.5 million to reconstruct the Lake Raeside crossing just south of Leonora on the Kalgoorlie-Leonora highway. That project has been promised by successive governments ever since cyclone Bobby washed away that section of the highway in about 1994, I think. Twenty years before that, in 1974, it was also washed away. On both occasions, Leonora and the north eastern goldfields were isolated. Therefore, that \$11.5 million will be much welcomed. Lake Raeside has been a big worry for people in the north eastern goldfields, and I welcome that funding.

There is also \$10.2 million for the Kalgoorlie courthouse upgrade, and I will speak briefly about that. There is \$6.4 million for the Blackstone remote multifunction police facility, \$3.2 million for the Curtin Vtech—I will speak about education later, but that money is very welcome—and \$2.8 million for the first stage of work at the Kalgoorlie Regional Hospital. As I said, the Kalgoorlie courthouse upgrade has been allocated \$10.2 million. At the budget presentation in Kalgoorlie last Friday morning, I said to the Minister for Goldfields-Esperance, Hon Ljiljanna Ravlich, that I would like her to take one message back to the government from the goldfields; that is, we would like Minister for Health, who is also the Attorney General, to switch the funding priorities, as \$10 million is set aside for the Kalgoorlie courthouse, for which there is no demand in the goldfields; there is no clamour to build a new courthouse. It is something that the community will welcome, but there is no great demand for it. However, there is a huge demand for and a huge level of expectation about the redevelopment of the hospital. That has been going on since the Labor Party came to power in 2001. A number of promises have been made. It was delayed last year, and although the funding will start this year, the goldfields community was hoping that rather than \$2.8 million being allocated to the hospital, the \$10 million would go towards the redevelopment of the hospital and the \$2.8 million would go to the courthouse upgrade. We were not asking for more money; we were just saying that the priorities were the wrong way around.

**Dr K.D. Hames:** That’s the Kalgoorlie Regional Hospital, isn’t it?

**Mr J.J.M. BOWLER:** Yes. We would rather have \$10.2 million each for the courthouse and the hospital. However, to be fair, if we cannot have the extra money, we are saying that the priorities should be switched.

**Dr K.D. Hames:** I don’t think it has changed since I worked there in 1977.

**Mr J.J.M. BOWLER:** One more wing was built after 1977. Sorry, two wings were built in the early 1980s when Ian Taylor was the member for Kalgoorlie. My attitude is this: if this government could see the commonsense of switching those two funds and giving priority to the Kalgoorlie Regional Hospital redevelopment, this budget for the goldfields would go from an initial fail to a pass of just 50 per cent, and it may even get up to 60 per cent. Is a credit 60 per cent or 65 per cent?

**Mr R.C. Kucera:** It is 65 per cent.

**Mr J.J.M. BOWLER:** Is it 65 per cent? A distinction is 75 per cent, is it not? The government could even get a credit. People in the goldfields do not complain and rail. Basically, they just get on and do the job themselves. As I said to the Minister for Goldfields-Esperance, when people visit Kalgoorlie, everywhere they go they hear people ask when the hospital is going to be done. Has anyone ever asked about when the courthouse will be done? No. My suggestion is very logical. I say once again to the Minister for Health and Attorney General that if he were to switch those two levels of funding, the mark for the budget could even go from 50 per cent to 65 per cent.

I will now move on to some general areas of the budget. One area that particularly interests me is Indigenous affairs, including Indigenous housing. I am a former Minister for Sport and Recreation, and I was involved in the discussions about the new stadium, as was my colleague to my left, who is also a former Minister for Sport and Recreation. I would like to see a new stadium. I am a supporter of the West Coast Eagles and I cannot get to the Eagles games. However, how can I support a \$1.1 billion stadium—it will be \$2 billion by the time it is

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finished—when people in my electorate are living in squalor? How can I say that we should spend \$1.1 billion on a new football stadium that will be filled to its capacity of 60 000 only when the derby is played, twice a year? The Eagles will have to lose only one more game and Subiaco Oval will not even be filled to its present capacity. At the same time, \$370 million-odd—that will balloon out to half a billion dollars—will be spent on the riverfront in Perth. Once again, that is something that we would like to have and it is something that all Western Australians would generally support. They might argue and there might be some conjecture over the architecture, the style and the landscaping, but it is a good project. However, how can we say that it has priority over Indigenous affairs, and Indigenous housing in particular? I have many Indigenous families in my electorate, from the lands around Leonora and Laverton, around Kalgoorlie-Boulder, through to Tjuntjuntjara and Coonana, and they live in Third World squalor. It is a disgrace. The only reason that Fitzroy Crossing and Halls Creek in the Kimberley got any recognition was that a journalist went there and did a story about those places. If journalists want to come to my electorate, I can show them 10 places like that. The trouble is that showing journalists 10 places like that does not have the same impact. It is a disgrace!

I wrote to the Premier—if the Premier is listening in his office—some time ago saying that Indigenous housing needed a big increase in funding. There has been a big increase, but it is still not enough. There will be 43 houses built by Homeswest this year in the goldfields-Esperance region. I could easily take 43 houses just into the lands where three to four families are living in one house. That causes all the social problems. That causes the kids not to attend school. That causes people not to get prospects for employment. How would members like it if they were one of three families living in a house built for one family? They could not function. Until this government and the federal government put a massive increase of funds into Indigenous housing, the problem will continue. People, even some who are racist, will say, “Yes, we will build houses for them, but they’ll just wreck them.” Houses are being built in Wiluna. I take great pride in the measures I achieved in Wiluna when I was the minister with special responsibility for Wiluna. In Wiluna, where we have built houses and done up some old ones, we made sure that the homemaker program was in there straightaway. That is what must happen. People will say, “Why build new houses for them when they just destroy them?” We have to give them the assistance and the education processes that will help them live in these new houses. When they are in a house, with only one family to a house, they will take pride in the house. The next issue will be jobs, but how can anyone expect adults to go to work and children to go to school when 15 to 20 people live in a three-bedroom house? I could not do it and I doubt whether any member of this house could do it. I therefore urge the government to increase the funding for Indigenous housing. The government has increased funding for the housing and land program to \$1.2 billion this year. That is a significant increase. I have not looked at percentages, but the increase is about 40 to 50 per cent—well above inflation. However, that increase would be gobbled up in the first six months just in my electorate alone. I therefore say to the Premier and to the Minister for Housing and Works, Hon Michelle Roberts—who is the ideal person to have the dual portfolios of housing and Indigenous affairs—that we just need more money. I cannot support a stadium or riverfront niceties being built in Perth when my constituents are living the way they are.

The next issue I want to talk about is land prices. I think the Minister for Planning and Infrastructure is a wonderful minister. I think she has won over the people of Western Australia with her hard work, her zeal, her dedication and her commitment. If she and this government have had one failing, it is in the area of land prices. When the Labor Party came to office in 2001, people could buy a reasonable block of land in a reasonable location, such as Armadale and around the Midland area, for well under \$100 000; today it is \$200 000. The minister and the government can lay the blame wherever they want to. They can talk about private landholders ramping up land prices. The fact of the matter is that land prices in Perth—even in the goldfields—are too high. In Kalgoorlie-Boulder now a block of land is currently \$200 000. That is just far too high. Thankfully, a lot of old battleaxe blocks are being divided, but even there —

**Mr R.C. Kucera:** There are a lot of battleaxes up there!

**Mr J.J.M. BOWLER:** There are a few battleaxes!

Even in Kalgoorlie-Boulder the price is now getting up to about \$130 000 for a battleaxe block on the back of an old quarter-acre block of land. That is too expensive.

**Ms A.J.G. MacTiernan** interjected.

**Mr J.J.M. BOWLER:** I just gave the minister a bit of a rap; she should have been in the chamber then.

**Dr K.D. Hames** interjected.

**Mr J.J.M. BOWLER:** No, I gave her a rap before.

I do not know what is causing the increase in land prices. I doubt that it is the environmental lobby, which seems to be voracious in over-planning house releases, or private landholders who are holding onto land to make super

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profits. I am sure that if people could sell a block of land now for \$200 000, they would rush in and get it developed. I cannot imagine people sitting on their land and holding up development now when they could get that money in their pockets.

**Ms A.J.G. MacTiernan:** Member, you've got to invest. You are actually not taking into account how much it costs to create a block. Developers are saying that they are not going to put in \$86 000 or \$90 000 a block, which is what it takes to create the block, when they don't know how long they will have it on the market, as sales are so slow. That is one problem.

**Mr J.J.M. BOWLER:** Getting back to the minister's point about planning, I think we need to attack the fact that it costs so much.

**Ms A.J.G. MacTiernan:** Are you saying that we don't put in sewerage, we don't put in power and we don't put in roads?

**Mr J.J.M. BOWLER:** I think we over-plan almost to the death of some projects. I am saying that we do not want to see happen here what has happened in Houston. I was in Houston, where the opposite is the case. A friend of mine bought a two-storey, four-bedroom house in Houston for \$165 000. The land cost \$30 000. However, there is poor planning in Houston and it will have some problems down the track. However, we go too far the other way. We go to ridiculous lengths in planning with environmental clearances and controls. People are complaining that one of the problems they will face in the new satellite city south of Perth is noise. Of course they will face bloody noise, because it is in that location because it is next to the railway line and the freeway. We could take away the railway line and the freeway but then people would not want to put a satellite city there. How ridiculous! Those people objecting should be dismissed out of hand.

**Mr J.E. McGrath:** You should be back in the party.

**Mr J.J.M. BOWLER:** I am just pointing out again the fantastic achievements of the minister and the one failing. With only one failing out of 100, people cannot complain too much.

The next issue I want to talk about is education. The Minister for Education and Training has just walked into the chamber. When the Labor Party came to office in 2001, it was left with a hotchpotch by the previous Minister for Education, the member for Cottesloe, when Eastern Goldfields College was divided.

**Mr J.E. McGrath:** It was a Labor minister.

**Mr J.J.M. BOWLER:** No. At the time, people in the goldfields thought that having an upper school and a middle school would work and would certainly improve upper school achievements, and it did. The upper school side of things has been a success. However, that has been counterbalanced by some very poor performances and poor outcomes in the middle school.

**Dr K.D. Hames:** I agree. It's exactly the same in my electorate; the middle school is hopeless.

**Mr J.J.M. BOWLER:** The middle school comprises years 8, 9 and 10. Sadly, it is when children in the goldfields are at that age level that families decide to either stay in or leave the goldfields. They leave because they do not want to send their kids to years 8, 9 and 10 there because the middle school for those years in the goldfields is a debacle. It has great staff and they are doing their best, but they have some serious problems. Even though extra money for programs is thrown at it, less is spent per student at Eastern Goldfields College than is spent at any other high school in the state. Why do I say that? Successive governments, Liberal and Labor, have thrown extra money at programs there, but the fact is that there are so many teachers in their first and second years out of university that the wages bill is about \$1.5 million a year less than it is for an equivalent size school in Perth. What I am saying is that less is spent on the students. The outcomes are some of the worst, if not the worst, in the state; perhaps Port Hedland is worse. The outcome levels are terrible. It is not as though the government is spending all this extra money and there are poor outcomes. Less money per student is spent at Kalgoorlie and the outcomes are terrible. I made one suggestion to the teachers' union when I was a minister and when we were facing a teacher shortage. The teacher shortage is being felt most in my electorate. Last year the Minister for Education and Training did a magnificent job in getting a lot of teachers out of non-teaching areas and into the classroom. That overcame the problem in the goldfields. There was hardly a school in the goldfields in 2008 that started the year with a teacher shortage. However, that will not happen again next year, as people can be taken out of those non-teaching areas only once. Next year they cannot be taken out again, so there will be another teacher shortage; there is nothing more sure. That is because there is an Australia-wide shortage of teachers, but it is particularly the case in Western Australia. Guess where it will be felt the hardest? It will be felt hardest in my electorate, in towns such as Leonora, Laverton, Leinster and even Kalgoorlie-Boulder.

What is the solution? My solution is this: a school that normally has 20 teachers—according to the number of students, type of students and percentage of low socioeconomic students—but can get only 18 teachers is

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roughly 10 per cent down on staffing levels. Although the Department of Education and Training's budget allows the school to pay for 20 teachers, I say the school should pay the 18 teachers the amount that 20 teachers would receive. I basically said to the union that instead of 26 kids to a class, the school would have 26 plus 2.6, or plus 10 per cent—which would be about 29 kids. The union does not want that because it wants smaller class sizes. That is great, but the reality is that we will not have the teachers. The fact that we will not have the teachers should be recognised. The teachers in remote areas are the teachers who are doing the extra workload, and they should be paid subject to the amount allocated in the budget for a full complement of teachers. The government would not have to find more money in the budget, because at the start of the school year it would know the number of kids in the school system and what the full complement of teachers would be; therefore, it would use the budgeted amount to pay the teachers for the extra work they were doing. That might encourage the teachers to stay in the regions. The teachers in the regions would start earning a little bit more money; otherwise, as the member for Stirling said, they would continue to gravitate to the western suburbs of Perth. The western suburbs of Perth would be the last to feel and face a teacher shortage. The teacher shortage would be felt in schools in my electorate, where the outcomes are already worse than those in the western suburbs. I would not mind if, for whatever reason, our education system was producing better outcomes in my electorate, such as higher TEE scores than those achieved in Perth's western suburbs, but it is not. For whatever reason, the outcomes are abysmally low, and they will get worse as the teacher shortage deepens in the next five to six years. I cannot see an end to it; it will get worse. The union might complain and say that I am going against its campaign for smaller class sizes and better conditions. However, my proposal recognises that, in the short term, there will be a teacher shortage. The minister has embarked on a number of recruitment campaigns, but there is a limit to how many teachers from outside this state can be attracted to this state. If we start increasing the number of student teachers at our universities, it will take four years to get them out into classrooms. We will have a teacher shortage. Let us recognise that fact and try to address the problem in regional and remote areas.

The mining industry is the lifeblood of this state. It pays the members in this place and makes them feel good. I get the feeling that at times both the state government and the federal government pay lip service to the fact that the mining industry exists and produces the state's wealth. Yesterday's federal budget did not provide for flow-through shares. Both the state and federal governments believe that this wealth will continue forever and that new mines will continue to be established. I advise members that the mines are now being mined quicker than they were previously. The current boom is not about finding new mines; it is about mining the mines quicker. That means they will close quicker and we will need to find new mines.

**Mr J.E. McGrath:** Do you support a casino in Kalgoorlie?

**Mr J.J.M. BOWLER:** No, I do not support a casino in Kalgoorlie in the same way that I do not support poker machines in Western Australia.

[Member's time extended.]

**Mr J.J.M. BOWLER:** We take the golden goose for granted. I am very concerned about cutting back in the areas that can be explored through the acquisition of former pastoral stations throughout the goldfields and turned into reserves. Recently I was reassured a little by the Minister for the Environment on that matter, but it remains a grave concern to me. The federal and state governments need to look at the issue in the long term. If we start greenfield exploration now for new mines, it would take, on average, five to six years to prove up a mine and three or four years after that to develop it. Therefore, we would be looking at eight years before a mine was in full production. Out of the existing mines in Western Australia—not iron ore mines, but nickel mines and most of the goldmines—more than half will be closed within eight years.

**Mr P.D. Omodei:** Are you referring to Mt Weld?

**Mr J.J.M. BOWLER:** Mt Weld, which is south of Laverton—the new rare earth project.

**Mr P.D. Omodei:** It is the area that people are talking about making a conservation park for permanent tenure. It is a highly mineralised area.

**Mr J.J.M. BOWLER:** That is one area, but what is of particular concern is the Mt Manning Range, north of Southern Cross. The iron ore in the Yilgarn region is of a higher quality and tonnage than the iron ore in the mid-west. The mid-west has had four or five years start on the Yilgarn region. Some wonderful iron ore deposits can be found in the Yilgarn, but that whole area will be sterilised if we let the green lobby take over totally.

We are going into the silly season; that is, into an election. I notice that every time we face an election both parties beat their breast and say that they will jail more people than the other party. They say that they will lock people up for longer than the other party would. They then spend the next three and a half years trying to work out how to reduce the number of people in our jails. Many of my constituents are in jail because they did not have a white man's bit of paper called a driver's licence. Until now some of these people could not get a driver's

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licence. Thankfully, they now have a police station at which they can get a driver's licence. These people, who have been driving for years, would drive to Laverton and be picked up for a random breath test. Although they were not drunk, they would be asked for their licence. They would ask what a licence was. They would be shown what a licence is and because they did not have one, they would be given, perhaps, a \$40 fine. Over four or five years they may have been picked up for the same offence three times. They have not been picked up for being a bad driver or for speeding, but the third time they are picked up for not having a driver's licence they are automatically jailed. They do not have a choice. That is the reason, member for Hillarys, members must be cautious about wanting to have mandatory jail sentences. This is a case for which a mandatory jail sentence should be removed. Magistrates and judges should be given the discretion to determine whether to jail the person or impose another penalty.

**Mr R.F. Johnson:** That is the existing law. I am not advocating that; I am advocating certain penalties against people who continually drink and drive, drive at excessive speed and act in a hoon behaviour and are a danger on the roads. There is one lady in Kalgoorlie who, as you are probably aware, has been before the courts about 14 times and on eight occasions it has been for drink-driving offences.

**Mr J.J.M. BOWLER:** In such a case I do not have a complaint. However, some of my constituents are in jail because they do not have a white man's piece of paper.

**Mr R.C. Kucera:** We have the same problem with refugees in the city at the moment. It is a great shame that the police service has discontinued the special program for teaching Indigenous people how to drive.

**Mr R.F. Johnson:** I agree that it should be doing that, but you cannot let people flout the law all the time, irrespective of their background. They have to obey the law of the land. If they are picked up more than once, the police or the licensing department should ensure that these people are forced to take a test and get a white man's piece of paper, if that is what the member wants to call it.

**Mr J.J.M. BOWLER:** The Minister for Planning and Infrastructure has organised with the new Warburton Police Station for those people to get a licence. Better still, the new superintendent of the Eastern Goldfields Regional Prison is processing prisoners who do not have a driver's licence to enable them to get the necessary permit. When they leave prison, they have a driver's licence and will not go out again to become a criminal by driving without a licence a fifth time and then go back through the revolving door.

**Mr J.E. McGrath:** Do they own their own vehicle?

**Mr J.J.M. BOWLER:** I do not know. It does not matter whether they are driving their own vehicle or somebody else's vehicle. Vehicles can be confiscated. People can be penalised in many ways to encourage good behaviour. A friend of mine is a prison officer and he takes these people into court. After the court has sentenced them to jail they try to walk out to the front of the court. They do not know whether they are going to jail or walking out the door. When the prison officer says that they are to go with him, they say that it is okay. If we think jail is a deterrent, we are kidding ourselves. We are locking up people who should not be in jail. They are away from their families and loved ones. It is not humane.

**Mr R.F. Johnson:** The system is failing them.

**Mr J.J.M. BOWLER:** The member for Hillarys wants to lock up people. As we approach the election both parties will thump their chest and say, "We will lock up more people for longer than the other mob." They will then spend the next three and a half years trying to find a way to get them out of jail because it is too costly to keep them in jail and it is counterproductive. People come out of jail and all they have learnt is to be a better criminal.

I will finish on a silly issue; that is, the members of Parliament car park. When I came into this place in 2001 every car in that car park was Australian-made. Now, much to my disgust, a quarter of the cars, paid for by the taxpayers of Western Australia, are not Australian-made. I have no complaints about what people do with their own money. If they want to buy an overseas-made car, they can do it. However, a quarter to one-third of the cars in the members' car park are overseas-made cars. Can members imagine the parliamentary vehicles of Japanese members of Parliament being Commodores and Falcons? They would be Toyotas, Mazdas etc. In Germany would they drive Toyotas or anything else that was not made in Germany? It is a disgrace that members are using taxpayers' money —

**Mr J.E. McGrath:** It wouldn't be many.

**Mr J.J.M. BOWLER:** It does not matter whether it is one. The only one we can possibly condone is the Toyota Prius, which is not made in Australia. Politicians should not be driving cars that are almost identical to those made in Australia by Australian workers. No wonder the Mitsubishi factory in Adelaide has just closed when politicians are not using taxpayers' money to buy Australian-made cars. That argument is symbolic. No-one can

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stop members doing what they want with their own money; they can buy whatever they want. However, if it is taxpayers' money, whether members are ministers or backbenchers, they should be buying Australian-made cars first.

**Ms A.J.G. MacTiernan:** I stand by my decision to get a Prius.

**Mr J.J.M. BOWLER:** I said that that was the only car that members can justify buying, because it is not made in Australia. We hope the Rudd government will provide encouragement and financial incentives for our car manufacturers to go down that path.

**Ms A.J.G. MacTiernan:** I think that is going to happen.

**Mr J.J.M. BOWLER:** I might even buy a Prius myself. On the other hand I think I will stick with Commodores!

**MR J.E. McGRATH (South Perth) [7.31 pm]:** I would like to begin my remarks in the budget debate by making a few comments about one of my shadow portfolios; namely racing. I want to talk about the Betfair fiasco.

**Mr P.D. Omodei:** It's a fiasco.

**Mr J.E. McGRATH:** What a fiasco it turned out to be. Members might recall how the member for Rockingham, the former Minister for Racing and Gaming, who was in the chamber earlier —

**Mr J.J.M. Bowler** I was the one who took them to court.

**Mr J.E. McGRATH:** The former Minister for Racing and Gaming got on his high horse and led a wild charge to ban betting exchanges, particularly one called Betfair, from operating in Western Australia. This government rammed through legislation that would see Western Australians face fines of up to \$10 000 or two years in jail if found guilty of placing bets with any betting exchange operator. However, that penalty would probably not apply to anyone who seriously assaulted a police officer. I think that, in this instance, the government made a shocking error of judgement. Not only did Betfair take the WA government to the High Court and win the case, but also all the costs were awarded against the government. Now the current Minister for Racing and Gaming, who is a member of the other place, tells us that the taxpayers of Western Australia may have to foot a bill for half a million dollars over that lost court case. We received that information last night when Hon Barry House asked the minister how much Betfair's court challenge would cost the Western Australian taxpayers. The minister replied that she had not received any notice of the question. She went on to make the following comments —

I would say that it would be in the order of around \$500 000, if that. It will probably be less than that. It will be anything from \$200 000 to \$500 000. I have not yet been presented with the final figure, but I will be quite happy to make that public.

We will be very reassured by that because, considering that it is taxpayers' money, the government has a duty to make it public. Are we sure that that figure is correct? It is a figure that has been bandied around in the media today after the minister's answer last night that it could be \$500 000. However, I am advised that Racing and Wagering Western Australia's costs in fighting this case might reasonably be close to \$1 million, which is on top of the contribution to Betfair's costs. Who knows what the final figure will be? All we know is that it is an amount that must be carried by the taxpayers of Western Australia. What is worse is that the legislation that was passed in 2006 has not delivered a single dollar of revenue to Western Australia, which may have been the case if the government had been prepared to negotiate with Betfair. The opposition warned the former minister, the member for Rockingham, that he should consult more widely before jumping in and making that decision. Do members know what the minister did? He would not even meet the executives of Betfair. That highly successful worldwide company, a betting agency that operates on the internet, was approved by such bodies as the Australian Football League and the Australian Cricket Board to bet on its product. The then Minister for Racing and Gaming in Western Australia refused to meet Betfair. Do members know how many times Betfair tried unsuccessfully to meet the minister? Would they believe it was eight times? Noel Crichton-Browne got a meeting with the member for Rockingham before he was a minister, and he did not make even one phone call, but the Betfair people could not get a meeting with the former Minister for Racing and Gaming. This government is a joke. It bangs on about the immaturity of people on this side of the chamber when its ministers are either downright incompetent or are so arrogant that they will not meet people who are major players in gambling when very important legislation is to be introduced such as that which seeks to ban the internet betting agency from operating in Western Australia.

This government is happy to talk about putting \$1.5 million into the South Sydney Rabbitohs to help that team. It is hardly the most successful team in Australia. I think it has won one game this year, yet this government spoke to people involved with the Rabbitohs who came to Perth.

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**Mr R.C. Kucera:** They have a good-looking owner!

**Mr J.E. McGRATH:** Yes. I do not know whether it was the owners of the club who came here, but I believe the government is considering paying \$1.5 million to have the “Go West Now” campaign placed on the Rabbitohs’ guernseys. This government will talk to people in a sporting club like that, yet a former minister would not pay Betfair the courtesy of an interview. That was his attitude despite the fact that Betfair is part-owned by James Packer’s gaming and media company Publishing and Broadcasting Ltd, and we know that PBL owns Burswood Casino. As shadow minister for gaming, I know that Burswood Casino has a very good relationship with the government. I am bewildered by the fact that, while all this was going on, the former Minister for Racing and Gaming refused to meet this reputable betting agency on a very important issue.

It is interesting that the member for Rockingham’s successor as Minister for Racing and Gaming, the member for Murchison-Eyre, who has just left the chamber, agreed to meet Betfair when he was the minister. It is interesting also that he agreed to that meeting after the legislation had been passed and Betfair had launched a legal challenge against the government’s decision. An article in *The West Australian* of Friday, 2 February 2007 under the headline “Unlike McGowan, Bowler agrees to meet Betfair” reads —

Racing and Gaming Minister John Bowler has agreed to meet officials from controversial internet betting giant Betfair this month, something his predecessor, Mark McGowan, refused to do on numerous occasions while overseeing legislation banning West Australians from punting on betting exchanges. Betfair, half-owned by James Packer’s Publishing and Broadcasting Ltd, is taking the State Government to the High Court believing new laws banning West Australians from punting with betting exchanges such as Betfair breach the Commonwealth Constitution.

Last year, when the State Government was drawing up its legislation, Betfair tried unsuccessfully to meet Mr McGowan on at least eight occasions. Betfair director Andrew Twaits said the meeting with Mr Bowler would help to dispel some myths about the anti-betting exchange legislation

However, something happened. The meeting that the new minister Mr Bowler was to have with Betfair was called off. A story appeared five days later in *The West Australian* under the headline “Bowler calls off Betfair meeting”. It states —

Just days after indicating he was happy to talk with officials of Betfair, Racing and Gaming Minister John Bowler has cancelled this month’s meeting with the internet betting giant.

Last Thursday, three days after Betfair . . . launched legal action against the State Government in the High Court over its new anti-betting exchange laws, Mr Bowler’s office confirmed that the Minister was still meeting Betfair.

But on Monday Mr Bowler announced he had postponed the meeting and would not reschedule with Betfair until the High Court action was completed.

It is worth with pointing out —

Mr Bowler postponed the meeting even though he was aware when Betfair wrote to him seeking a meeting that legal action was likely.

What happened? Who intervened to dissuade the new minister from meeting with Betfair? Who pulled the plug on the meeting? Was it the member for Rockingham? Was it the Premier? Was it the Attorney General, who wields a lot of power in the ALP, or was it one of the highly paid spin doctors? Something happened. What happened to Betfair is similar to the sort of jackboot behaviour that we saw a couple of weeks ago when 16 police officers raided the *Sunday Times*. They had received a complaint from the Department of the Premier and Cabinet about something that had fallen off the back of a truck and into the hands of a *Sunday Times* journalist. The story did not please the government so the police arrived on the scene. What sort of state are we living in? That incident received publicity around Australia. Police with guns went into a newspaper office in a free country to conduct a search. Even the member for Yokine would not have done that in the old days when he was a policeman; he would have at least left his firearm in the car.

**Mr P. Papalia:** Why are you so keen on Betfair?

**Mr J.E. McGRATH:** I am keen on the fact that we need to let the people of Western Australia know why they will be paying such a big bill for defending the government’s legislation in the High Court. We need to do that because it is public money. We did not oppose the bill, and I will explain to the member why we did not. We are a big supporter of the racing industry.

**Mr P. Papalia:** Betfair will not support the Western Australian racing industry.

**Mr J.E. McGRATH:** Betfair was legalised by the Tasmanian Labor government.

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**Mr P. Papalia:** I know what you are talking about but besides that, what is in it for the Western Australian racing industry to give Betfair easy access to our market?

**Mr J.E. McGRATH:** That is not the point.

**Mr P. Papalia:** Where is the benefit to the Western Australian taxpayer?

**Mr J.E. McGRATH:** Why do people who do not follow the racing industry have to contribute to a bungled court case?

**Mr P. Papalia:** They will contribute because we will not have the revenue from the TAB that we otherwise would have had.

**Mr J.E. McGRATH:** The member has missed the point. Has he ever been to the races? I will take him there one day and explain a few things to him.

Let us look at some of the comments that were made during the progress of the bill. I have already said that the opposition supported the bill. We did not oppose it because the racing industry wanted to ban Betfair. We asked the minister to consult more widely because more time was needed. We are moving into a new era of betting on racing through internet gambling. I will explain it to the member. The member for Avon was the only member who spoke out and warned the government that it would lose the court case. I pay him his due. He said it was against the federal Constitution and would not stand up if tested in the court. He pointed to section 92 of the Constitution, which states that there shall be no restriction of trade or commerce between the states. Regardless of whether that section of the Constitution is right or wrong, it is in the Constitution. The member for Avon told the minister on several occasions that he could not make the legislation stand up in court, and he was proved to be correct.

The opposition decided it would not oppose the legislation because the racing industry had some concerns about the integrity of the sport and the erosion of TAB profits, which is fair enough. Initially I had concerns about the integrity of the sporting industry and I even put out a media release. When I raised my concerns during the debate, the minister read it out to me. I thought Betfair might encourage unscrupulous people to offer inducements to trainers or jockeys to stop horses from winning. Unlike the minister, I agreed to meet with Betfair and it flew over some representatives. They could not get a meeting with the minister so they asked to talk to me as the shadow Minister for Racing and Gaming, which I did. The minister could not believe that I had spoken to people from Betfair. He said he was gobsmacked. I admit that they were difficult times. After speaking with the people from Betfair I was satisfied that the issues of integrity would be addressed. Betfair was prepared to give all its books to the racing stewards so that the stewards would have even more accountability of who was operating on the races than they do when people bet in cash because all Betfair transactions are recorded.

They were difficult times for the opposition. Influential people in the racing media were peddling all kinds of misinformation and a lot of intimidatory tactics were employed during the debate. I was given the impression that if the Liberal Party did not support the legislation, a campaign would be run against us in the pages of *The West Australian*. I was disappointed to hear that and wondered why someone from *The West Australian* would say that. I do not know whether there was another agenda because Racing and Wagering WA is a big customer of the newspaper through the TABform and the daily lift-out. That certainly made it difficult for us to go through the process.

I also took the view that the opposition had to support the racing industry because it was trying to protect its major revenue source. We knew that the government had not looked at this issue closely enough. I still do not know why the minister was so intransigent and wanted to rush through this legislation. The opposition in the upper house tried to have the bill referred to a committee. Hon Barry House said that Western Australia was entering a new world of internet gambling and that we should not rush in and make any rash decisions. What did the government do? It got the Greens (WA) onside and the bill was bulldozed through Parliament. This form of betting is difficult even for me to understand and comprehend and yet the legislation was rushed through Parliament without even talking to the proponents and without looking at it properly, which a committee might have done. As a result, the taxpayers have been left with a bill. We still do not know how much that bill will be. The Minister for Racing and Gaming said last night that it could be as high as \$500 000 and my sources say it could be higher. We will find out and we will continue to pursue the government until we know what the cost is so that the public knows how much this action has cost the government.

I will speak for a few minutes about how the government has politicised the racing industry. Hon Nick Griffiths, who is a member of the other place, was the Minister for Racing and Gaming when Racing and Wagering WA was introduced. He was the champion of the new body. People in the racing industry have welcomed it and I support Racing and Wagering WA. The racing industry says that Hon Nick Griffiths was the best racing minister it has had for some time. They speak very highly of him but he somehow fell out of favour with the factions in

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the ALP. I do not know which faction he is in but he was left standing on the outside looking in and will not be running at the next election. Hon Nick Griffiths was a very strong supporter of RWWA. I note that the former Minister for Racing and Gaming, the member for Rockingham, is back in the chamber. We have a good relationship and what I say today is not personal; it is about putting on the record what happened during that very difficult debate. I have a problem with the government whenever there is a controversy in racing, such as when the TAB had to settle a matter out of court over the Craig Rosendorff affair. He was a Perth jeweller who fancied a bet. The TAB knew he liked to bet and made it easier for him to bet by giving him credit to bet. It became quite a famous case because he lost millions of dollars. One day a smart lawyer told him that the Totalisator Agency Board had broken the law by allowing him to bet on credit. It is unlawful for the TAB to give credit to customers; customers have to have the money in advance or they have to have money in a TAB account. The matter did not reach court because the TAB settled out of court. The member for Rockingham was the Minister for Racing and Gaming at the time. The settlement figure has never been revealed.

[Member's time extended.]

**Mr J.E. McGRATH:** Whenever that case is mentioned—it has been mentioned a couple of times—the government responds by saying that Racing and Wagering WA is an independent body, that it has no comment to make about RWWA and that it does not want to get involved because the matter is one that the racing industry must sort out. However, when there is a good news announcement, who is out there fronting it? The Minister for Racing and Gaming! I refer to a recent article about traineeships that appeared in *The West Australian*, the headline of which reads “Trainers welcome scheme”. The article reads —

Trainers statewide have thrown their full weight behind a government initiative to boost skilled labour in the racing industry.

Racing Minister Ljiljana Ravlich yesterday announced Racing and Wagering WA would support a course by the WA College of Agriculture at Narrogin to provide training for much needed stablehands and track riders.

It is a great course that the opposition supports. RWWA came up with the initiative, but the Minister for Racing and Gaming made the announcement. I have been told that racing money, not government money, has been put into the scheme. Why would I not suspect that the government is politicising the racing game?

**Mr A.P. O’Gorman:** How is it politicising the racing game?

**Mr J.E. McGRATH:** Because RWWA, which is an independent body, used racing funds to start a program but the government announced the program. Why would the chief executive officer of RWWA not make the announcement? I remind members that the Liberal Party supports the racing industry. Earlier in the week I was present when an announcement was made about the Ascot summer carnival, which is fantastic. The former Minister for Racing and Gaming will be happy to know that a charter flight has been booked to bring horses from Melbourne in November. I think RWWA money has been used to underwrite the flight. A couple of years ago I suggested that such a flight should be underwritten. The then minister castigated me and said that he would never spend public money on a flight that will help eastern states horses come to Perth to plunder our prize money. Now the racing industry is doing that. People who bring horses to Perth will have to pay their way, but the flight has been underwritten. Those sorts of things have to be underwritten if we want to make the carnival a success.

**Mr R.C. Kucera:** Is not that also an attempt to get over the ravages of the flu?

**Mr J.E. McGRATH:** No, not really. The flu virus has been sorted out.

It was also announced at the meeting that the distance of the Perth Cup would change from 3 200 metres to 2 400 metres. I am a traditionalist and I think it should have stayed at 3 200 metres.

**Mr J.B. D’Orazio:** Let’s start a petition!

**Mr J.E. McGRATH:** We should.

**Mr J.B. D’Orazio** interjected.

**Mr J.E. McGRATH:** Does the member for Ballajura not believe that it should change?

**Mr J.B. D’Orazio:** It should stay at 3 200 metres.

**Mr J.E. McGRATH:** The member for Ballajura is a very astute racing judge and a keen follower of the sport of kings. Some things in life should be protected and preserved. The Perth Cup is held on New Year’s Day every year. It should be a 3 200-metre race. If it is not attracting the best horses in the world, so what? People will still attend it because it is an event.

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**Mr J.B. D’Orazio:** Yes, but Adelaide, Melbourne and Sydney all have it.

**Mr J.E. McGRATH:** Adelaide and Brisbane are set to reduce the distance of their cup races. The trend is to reduce the distance. The Perth Cup is special. Perth Cup is a better event than the Adelaide or Brisbane Cups. It is held on a famous holiday and, similar to the Melbourne Cup, it attracts once-a-year punters. Once-a-year punters often have a bet on the Perth Cup. It would not matter if Radish were running, they would still have a bet.

I will refer to my other shadow portfolios. I have only five! We are thin on the ground. The Premier said that he wants to introduce lockouts at pubs. I support some form of lockout; however, I am not sure whether midnight is the correct time because it is too early. A lot of young and not so young people finish work at 11.00 pm. When I was a journalist we would often finish at midnight and we would look for a sly grog place to get a drink. Today people have the option of going to a small bar. It was not that long ago that the government encouraged us to support the introduction of small bars. My friend the member for Rockingham was the minister at the time. He has introduced much legislation in this place. I have been involved in much of that legislation. The government wanted us to support freeing up the liquor industry to give people a greater choice of venues at which they could have a drink. We supported the introduction of small bars. Indeed, the member for Warren-Blackwood, who was Leader of the Opposition at the time, put his head on the line to support the legislation, which has been well received. We were told that the government wanted to introduce those measures because Perth was dull and because we needed to give people more choice. We were told that people who got off a plane needed to be able to go to a venue in town for a drink at night. All of a sudden the government wants to stop people from going to pubs at midnight.

**Mr A.P. O’Gorman:** It is two hours before their closing time.

**Mr J.E. McGRATH:** It is my understanding that people will not be able to get into a pub at five past midnight. Those who are already in a pub will be able to stay for another two hours. I believe the Perth City Accord will work through this issue.

**Mr R.C. Kucera:** Those provisions are already in the accord. They were in the original accord to stop entry after a certain time. It was up to the licensee. A licensee could stop people from getting pass-outs to stop people from going from club to club.

**Mr J.E. McGRATH:** That is what the accord wants to do. I support that.

**Mr R.C. Kucera:** It worked in the original accord. There is no reason why it should not work again.

**Mr J.E. McGRATH:** Some young people resent that move. They say that if they finish work late and want to go into Northbridge, or if they go to dinner with their family and their parents go home and they want to go into Northbridge to meet their mates, they will not be able to get into pubs after midnight. I am not necessarily talking about a pub at which there is a lot of trouble. It could be a small quiet bar. Perhaps we must consider a strategy that will target the main trouble spots. The accord is working through it. We should leave it at that and see what it comes up with. The Australian Hotel Association, believe it or not, supports lockouts. I spoke to an AHA representative during the week and he said that it supports the principle of lockouts. It proposed a similar measure to the then Minister for Racing and Gaming, Mark McGowan, in 2006. Does the minister remember that? The AHA supports lockouts because they mean a gradual flow of patrons out of venues between the lockout time and venue closing times. Further, they send a message to the patron that it is getting close to the time at which they must wind up the evening’s activities and they allow the licensee to gradually alleviate the occupancy pressures on the premises close to closing time. The AHA supports lockouts but it is not happy that the Premier is making policy on the run. His statement at the weekend gave a clear indication that he wants to introduce midnight lockouts. That should be up to the discretion of Director of Liquor Licensing. He will no doubt go through that issue.

Another of my shadow portfolios is housing. It is a good range of portfolios, is it not, member for Yokine? Housing affordability and housing availability are probably the biggest issues that governments around Australia are facing at the present time. We have seen what the Rudd government has done. I think it has come up with some very good initiatives. The Carpenter government obviously now realises how serious the situation is. The budget will inject \$1.2 billion into affordable housing projects in 2008-09. We must ask the question: why has it taken so long? I think the Carpenter government has been caught off guard by the boom. Industry groups and the opposition have been calling on the government for some time to address housing affordability. Housing affordability is placing greater stress on rentals. Young people, and not so young people, who want to rent must queue with 20 or 25 other people just to look at a property. It is a serious situation. I think high rent prices in Western Australia will be around for a while. It is not all the fault of the state. We cannot control interest rates. When interest rates rise, as they have, it injects some nervousness into the community. I think that many people

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have held off making a decision and have said that they would wait to see whether the next round of interest rate changes will be up or down. We must look at the situation, but I believe that the government has been sitting on its hands. For example, I read in a local newspaper that in the member for Peel's constituency a family was living in a tent at a caravan park. A lady came to see me at Parliament. She had 10 children and her husband works, but they could not get rental accommodation. They did not want Homeswest. However, they were given some publicity by the *Sunday Times*, as a result of which a lady telephoned them to say that she had a house they could rent. This is a serious situation, as we heard the member for Murchison-Eyre say.

**MR M. McGOWAN (Rockingham — Minister for Education and Training)** [8.03 pm]: I will be very brief. The reason I have been spurred into action to speak in this debate is that I was listening to the member for South Perth on the monitor in my office. I thought I might come in here and correct the historical record. It is not usual for a minister to make a speech about a former portfolio, but I thought I would come in here to make sure that the member for South Perth has completely straight what the historical record is on the issue of Betfair and what happened back in 2005 when the government decided to legislate to prevent Betfair gaining a foothold in Western Australia. It is now another minister's portfolio, so I want to step very carefully in what I say and I will be very brief.

The issues I want to address are not recent events but events that occurred when I was minister in 2005. Some members will recall that we objected to the Tasmanian government's decision to license Betfair in Tasmania. We said that we did not think it was in the interests of Western Australia. We got advice that we could take action. Indeed, as minister in 2005, my predecessor as minister, Hon Nick Griffiths, had also indicated an intent to take on Betfair when it intended to establish itself in Western Australia. When I took up the issue the then and current shadow Minister for Racing and Gaming was a supporter of the approach that we adopted, and not just a supporter; he was in fact as enthusiastic—or more enthusiastic—about taking on Betfair as I was as minister. As evidence of that, I will read out in its entirety every single word of the press release put out by the member for South Perth, John McGrath MLA —

**Mr J.E. McGrath** interjected.

**Mr M. McGOWAN:** I did not interject on the member for South Perth. I did not even speak to the television! I sat in silence while I listened to the member for South Perth. I will read out every single word.

**The ACTING SPEAKER (Mr A.P. O'Gorman):** May I remind the minister that it is not usual to read an entire document. He should paraphrase it or use quotes out of it.

**Mr M. McGOWAN:** Thank you, Mr Acting Speaker. It is very short. It reads —

**Media Statement**

John McGrath MLA  
Member for South Perth  
Shadow Spokesperson for Seniors;  
Racing, Gaming and Liquor Licensing

**4 November 2005**

**Betfair introduction would hinder racing success**

**Liberal Party against introducing betting exchanges**

The Parliamentary Liberal Party will support the Gallop Government's plans to thwart Betfair obtaining a license to operate in Western Australia.

Opposition Racing and Gaming spokesman John McGrath said it was disgusting that the Tasmanian Labor Government had gone against the wishes of the Australian racing industry and licensed the internet gambling agency.

*Point of Order*

**Mr J.E. McGRATH:** The former Minister for Racing and Gaming, now Minister for Education and Training, is obviously not listening to your ruling and he intends to read the whole press release. I will give him a copy of the press release if he wants it. I have already admitted that I did support the government line, but I want to put on record that that was before I had a meeting with Betfair.

**The ACTING SPEAKER:** The member just needs to make the point of order. He cannot debate what the minister has said.

**Extract from Hansard**

[ASSEMBLY - Wednesday, 14 May 2008]

p3023b-3067a

Mr John Bowler; Mr John McGrath; Mr Mark McGowan; Mr Bob Kucera; Dr Kim Hames; Mr Paul Omodei;  
Mr Paul Papalia; Mr Max Trenorden; Mr Ben Wyatt; Mr Grant Woodhams; Mr John Day

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**Mr J.E. McGrath:** The point of order, Mr Acting Speaker, is that you made a ruling for the former Minister for Racing and Gaming, the now Minister for Education and Training and member for Rockingham, and I do not think he is following your ruling.

**The ACTING SPEAKER:** I made the ruling that he could quote from it. I ask that he not read it all. He can paraphrase it and he can also table the document for the remainder of today's sitting if he so wishes. He can table it as a minister, anyhow. There is no point of order. I am sure that the minister will adhere to my ruling.

*Debate Resumed*

**Mr M. McGowan:** Obviously, Mr Acting Speaker.

Several members interjected.

**Mr M. McGowan:** This is important. I am trying to be brief. I listened for 30 minutes to the member for South Perth talk about it. All I want is three minutes.

“The nature of the business Betfair operates is against all the principles of wagering in Australia,” Mr McGrath said.

“By giving its clients the opportunity to act as bookmakers and ‘lay’ a horse to lose, it leaves the industry wide open to corruption.

“And with Betfair an internet-operated business, with clients all around the world, racing stewards in Australia would face an enormous task to properly scrutinise all transactions, even if Betfair provided its betting sheets.”

I will paraphrase this bit. He talked about Makybe Diva —

“Racing in Western Australia in particular is enjoying massive growth as a result of this increased TAB betting and it would be disappointing to see that affected by an internet operation that wasn't making a proper contribution to the well being of the industry,” he said.

I like the member for South Perth, but when he stood and rewrote the history about what happened, I had to come in here and object and let members know, and in particular let the media know that might be covering this issue, that this was a bipartisan position. I do not resile from what we did. We made a decision that we thought was in the interests of the racing industry of Western Australia, supported by the racing industry and supported by the opposition at that point in time. We took it to its conclusion —

**Mr J.E. McGrath** interjected.

**The ACTING SPEAKER:** Order, member for South Perth!

**Mr M. McGowan:** Obviously, we stood up to interests that were strong and powerful in this country. We took a stand on principle that we thought was in the interests of the racing industry and we were unsuccessful. I just wanted to make sure that everyone in Western Australia who has an interest in this would understand two years later when things become hazy about what happened back then. The issue was jointly pursued by all sides of Parliament and voted in favour of by both sides of Parliament and pursued, before it entered the Parliament, by the Liberal Party in those aggressive tones that I just read out to the house.

**MR R.C. KUCERA (Yokine)** [8.08 pm]: Before I talk about the budget, as a patron of the Welsh society, and on behalf of Denis Hippolyte, one of the attendants, I wish the very best of luck to Cardiff City Football Club in the FA Cup final this Saturday night. It is the first time the team has made the final since 1929. If there are any other Welsh people around this place, I wish them well. Cymru Am Byth!

I speak about the 2008 budget, firstly, in relation to the broader budget and, secondly, in relation to my electorate of Yokine, taking into account, of course, that the electorate will be carved into the two electorates of Nollamara and Mt Lawley. I want to talk of the particular benefits for my constituents, given the priorities that impact upon them within those constituent boundaries.

Firstly, the broader budget concentrates very much on infrastructure projects. There is no doubt that infrastructure is needed right across the state. In fact, most of the infrastructure projects that are listed in the budget have already been announced. Unlike the member for Murchison-Eyre, I am particularly pleased about the emphasis that has been placed on the new stadium, the centre of sporting excellence at AK Reserve, and the Challenge complex that is designed to replace Perry Lakes Stadium. Those facilities will be on built on the site of the existing facilities. This will lift this state to a new level of prestige in the sporting world. Also, unlike the member for Murchison-Eyre, I think there are ways in which those facilities be funded. Some of those ways are mentioned in the report of the stadium task force. I recall that when I was a child, my grandfather had debenture

Mr John Bowler; Mr John McGrath; Mr Mark McGowan; Mr Bob Kucera; Dr Kim Hames; Mr Paul Omodei;  
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shares. Boat pens are currently being sold upfront. I see no reason that we could not raise some of the money for this new stadium through the forward sale of seats. The member for Morley —

**Mr J.B. D’Orazio:** Ballajura.

**Mr R.C. KUCERA:** Sorry; it is about to become Morley. He and I have had similar discussions. This stadium will become a money-maker for the state. That is despite the significant criticisms that have been levelled at the deliberations of the stadium task force since its formation. I am sure that more criticisms will be made as the project proceeds. The excellent recommendations that were made by the stadium task force have been vindicated by the announcement that has been made by the Premier about the new stadium. Western Australia is no longer looked at as just the left-hand side of Australia. Western Australia is now the right-hand side of the Indian Ocean basin. The Indian Ocean basin has the largest population base in the world. If we include in the Indian Ocean basin South-East Asia and the closer regions of China, almost half the world’s population is now centred around the Indian Ocean basin. Western Australia is now an integral part of that region. Therefore, the need for Western Australia to be able to compete on the world stage is absolutely essential. It is no longer simply a matter of catering for the Eagles and the Dockers and our local fans. The enormous success of Western Force—the first truly international competition in which any sporting team in this state has been involved, apart from the odd test game that we have played—is proof of that. When 25 000 people turn out on a regular basis for every Western Force match, we realise that there is an urgent need for this stadium. The task force was chaired by John Langoulant, and its members were Ron Alexander, Terry Budge, Paul Jones, Eric Lumsden and Gaye McMath. When I as Minister for Sport and Recreation brought together the members of that task force, they took on what I believed was a seemingly impossible task. Anyone who has had to deal with the various football codes, cricket codes and other sports will know exactly what I mean. They tackled their task with relish. As the minister, I plunged them into the deep end. However, since that task force has reported, I do not recall that anyone, either within government or out of government, has thanked them for the great job that they have done. I thank the members of the task force on behalf of all the future Western Australian sportsmen and sportswomen who will be inspired when they play on that hallowed Subi turf. The finished concept and the planned staged development are world class. There is no doubt about that. In fact, I had the opportunity of visiting both Millennium Stadium and Wembley Stadium when we were first looking at building a stadium in Perth. This stadium will be as good as, if not better than, some of the stadiums I have seen overseas. I might say also that on the world scene, it is rare that a stadium is built that can cater for more than 60 000 or 70 000 people. That is because the main area of sales is not necessarily bums on seats but television. When the Perry Lakes development is completed, our great city will be in a position to bid for future major events, even the Olympic or Commonwealth Games. I know that many people will scoff —

**Mr P.D. Omodei** interjected.

**Mr R.C. KUCERA:** I knew that would happen! However, the reality is that apart from the whitewater park that we need at Armadale, Western Australia has world-class facilities for every known Olympic sport. The rifle-shooting and trap-shooting facility at Whiteman Park is recognised as one of the best in the world. Members can scoff at that —

**Mr P.D. Omodei:** Wait a minute!

**Mr R.C. KUCERA:** I am not having a go at the member for Warren-Blackwood. I am talking about —

**Mr P.D. Omodei:** When we first started talking about a stadium and about locating it at Burswood and building a major complex out there, I went to Kerry Stokes and suggested the possibility of building a Commonwealth Games village.

**Mr R.C. KUCERA:** Exactly.

**Mr P.D. Omodei:** Do you know what he said? He said they have not even decided the television rights for the next Commonwealth Games, let alone the two down the track!

**Mr R.C. KUCERA:** I was not including the member in that comment.

As part of the proposed Perry Lakes program with the university, there is room for things like a Commonwealth Games village. These two projects, together with the new Perth Arena at Wellington Street, will guarantee that—apart from, as I have said, the whitewater park—every Olympic sport could be staged in Western Australia. What an exciting prospect! That is also a wonderful reason to make sure that we link that stadium to an iconic development on the Perth foreshore. I do not necessarily agree with the plans for the foreshore that I have seen in the newspaper. I think we all have some reservations about that plan. However, that area needs to be developed. Very few people would argue about that.

**Extract from Hansard**

[ASSEMBLY - Wednesday, 14 May 2008]

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Mr John Bowler; Mr John McGrath; Mr Mark McGowan; Mr Bob Kucera; Dr Kim Hames; Mr Paul Omodei;  
Mr Paul Papalia; Mr Max Trenorden; Mr Ben Wyatt; Mr Grant Woodhams; Mr John Day

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The Perth foreshore development would complement what is already a great city. I recently had the opportunity of visiting South Bank in Brisbane. The Queensland government has done amazing things with Brisbane River. I can recall sailing along that river 10 or 15 years ago on a yacht. It was one of the worst places that one could ever envisage. It was an absolutely muddy mangrove swamp. That area of the river has now been turned into a magnificent facility, with even an artificial beach, right in the middle of the city. It is tremendous.

The second key item for me in the budget—this is a matter that I know is also right up the member for Warren-Blackwood's alley—is the huge boost that has been provided for child protection. Since I was elected to this place in 2001, I have been advocating, particularly within my own party room, for the development of adequately resourced mandatory reporting of child sexual abuse. I have made no secret of that. I have often been out of line with the ideology in my party room on that matter. I have heard the view that mandatory reporting will create too much work and will require enormous resourcing.

**Mr P.D. Omodei:** You have got me worried now! I am starting to agree with you!

**Mr R.C. KUCERA:** I make no secret of the fact that I have always advocated that. Those who know me within the party system will know that I have had that view ever since I was a young police officer. I do not care what it costs. If it saves one child from being abused, it is worth it. I applaud this government for recognising and resourcing a fundamental role of government—protecting our children.

Thirdly, I applaud the additional funding in this budget for disability services. I seem to be handing out accolades to the member for Warren-Blackwood all night tonight! The member for Warren-Blackwood was a firm advocate for additional funding in this area. The member for Warren-Blackwood was a good disability services minister when he was in charge of that portfolio. I also want to congratulate the member for Alfred Cove—who is not in the chamber tonight—for her advocacy on the Carer Card and the Companion Card. I do not do this reluctantly, because I have been listening to the member speak about this for nearly two years, and there is no doubt that the persistence of the member for Alfred Cove, together with that of the other advocacy groups, has led to a change in thinking by this government about the Carer Card and the Companion Card. Western Australia has a stand-out record on disability funding. That goes right back to the time of previous governments. However, there is never enough funding in this area. Recognising the need to continuously improve the lot of the most vulnerable people in the community is a basic tenet of Labor Party philosophy. Virtually every year since we have come into government, we have increased funding in this area. I applaud successive governments for that.

The other three major community service demands are health, community safety, and education. These three areas have received substantial additional funding in this budget. It is pleasing that many of the new and emerging suburbs will be the beneficiaries of new and improved schools, as will, indeed, some of the older suburbs. We must not forget that the vast majority of our schools, particularly in the inner city suburbs, are now more than 50 and 60 years old. We need to ensure that funding is provided to keep up the maintenance of those schools.

**Mr C.J. Barnett:** If I may interrupt, you deserve some credit for Mt Lawley High School. However, this government has failed to make the hard decisions on small high schools in the northern suburbs.

**Mr R.C. KUCERA:** That may be an issue that the member can address.

**Mr C.J. Barnett:** Mt Lawley is fine.

**Mr R.C. KUCERA:** I will talk about Mt Lawley in a moment, because that is one of the jewels in the crown in my electorate.

I now turn to health. The development of Osborne Park Hospital commenced in 2002. I am very pleased that has now come to fruition. I applaud the additional funding for that hospital. A passion of mine when I was Minister for Health was mental health services. Members may recall that we were able to put together the review of mental health services under Professor D'Arcy Holman. It was an excellent report. If that report had been followed absolutely and we were able to fund every part of it, it would have gone a huge way. I am very pleased to see the additional funding for mental health services in the budget. It is a growing and vexed area. Whilst on health, I was also very pleased to see the figures for recruitment and retention of nurses and doctors in this state. It is a far cry from what was happening in 2001, but we have a long way to go and we can never back away from it. I have noticed the difference in the value that the community and people generally now place on nursing in particular and the recognition that nursing has in this state. There is no doubt that it has really changed over the past eight years.

Funding health services is always a very vexed and difficult area. This budget sets a benchmark for all Australian states, particularly with the tranche of new hospitals that are planned. As an old copper—I use the word “old”

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advisedly nowadays—I am very pleased to see the additional funds for capital works, particularly for the Stirling police station and the much-needed technology in helicopters. Recruitment is also on target. I could speak on that issue all night.

For some of the most disadvantaged groups in my electorate in the northern suburbs of Nollamara, Mirrabooka, Girrawheen etc, housing affordability is still an enormous issue, particularly for refugees and Indigenous people. There is a growing group of very poor people in this community. It was interesting to see Chum Taylor on the television tonight commenting on pensioners and self-funded retirees. Both state and federal governments have to realise that a new group of retired poor people is emerging in this state. We need to start addressing this, whether or not we like it. People are living with candles for light and getting water from downpipes. When I came out of my office at almost midnight the other evening after work, a woman pulled up in a car and asked me if I could give her \$10—the old trick—saying she had lost her purse and wanted \$10 for some milk and bread. Instead of giving her the money, I took her into a shop and bought her milk and bread. She genuinely needed milk and bread. The old con used to see people go down the road to buy a bottle of port. This woman was looking for some bread and milk at midnight. I know the woman; she lives in my area. I would not embarrass her by naming her. That kind of thing is becoming increasingly evident. There is a group of retired people who are stuck in the middle. Many people in my area are Italian. They did not buy superannuation; they bought rental houses. People might say, “Look at the value of their houses; they have gone up.” I was disappointed that the property tax that they have to pay on those rental premises has not been recognised. It is a concern. It needs to be addressed.

There are an enormous number of grand families, families that have to support the offspring of their kids who are drunks and druggies. I know of many in my electorate. The member for Kingsley, Judy Hughes, has done a tremendous job of making sure that this issue is highlighted. We need to keep bringing it before federal and state Parliaments. This issue was not addressed in either budget. A woman was talking about it on the radio this morning. Her grand-daughter has been made a ward of the state. If she goes to the state, she will not get custody of the child. The child will end up in a foster home and the foster parents will be given money to raise the child. Because this woman is determined to hang on to her own grandchild, she gets nothing from any government. We have to address that matter, as consecutive governments have not done anything about it, despite it being raised.

As a big-picture, futuristic budget, it recognises the issues that need to be addressed. I am pleased to see the level of regional infrastructure in ports and major road funding that the government talked about. More can always be done. I am talking about regional ports now. I do not know anything about the detail of the future fund but at the end of the day we have to ensure that the federal government knows about the situation in WA. We are building the house in Australia and Canberra is taking the rent. It has been doing that ever since I have been a member.

I will move to issues affecting my electorate. Obviously, all the service boosts in the big picture budget will benefit every one of my constituents in a broader way. However, as with all of us, specific and urgent needs affect the quality of life in Yokine. Like all government members, I indicated to my colleagues in cabinet the items I wanted for my electorate. I only asked for three things on this occasion: overpasses on a section of Reid Highway, funds to revitalise the Mirrabooka urban centre—this program is already underway—and a portion of school maintenance for all the schools in my area, all 17 of them; other than Mt Lawley, as mentioned by the member for Cottesloe. That is a great school. It always was. It is even better now. All schools desperately need funding for maintenance. I will speak about two specific items in a moment.

I am very disappointed—I rarely say this about my own government—that the two intersections that need attention are longstanding items. I think they were of concern back in the member for Dawesville’s day when he was the member for Yokine. Promises have been levied by both sides of politics since 1997 at both state and federal levels. As a state member working with federal governments, I was promised action on these intersections. In no way am I criticising the Minister for Planning and Infrastructure; she has been an absolute champion in trying to get funding from both the state and federal governments for these intersections. The intersections at Mirrabooka Avenue and Alexander Drive are recognised as the two worst in the state. The intersection of Alexander Drive and Reid Highway is now considered the number one priority intersection in Western Australia now that the one in the Treasurer’s electorate has been fixed—the intersection of Orrong Road and Reid Highway in Kewdale. I am told that the money to build both intersections was originally included in the 1997 budget. I looked at it. Unfortunately, it disappeared. I do not know the political ramifications of that and I will not go into it.

Funding was poured into extending Reid Highway west through Carine right out to West Coast Highway. This almost doubled the traffic flow over the ensuing years. I am fearful that exactly the same thing will happen again when I look in the budget and see \$53 million to include a new dual carriageway through West Swan. That worries me greatly because it will again double the traffic flow, and we still have these two death traps in my electorate. Members should look at the white crosses out there. I do not normally take up these issues with the

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government, but I will take up this issue because I am very disappointed. The Minister for Planning and Infrastructure has been tireless in chasing this down but like every other minister—I have been a minister, as have four of the members sitting opposite—one has to cut one’s cloth to suit. I am disappointed. In both cases there was a requirement for matched state funding, even though at the last federal election both sides promised funding for either one of these intersections. In fact, in one case both of them were promised.

I quickly want to read a letter from a group that I admire greatly, the Balga Action Group, led by Alan Stafford. Alan Stafford and Phylis Robertson are tireless in their efforts.

[Member’s time extended.]

**Mr R.C. KUCERA:** This letter was sent to a number of members. It states —

Dear Bob

During the recent federal election campaign —

The last election —

we had the opportunity of discussing our expectation . . .

He goes on to talk about what the group expected of its elected officials. He stated —

Our main concern is that politically we feel that we are being taken for granted, and whilst we enjoy a good relationship with most politicians, we recognise that political expediency often gives the impression that some speak with a forked tongue when the occasion rises and that is not an act of good faith for a community group that is only interested in the betterment of Balga.

We also have the view that because politically, Balga is regarded by many as being represented by various politicians with safe seats, we miss out on those advantages that marginal seats seem to attract, especially in the run up to state elections.

The recent federal election saw both sides representing the Federal seat of Stirling throwing fist full’s of dollars our way mainly because it was seen to be a marginal seat.

When we discussed our concerns, the view was expressed that historically Labor Governments are supposed to be sympathetic to the views of communities such as ours where nothing happens unless it is fought for, and that the sentimental community view that “Labor” will always look after us, may no longer be the case.

In a nut shell, what we are saying, is —

This is a good message for all governments, particularly when it comes to the local people in members’ electorates —

please do not take us for granted, we represent all views and from time to time, we will be called on to support views you may not agree with —

That is dead right! Alan states his case pretty strongly —

but we will still expect your full support and cooperation.

In closing, please let us know what is happening with the Reid/Alexander/Mirrabooka saga because we understand that an intersection will be built at, . . .

I hope he is right—

at least one of the intersections if not both . . .

He goes on to talk about federal funding. The reason I read that letter this evening is that there is an issue here; there is no doubt about it. I would not be as cynical as to suggest that the funding for this piece of highway over the past decade has been based on political imperatives, as the writer suggests. The new extension will run out through the new electorate of West Swan and I do not think it is any coincidence that that seat is favoured by particular candidates. At the same time the new seat of Nollamara will be the safest Labor seat in Western Australia. I sincerely hope that those two facts do not support what Alan Stafford has said about being taken for granted. These two death traps need to be fixed. I do not care whether it is the federal government or the state government, or both of them working together, that does it. They must realise that people cannot be promised something for more than a decade by both sides of this house and of the House of Representatives and be ignored again. I spoke to someone in the minister’s office yesterday. She was quite open about it. She said “I can’t find any money there, Bob. I really do hope that it is going to be in what the federal government is talking about and they did make promises and there are funds there.” I therefore sincerely hope that the federal

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government listens to what I have said tonight—in fact, that our side of politics listens to it—and that it honours the commitments that have been made to that action group. It is a good action group. It has led to the whole redevelopment of the northern suburbs out through Balga, and I support that group.

Similarly I note with pride, but I must admit some degree of envy, the levels of funding for the revitalisation of Geraldton, Albany, Armadale and many other regional and urban centres throughout this state. I say “pride” because in the nearly eight years I have been involved with this government I have seen—in fact we all have—that it takes pride to realise the enormous lift that an infusion of infrastructure funds can give to an entire community. However, I say “envy” when I once again see no additional funding for the proposed and partially commenced revitalisation of the Mirrabooka Square Shopping Centre. It will hopefully attract some level of federal funding, but until then, there will be absolutely no funding for it. I must say that the Mirrabooka centre—I do not seek in any way to denigrate the good people who run the shopping centre there and the area around it—is one of the least attractive urban areas in Perth; there is no doubt about that. The open land there and the state of some of the shopping areas will continue to languish until we do something about them.

The City of Stirling expressed concerns to me just half an hour after the budget papers were made public about the Reid Highway overpass. As we approach the next state election I hope that the people of Mirrabooka are not, as the action group has said, taken for granted. I say now that I will make sure that these issues are very much kept in the public eye. I did have a note with me to applaud the completion of the \$41 million rebuild of Mt Lawley Senior High School—the member for Cottesloe has done that for me. I also applaud the new facilities in the almost \$3 million refurbishment at Mirrabooka Senior High School; they are badly needed. I have to say, if I can comment on it, that the principal there, Mr Armando Giglia, is one of the best principals I have ever worked with. Mr Giglia is outstanding. I probably should not say this in public, but he had serious health problems last year and he still dragged himself back to the school. It is a joy to stand at Mirrabooka Senior High School’s graduation every year and see kids, who have more disadvantages than other kids at most schools put together, come up to the stage and proudly graduate and come out of there with a certificate that really means something to them. That is a great little school and I take my hat off to Armando. He should be teacher of the year.

Nollamara Primary School desperately needed a refurbishment last year and got it. It is now running something like seven classes of English as a second language for migrants and refugees. In fact, all the primary schools in that area are running classes of English as a second language and are buckling under the pressure. Again I have approached on numerous occasions the Minister for Education and Training to make sure that we get some desperately needed funding in there. It is a matter of not only funding for extra teachers but also creating programs that support those teachers. All the schools in my area are now more than 50 years old. Sutherland Dianella Primary School in particular has a problem that really needs to be fixed. The toilets are on the outside of the school premises. Primary school age children have to leave the school premises and go out to a toilet. In this day and age and with my old hat on, I believe that is something that should not now be allowed. I must say that the minister has been out to the school and has looked at the premises. There was talk of selling off pieces of land there. The local community will not stand for that. There is therefore a need to fix that school. In addition, the staff facilities are dreadful and need to be fixed. I have raised that matter with the minister and, again, I will be going back and absolutely hammering the desperate need for maintenance money for that; otherwise, one of these days a child will perhaps disappear from that school and that will be on all our heads. It really concerns me. Stana Couzic, the principal, and the school committee there has raised that issue on a number of occasions.

Finally Coolbinia Primary School desperately needs new arts and music areas. At the moment it is using two 70-year-old army huts that were taken there by parents 30 years ago. They got them from the Northam army camp when that was vacated. Again, that school needs more funding.

In conclusion I say that for almost eight years I have tried to be a very vigorous and persistent advocate for the wonderful people of Yokine. I do not know whether I have succeeded. The people of Yokine have been very fortunate; they have had two very persistent members over the past two decades. I still hear the people sing accolades for my colleague on the other side. He was a good local member and I hope that I am a good local member also.

**Mr J.B. D’Orazio:** Did you say Labor member? I don’t think that’s true.

**Mr R.C. KUCERA:** No, local member, I said. I have to say that the member for Dawesville was a good local member for Yokine. I was disappointed that a redistribution will result in the seat of Yokine disappearing at the next election, largely into the new seat of Mt Lawley, and the remainder into the revamped seat of Nollamara. Regardless of what the future holds for me, I reassure each and every person —

**Mr J.B. D’Orazio:** “The member for Mt Lawley” sounds very good.

**Mr R.C. KUCERA:** It does, does it not?

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Regardless of what the future holds, I reassure every person in my electorate that regardless of their age, their gender, their ethnicity or their religion, they are all my people while I am the member there, and I will continue to fiercely represent them, no matter what, and certainly until the next election. Who knows what will happen after that?

It is a funny thing that I was thinking about what Alan Stafford said in his letter. He said that the great thing about safe seats is that when they start to become unsafe, that is when the people get what they deserve, such as money for those projects that have been neglected in the past decade. That may be the answer. I note what the member for Ballajura just said about Mt Lawley. Perhaps that is the answer: to make some of these safe seats a little unsafe so that we can put people on notice that at no time when a seat is a safe seat—whether it be Liberal, National or Labor—must people be taken for granted, in particular the local electors who vote and elect the people who represent them.

I will not talk about my achievements. Kahlil Gibran once said that to understand the heart and mind of a person, look not at what he has already achieved, but at what he aspires to do. I aspire to make sure that my electorate continues to be represented, hopefully by me.

**DR K.D. HAMES (Dawesville — Deputy Leader of the Opposition)** [8.38 pm]: I would like to talk about things that are in the budget for my seat of Dawesville.

**Mr J.B. D’Orazio:** I’m glad you got something.

**Dr K.D. HAMES:** That is it! I can sit down now. That is what my seat of Dawesville got—zero, absolutely zero.

**Mr J.C. Kobelke:** What about infill sewerage?

**Dr K.D. HAMES:** The infill sewerage program was actually put off because there is not enough money in the budget to fund it. I am not sure whether there is money available or not. In reality, the Treasurer—I hope he is listening—does not know how to spell the word Dawesville. In four years I have yet to see the word Dawesville appear in any Labor Party budget. It changed to South Mandurah last year and included a school because that area desperately needed a school. However, in all the other years, the funding has been zero. Nevertheless, as the minister correctly pointed out, some longstanding infill sewerage works for my electorate, which had been delayed indefinitely at one stage, were kindly agreed to by the minister after I had made representation to reinstate them, and that has been going well. Among the list of facilities we particularly need in my electorate, schools rank at the top, as I am sure they do in many other electorates. People will realise that my electorate in Dawesville, and the Peel region generally, has been the fastest growing region in the whole of Australia and still ranks among the fastest growing electorates. As a result, the population in that area is booming and the number of children who wish to attend schools is increasing. However, they are all moving to the private sector for two reasons: firstly, the long distances to travel to the high school. There is no senior high school in my electorate; the kids must go to the Mandurah Senior College, which is doing an excellent job in Mandurah, but it is the only senior high school that is not private in the whole of the Peel region. There is Halls Head Community College, which is a middle school but, as the member for Murchison-Eyre pointed out earlier, middle schools in his electorate and certainly in my electorate are not working. A large group of parents, particularly near Ocean Road, have done a significant amount of lobbying of the Minister for Education and Training. Land has been allocated for a new high school but the minister said that there were insufficient numbers to warrant building a high school in that location. He does not understand that everyone is pulling their children out of the public schools and putting them into private schools because that is the only way they can get their children into a high school in the Peel region. The reality is that if that high school is built there, it will fill up in no time. However, as a second option, the minister was considering changing Halls Head Community College middle school to a full high school. Although that is not the ideal option—I welcome Doug to the gallery—it would still be sufficient to satisfy the needs of my electorate. That does not appear to have made a mention in the budget even though a well-presented and enthusiastic argument was put to the minister by a large number of parents, including teachers from Ocean Road and Falcon Primary Schools.

The other thing we desperately need in my electorate is a new police station. Interestingly enough, a police station was promised and the land was purchased prior to the 2001 election. If the coalition had won that 2001 election, by 2003 a new police station would have been built. On winning government in 2001, the Labor Party decided it would not build a police station in my electorate. It sold the land and said it would address the lack of a new police station by increasing police numbers in Mandurah as a whole. It did that, but it found, particularly with the housing boom south of the cut, the distances and huge population growth in the area, that it is impossible to properly service the extremes of my electorate. The police, therefore, are extremely keen to build a new police station in that area. They have been given encouragement and they have looked at opportunities to purchase land. I understood that there would be a push to build that police station in my electorate, but, again, there is no sign of that in the budget. It might be one of those things that will be announced leading up to the

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election. I remind the Minister for Police and Emergency Services that my electorate is the second most marginal Liberal seat in the state.

**Mr J.C. Kobelke:** You have my interest now.

**Dr K.D. HAMES:** That should count for something. We heard the member for Yokine talk about how marginal seats can attract funding to electorates. I have been telling people that, but it has not worked; nonetheless, I have hope. The election is imminent, so I encourage the minister to reconsider that option. I gather the Labor Party has rejected the male—it might have been two—candidate who put his hand up for my seat, in light of the need to preselect a female to maintain the gender balance. I will let her know where we need the police station, and the minister can promise it in the lead-up to the election. I would be very happy to see that happen. He can remind the Minister for Education and Training about the need for a new school at the same time. I notice in the budget a significant amount of money is listed under “Schools Unallocated”. I do not know whether they are unallocated funds because the minister is waiting for the election, has chosen them or is still making up his mind which seats the Labor Party thinks it can win. Dawesville is the second most marginal seat in the state by, from memory, 1.7 per cent. The government should feel free to invest freely in my electorate in the hope it will win it. It might not, but I would be happy for it to try.

Given I now have no opportunity to talk about funding for my electorate because none has been allocated, I will take the opportunity that this debate provides to cover a scattered variety of issues relating largely to my shadow portfolios that I want to get on the record to debunk some of the statements that have been made by the government. Part of that is that this “Carps the builder” government is revitalising our health system with a massive infrastructure fund. I would like to get on the record which hospitals were funded under the former Liberal government and which hospitals were funded under the current Labor government. This government has been in power for only seven and a bit years so far, so I will give a bit of leeway to some of the projects that may well be finished before the next election. I will refer to hospitals that have been funded and some for which this government has claimed credit. During the Liberal Party’s eight years in government, it funded five new hospitals: Joondalup Health Campus, with 295 public hospital beds, excluding the private hospital beds that were part of that development; Peel Health Campus, 110 beds; South West Health Campus in Bunbury, a replacement of existing beds but a new construction of 130 beds for Bunbury Regional Hospital; Northam Regional Hospital, 40 beds; and Armadale-Kelmscott Health Campus, 120 beds giving a total of 695 new beds—that is, five major hospital constructions in eight years of government.

**Mr P.D. Omodei:** Plus Nannup, Pemberton and Manjimup.

**Dr K.D. HAMES:** I have not covered those smaller hospitals but perhaps I should have because when I talk about the beds built by the Labor Party in the past seven years, they are mostly for smaller country hospitals. Two hospitals have been constructed since the election of the Labor Party for which it claims credit; namely, Geraldton Regional Hospital and Halls Creek Hospital. Both were included in the 2000-01 budget. Although it was the initial funding, in the four-year forward estimates, funding was allocated for the construction of both hospitals. I do not know whether it turned out to be the full cost, but the fact is that both hospitals were funded in the four-year forward estimates. The government, of course, has seen fit to claim credit for them. If there is a change of government at the forthcoming election, the Liberal Party will construct all the hospitals that will not be finished by the Labor Party. Those hospitals include Swan-Midland hospital, which is to be completed in 2012; Fiona Stanley Hospital, which is to be completed in 2014; Busselton District Hospital, which is to be completed in 2012; Denmark District Hospital, which is to be completed in 2010—I had the figures written on another piece of paper but I do not have it with me so I do not have the exact finishing dates; Albany Regional Hospital will not be finished; the hospital in Kalgoorlie certainly will not be finished—members have heard the comments of the member for Murchison-Eyre, work on the Joondalup Health Campus has not started yet, and is to be completed in 2012; Rockingham-Kwinana hospital has a similar completion date; and Armadale-Kelmscott Memorial Hospital. None of those projects that are listed in the budget will be completed by this government during its eight years in government. The only hospitals that have actually been built that were not on the coalition’s budget in 2000 are Port Hedland Regional Hospital, which has 50 beds; Fitzroy Crossing District Hospital, which has 15 beds; Ravensthorpe District Hospital, which has 11 beds; Moora District Hospital, which has 20 beds and was built only after a huge amount of pressure was applied; Broome District Hospital, which has 36 beds, and it was just a redevelopment of the hospital that did not increase the number of beds but I have given the government credit for it because Northam Regional Hospital was built during the previous government and that did not increase the number of beds either; Derby Regional Hospital was another redevelopment, with 39 beds; Carnarvon Regional Hospital was a redevelopment; and the number of beds at Kununurra District Hospital increased from 26 to 32, which is an increase of just six beds. A total of 177 new beds have been created by the Labor Party during its eight years in government, although that figure depends on Denmark District Hospital. That hospital may well be completed within this term of government. Perhaps another 32 beds could be added to

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the list. Even 200 beds would be well short of the 695 major hospital beds that were added by the Liberal Party during its eight years in government. The government's huge boast about providing capital infrastructure for hospitals is nonsense. The future plans for construction are impressive. They are recommended by the Reid report and are well supported by members on both sides of the house. When we win the next election and I am the Minister for Health and those constructions are completed, I commit to giving credit where credit is due for the contribution made by the current Minister for Health towards the construction of those hospitals.

I will talk briefly about Aboriginal health services. The Aboriginal health and Indigenous affairs component of the budget was extremely disappointing. We have just heard about the report by the State Coroner, Alistair Hope, regarding the massive needs of remote Aboriginal communities in this state. Lieutenant General John Sanderson has highlighted the severe state of affairs of Aboriginal communities, and the importance of increasing funding significantly and changing our management structures for Indigenous people in this state. The federal Labor and Liberal Parties have said the same thing. Tonight the member for Murchison-Eyre said that Fitzroy Crossing and Halls Creek are not the only two places with major Indigenous housing problems. He said that he could show members a large number of places in his community that are just as bad. There is a large number throughout northern Western Australia and some in the southern parts of Western Australia.

**Mr M.W. Trenorden:** Don't forget about the central wheatbelt.

**Dr K.D. HAMES:** That is true. A large number of Aboriginal communities need support from the state and federal governments. What do we find in the budget papers? When we look under Aboriginal health, we find about four or five dot points that refer to problems and major initiatives. They are not major initiatives; they are minor initiatives that tinker at the edge of the massive problem. We all know that the life expectancy of Aboriginal people is 20 years fewer than that of non-Indigenous people. We know about the huge rates of incarceration, child deaths and poor health. We know also about the huge problems Aboriginal people face in every step of their lives, yet where in this budget are the major initiatives that will address those problems for Aboriginal people in this state? Where does the budget address the major housing and health issues?

The Liberal Party has presented a proposal that I have mentioned publicly about what we believe needs to be done to address the problems of Indigenous communities in this state. I have released a green paper on our Indigenous affairs policy that has been widely distributed and has gathered a reasonable level of support. I have also stated publicly in response to the Hope report what I believe needs to be done to manage Indigenous affairs in this state.

[Member's time extended.]

**Dr K.D. HAMES:** An implementation committee is needed, and I propose to make John Sanderson its chair. It would include also Fiona Stanley, who is widely respected for her commitment to Indigenous health in this state. It could include also Fred Chaney, who has a similar reputation in the broader sense of looking after Aboriginal communities, and senior Indigenous representatives. I propose making John Sanderson the chairman because of the reports he has done and because of his experience in the military. Immaculate planning is needed to make sure that this is not just another step along the way of failed plans and programs for Indigenous communities. I suggest that he be put at the head of what is currently the Department of Indigenous Affairs and that it become an implementation or administration group to support that management committee. All the state and federal funding would feed through that and John Sanderson could implement his recommendation for a regional Indigenous body, particularly in the Kimberley, and the recommendations of the Hope report to ensure that they are put in place. We could channel state and federal government funding through that body, and all state government departments would have to regularly report to and seek approval from that body to expend funds on Indigenous communities in this state. I am not talking about the responsibility for a high school or primary school in Broome just because many of the people who live there are Indigenous. Obviously that is quite rightly the responsibility of the Minister for Education and Training. Nevertheless, many associated issues relating to the attendance of Indigenous children at school, their management at home, their living standards and family standards, and issues relating to alcohol, employment, and educational opportunities, must be managed by that implementation committee. I again put on the record that I believe that must be done as a bipartisan approach with the support of Indigenous communities. It should not be a case of our side saying that it should be done and the government saying that it does not support it.

Another component of Indigenous affairs relates to the annual funding of the Department of Indigenous Affairs. A story in *The West Australian* last week reported that the department was provided with \$16 million to address the changeover of its responsibilities. Everyone in remote communities is assuming that that \$16 million can be spent on those Indigenous communities. I read some comments from an Indigenous representative in Fitzroy Crossing to the effect that the community was looking forward to seeing where the \$16 million would go and

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what share it would get. I can tell members how much will go to Indigenous communities—absolutely zero. I refer to page 654 of the *Budget Statements*, which deals with the income statement. The service appropriation for 2007-08 is \$24 676 000. The figure for the coming financial year includes some of the \$16 million. There is a special Treasury figure of \$4 928 000. The figure for 2009-10 is \$3 274 000; for 2010-11 it is \$2 862 000 and for 2011-12 it is \$3 106 000. When I saw that I thought great, that is the \$16 million that is a special allocation by Treasury to cover the change in management of Indigenous affairs. However, when I look at the original amounts, the figure of \$24 676 000 decreases to \$23 004 000. It then goes down to \$22 174 000, \$22 483 000 and \$22 934 000. On one hand Treasury is giving \$16 million; on the other hand it is giving the department less money to achieve the same results. There will be an increase in the number of full-time equivalents in the agency from 132 FTEs in 2007-08 to 156 in 2008-09. The money is going towards increasing staffing levels in DIA. None of it is going to the communities. The increase in staffing of 24 people will largely be paid for by these amounts. Reducing those levels each year from \$24 million to \$23 million and to \$22 million in the 2009-10, 2010-11 and 2011-12 forward estimates means that only an additional \$5 million or \$6 million has been allocated over those years, not the \$16 million that everyone is talking about. It is absolute nonsense. Indigenous people in this state have been conned by the statement that they will get \$16 million. Sadly, they will not get a cracker of it. There will be increased services because of the increase in staff. When the member for Willagee became the Minister for Indigenous Affairs, he immediately closed down a large number—I think it was 11 or 12—of the smaller offices that the coalition government had established to help people in places such as Fitzroy Crossing and Halls Creek.

Before I conclude, I want to briefly talk about the desalination plant so that, for once, the events will be on the public record. People will say that I am doing this to blow my own trumpet. Perhaps that is true, because I do feel proud about what happened in the lead-up to the building of the desalination plant. I will tell members what happened so that, despite the government's spin, it is on the record. I forget which year it was that I was not happy about the potential water sources that were being suggested by the Water Corporation. I think it was before we lost the election, so perhaps 2000, but it could have been the year before. I had been reading a lot about desalination. The Water Corporation would not have a bar of desalination plants. It was totally uninterested in desalination. It said that desalination would cost about \$2 a kilolitre and that it was out of the picture because we were paying 40c for dam water and 50c for underground water. I put together a ministerial visit. I took with me Jim Gill, who was the chief executive of the Water Corporation; Greg Joyce, because the visit involved looking at housing issues and he was the Director General of the Department of Housing and Works; and the chief executive of the Water and Rivers Commission, Roger Payne. We visited Eilat in southern Israel to look at its desalination plant, which had been operating for a long time. It was taking high-salinity water from the sea, desalinating it and producing water for the local community. Next door to the plant there was a salt pan. The plant was pumping out hypersaline water, which was the residue of the desalinated water, evaporating it and producing salt at the same time. It was a great plant. We then visited America to consider housing issues in San Francisco. We also visited San Diego to look at its desalination plant. Because San Diego had gone through a drought, it had built a desalination plant. It suddenly poured with rain the year before it opened and the desalination plant was mothballed. We also met a large number of people involved in water, because at the time there were calls for an international tender to build a new desalination plant on the east coast of America. I do not think —

**Mr J.C. Kobelke:** Was it the Tampa Bay plant?

**Dr K.D. HAMES:** I cannot remember. A desalination plant was to be built in one of the big east coast states. The state received tenders from companies all over the world, particularly from French and German companies. New technology had significantly reduced the price of desalination. When we got back to Perth, I told Jim Gill to put out a tender for a consultant who could work out what it would cost for us to build a new desalination plant at Kwinana. He told me that there was no need to do that because the department had found an international expert who wanted to come to Perth to work. He said that the department would employ that person to put the plan together. I cannot remember the man's name, but he did that study at Kwinana and worked out the costs and whether that was the appropriate place to build a plant. The government decided to build its desalination plant down south. We were also thinking of building a desalination plant in the northern suburbs. In those days there were not as many houses in the northern suburbs. We wanted to build a desalination plant near the Mindarie tip, because we thought we could generate power from treating that waste to power a desalination plant. The government has used wind power up north—I understand that argument—but we were looking at a new waste treatment plant for Canning that would generate significant energy that could be tapped into to power a desalination plant. The man who prepared all that work said that it would cost \$1.10 a kilolitre, not \$2 a kilolitre. At that stage I do not know whether I asked the Water Corporation to prepare a cabinet document or whether I discussed the matter with it and said that I would get it to prepare one. Either way, that is where we were at. We

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had done all that work and I was ready to submit a document to cabinet. I was going to take a proposal to build a desalination plant before cabinet and argue the case. That was in 2001, when we lost government. The Water Corporation had in its top drawer, if not the cabinet submission, all the work that was needed to prepare a cabinet submission. Was the member for Balcatta the water minister when the Labor Party won the election?

**Mr J.C. Kobelke:** No, it was Hon Nick Griffiths.

**Dr K.D. HAMES:** That is right. He took the document to cabinet and got cabinet support. Of course, the opposition raised concerns about the increased salinity of the water that would be discharged and the power that would be used. I shared both of those concerns. I did not know what work the government had done. I was determined that the government should undertake all the environmental studies to ensure that the discharge would not cause a problem. I also wanted to address the power issue at the other end to ensure that we did not have huge power costs and that we were linking in with environmentally friendly power. We wanted to use a different source than the one used by the government, but that is how it went. Obviously, government ministers were the ones who bit the bullet, put up the money and built it. I give them credit for doing that. Perhaps if not a footnote in history, a footnote in *Hansard* will recall that I did start it off, I strongly supported it in the first place and I do think it is a good idea. In fact, the day before the minister announced it, I told a Rotary group that it was the best thing to do, because all the rivers of the world flow into the oceans and the oceans clean the water, so we have beautiful clean water and all we have to do is take the salt out.

**MR P.D. OMODEI (Warren-Blackwood)** [9.11 pm]: I will make my contribution to this budget debate and follow up, after the estimates, in the third reading with some local issues. It is interesting to make a speech at this time of the night. The place is, as usual, buzzing, as you can see, Mr Speaker! At least you are here as the Speaker of the Legislative Assembly, the Leader of the House is here and the member for Geraldton is here. It is practically a full house. I am sure that all members of the Liberal Party in the upper house are waiting with bated breath to read my speech.

This evening I want to concentrate on the issue of members of Parliament travelling overseas and whether it is worthwhile. It comes on the heels of a statement made by Austrade, which criticised our trade offices. I want to record in *Hansard*, particularly at this time, the issue of flowthrough shares, which was raised by the member for Murchison-Eyre and which has not been put in place by the commonwealth government. The former Liberal coalition government pursued it. I believe it is fundamentally important for the future exploration and development of the resource industry in Western Australia. The member for Murchison-Eyre mentioned issues relating to the importance of incentives for exploration. I think that the federal government's removal of the incentive for condensate on the North West Shelf is a retrograde step, particularly given the price of diesel fuel. I think the price hit \$1.70 in the city today. Fuel is becoming a major issue. I recall it being an election issue when the coalition government was removed from power in Western Australia in 2001. I believe it will also be an issue at the next state election. The issues of flowthrough shares and infrastructure funds are really topical. To its credit, the current commonwealth government has an infrastructure fund. If it has \$20 billion in it, we could expect that Western Australia would receive at least 10 per cent on a per capita basis, given that Western Australia has 10 per cent of the nation's population. However, Western Australia deserves more because obviously it has greater demands for infrastructure and it produces 30 per cent of the gross domestic product of the country.

I want to refer to a trip I took to Japan last year and to place on record the kind of itinerary that we pursued to show very clearly that these trips are no junket and are very worthwhile for the state and the nation because of reciprocal information and trade. We went to Japan in February 2007 on a five-day trip with roughly five meetings a day. We flew economy class and had interpreters at every meeting. They were not easy meetings. I will also refer to the trip to China that you very recently led, Mr Speaker. To give members an idea of our itinerary, on the first day we met with Inpex, a totally Japanese-owned company, which is 30 per cent owned by the Japanese government. It currently has a very large office in Perth, with more than 200 employees, and is intimately involved in the project in the Browse Basin off the Kimberley coast, where it is hoping to put a condensate plant on the Maret Islands. There is some competition from the Northern Territory to try to attract Inpex. We met Mr Kunihiko Matsuo, the chairman, and Mr Naoki Kuroda, the president. We had a very productive meeting with them.

In the afternoon we had a meeting with the Tokyo Electric Power Company and Mr Susumu Shirakawa, the executive vice-president. Of course, we met with the perennial Mr Hiroshi Takaku, who I understand hosted Richard Court over the past few days when Richard Court received his honour from the Japanese government. The next morning we met with Mr Murray McLean, the Australian Ambassador to Japan, and we talked about defence and trade issues. Murray is well known to us. The same morning we had a meeting with Itochu, at which we met Mr Yoshio Matsukawa of the energy development division; Mr Haruo Maeda, the group general

**Extract from Hansard**

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manager of the energy development division; Mr Shoji Hirokawa, the deputy general manager of the energy development division; and Mr Max Hayashi, the deputy general manager of the metals and mineral resources department. These are major companies that trade with Western Australia.

At lunch we met with representatives of some of the Japanese steel mills. There were half a dozen of them, in particular from Nippon Steel, JFE, Sumitomo Metals, Kobe Steel and Nisshim Steel, and we had a very interesting interaction with them. Obviously, it was always very formal according to Japanese custom. In the afternoon we met with Mitsubishi Corporation and with Mr Jun Kinukawa, the senior vice-president of the metals group; Mr Haruki Hayashi, the general manager of the iron ore unit of the metals group; Mr Seiji Kato, the senior vice-president of the energy business group; and Mr Keigo Hida, the general manager of the Australian unit natural gas business division. Again, Mitsubishi Corporation is a major, multinational trading company that has significant resources in Western Australia and has been a trading partner for many years. Later that day we met with Tokyo Gas. We then travelled to Kobe where we met the general manager of the Western Australian Trade Office, Mr Noriko Hirata, whom you will meet, Mr Speaker, when you go to Japan. The next day we met with Craig Peacock, who is from our trade office, who took us to the Hyogo office. Craig Peacock has been in the Western Australian Trade Office now for quite some time and is highly regarded. He is ultra efficient and did a marvellous job for us while we were there. We paid a courtesy call on the Governor, Toshizo Ido, who has been to Western Australia on a number of occasions, and obviously represents our sister state of Hyogo. We visited the Hanshin Awaji Earthquake Museum, where we experienced a simulated earthquake in Kobe city, which was actually quite frightening. We met with Osamu Niwa, the director general of international affairs and tourism. We paid a courtesy call on the Speaker, Mr Mamoru Osada, of the Hyogo Assembly House, the Diet.

We then travelled to Osaka, where we met with the Kansai Electric Power Company. There were discussions at that time on direct flights from Kansai to Perth. We met Mr Yasuhiro Yashima, the executive officer of the office of fossil fuel; Mr Masanori Kataoka, the general manager of the office of fossil fuel; Mr Takayuki Higashijima, the chief manager of the fossil fuel solution group of the office of fossil fuel; Mr Naoyuki Kubo, the manager of the fossil fuel solution group of the office of fossil fuel; and Mr Motofusa Murakami, the manager of the liquefied natural gas group of the office of fossil fuel. They were all from Kansai Electric Power Company, which purchases a lot of LNG from us. When we met with Osaka Gas Company, we met with Mr Yasuo Ryoki, the acting head of the energy resources business unit, and Mr Shinichi Tada, who is from the energy resources bureau unit, which is part of that company. We hosted a dinner with Kansai business leaders from four major Kansai companies. I will not go through all the participants, but there was Mr Yoshihisa Yamaguchi of the Marubeni Corporation; Mr Shinichi Tada of Osaka Gas; Mr Naoyuki Kubo, the manager of the fossil fuel solution group of KEPCO; and Mr Kazushige Arao, the manager of international industry development, which is a division of the Hyogo Prefectural Government. I want to go through this, because it is really important. We then went to Nagoya and met with Mr Yoshikawa from Toyota Motor Company and Mr Takehiko Hashimoto, who is the advisor to the government of Western Australia Tokyo office. Mr Hashimoto was an absolutely marvellous fellow. We then undertook a full visit of the Toyota motor plant. That was certainly an eye-opener. The next day, we visited the Tokyo American Club, and I made an address to the Australia-New Zealand Chamber of Commerce in Japan. Later, we visited the National Diet—the Parliament of Japan—and made a courtesy call on Mr Naokazu Takemoto, who is a member of the House of Representatives and director of the Diet Standing Committee for Rules and Regulations. We then met with Mitsui Corporation and Mr Shoei Utsuda, the president of Mitsui. We then went to a dinner hosted by the Toyota group. That was a memorable occasion. We then came back home to Australia.

I have described some parts of our visit to Japan. I want the public of Western Australia to know that it was important for members of Her Majesty's opposition to visit Japan. Japan is still our major trading partner. We export more than 30 per cent of our goods to Japan. We also, of course, engage in reciprocal trade with Japan.

That brings me, Mr Speaker, to the China visit that you hosted only a few weeks ago. That visit was really brought home to me tonight when I watched the images on television and saw the graphic pictures in today's *The West Australian* of young children being removed from the rubble after the earthquake in China. It is sobering to think that only 23 days ago we were almost at the epicentre of that earthquake, and if the earthquake had happened then, we could have been the ones who were still being dug out of the rubble.

**Mr M.W. Trenorden:** So it was your fault!

**Mr P.D. OMODEI:** No! I think we were very fortunate. I hear people lament about what is in the budget and what is not in the budget. When we consider Chinese families and China's one-child policy, we can only imagine the disaster that has been caused to families by that earthquake and the damage that has occurred. To give members some idea of the size of some of these towns, Chengdu, which is in Sichuan Province, covers

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12 300 square kilometres, or 4 700 square miles, and has a population of over 11 million. That town is smaller in size than my electorate of Warren-Blackwood, yet it has such a huge population. Chengdu is beautiful city. It is famous for being the habitat of the giant pandas.

**Mr C.J. Barnett:** I believe the Speaker had his photo taken with a panda!

**Mr P.D. OMODEI:** Mr Speaker, you can well imagine that if that earthquake had occurred when you were doing what you were doing with that panda, it could have been quite a disaster for everyone concerned!

I must say also that the people of Western Australia need to recognise that it is very important that members of Parliament travel overseas. If that costs the state some money, then that is money well spent, because members of Parliament need to understand the people we are trading with, their culture, and the importance of interaction and the exchange of both cultural and general information. I have always had a picture of China as a bland sort of country, with poor technology, a huge population and a couple of big rivers. In fact, China is about 80 per cent mountainous, with massive rivers, massive buildings and massive populations.

We spent our first few days in China in Zhejiang Province. At Hongzhu we met with the People's Congress. I must say, Mr Speaker, that I thought your contribution to the delegation was outstanding. As you well know, Mr Speaker, you and I have not always seen eye to eye on certain things. As a matter of fact, I think a couple of times you have been unkind to me, because you have thrown me out of the chamber, but I probably deserved it!

**Mr J.C. Kobelke:** You are reflecting on the Speaker!

**Mr P.D. OMODEI:** I have just said that I probably deserved it!

I must say to members that it is not easy to lead a delegation of disparate members of Parliament. The protocols are very important. The cultural protocols in particular need to be maintained at all times. Certainly in our meetings with the various People's Congresses and the different organisations, the leader of our delegation, the Speaker, was the face of Western Australia at those meetings. I must say that I was most impressed with your perseverance, Mr Speaker, and the way in which you handled yourself, and I came away with a different point of view.

We also went to Anji, which is a town in Zhejiang, where we visited a unique power station where water is pumped into a large, high basin to produce electric power. We also visited a new company, Style Limited, which produces bamboo flooring, and met a bloke from Perth, Greg Johnson, who happens to own that business. He is producing that product in Anji out of about the 16 500 hectares of bamboo—the bamboo ocean as it is called—that is found in the mountainous country in that area. The bamboo flooring that his company is producing is being sold in Perth and distributed throughout Western Australia. It is an outstanding product, twice as hard as jarrah. There is potential for this technology to be used with our own products in the south west. Greg Johnson has developed that technology in China, and he employs a significant number of people, with state-of-the-art equipment that is probably second to none in the world.

Our visit to Shanghai and to the Shanghai People's Congress was a real eye-opener. We visited the world expo site and the Shanghai Oriental Pearl television tower. While we were in Shanghai, the Speaker hosted a reception for the Chamber of Commerce and the Small Business Development Corporation. The common perception of China is that it has poor to average technology. I found their freeways, airports and ports were outstanding and far outstripped anything in Western Australia or Australia. The maglev train to Pudong Airport, which was developed using German magnetic levitation technology, travels at a maximum speed of 431 kilometre an hour and covers the distance of 30 kilometres in only eight minutes. It is the fastest train in the world; it is second to none. The Chinese are already replicating that train, but they are experiencing some issues with Germany about the technology.

We then visited Chengdu and the panda research centre. From a tourist attraction point of view, it was absolutely outstanding. Chengdu is a beautiful city. The town centre that is shown in the photographs, in which the people who have been devastated by the earthquake are congregating, is the same town centre that we visited. We also went to Dujiangyan Dam. Dujiangyan Dam is not actually a dam. It is more of a barrage wall. It was built in 256 BC. It actually splits the Yangtze River in four different directions and controls the water flow to over 700 square miles of irrigated agricultural land. It is also used to control all the sediment in the river when it floods. It is absolutely phenomenal that over 2 000 years ago, people were able to develop such a project, and that it is still in existence today.

Our next visit was to Chongqing. Chongqing is a very populous province, 82 400 square kilometres in size, and with a population of 30.9 million. We visited Chongqing Iron and Steel, which has been in operation for over 70 years, having been built in 1938. That company produces a range of steel plate and other products. The iron ore comes from Australia, from our original Hamersley Iron project. The iron ore is barged 2 500 kilometres up the

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Yangtze River, and now with the Three Gorges Dam, instead of using 3 000-tonne barges, they will have to use up to 10 000-tonne barges. We were actually able to get right up close to the furnace, and we could feel the very strong heat.

The last state we visited was Yunnan Province, a western province famous for its copper. Again, we met with the People's Congress. It was one of the best overseas visits that I have embarked on. It was very well led.

[Member's time extended.]

**Mr P.D. OMODEI:** The visit was very important from the point of view of understanding the culture of the Chinese people, meeting people who held high government office and establishing a great rapport that will stand us in good stead for the long-term future.

I said that I was going to talk about the budget, and I will do so during my last few minutes. Whilst the budget is very large, not a lot is new. It contains a lot of repetition of projects that were started in previous years and projected forward into the forward estimates. From an agriculture perspective, I was disappointed as there seemed to be a series of cuts to the agriculture budget. For those of us involved in agriculture, particularly in the south west in my electorate, the important issues are biosecurity and the development of new agricultural products and crops. I know that there are some funds in the budget for those things. The government of Western Australia has to understand—it does not matter from which side of politics it is—that the price of fuel, chemicals and fertiliser nationally and internationally is increasing at an alarming rate. For example, diammonium phosphate, which is known as DAP, cost \$400 a tonne a year or so ago. It now costs \$1 200 a tonne. That adds to an extremely high cost of production. Fuel will possibly cost up to \$2 a litre. The cost that that will impose on farmers and production will be quite dramatic.

I will refer to the issues of water and roads during the third reading. When I go through the press releases provided by the state government and the Treasurer and ministers, there seems to be a repetition of entries for the same thing. During consideration in detail I want to establish whether there are double entries to make the figures look good or whether they are separate projects. I said at the beginning of my speech that our mining and primary industries are fundamentally important to Western Australia. Flowthrough shares are very important. We need to pursue that. We need to pursue very vigorously a greater share of the GST revenue for this state and ensure that we get our fair share of the infrastructure fund that is being put in place by the commonwealth government. It is fundamentally important that the ports, railway lines and roads be built now to sustain the economic growth of Western Australia. The commonwealth government needs to do that in a very firm way. It is all well and good to make election promises, but the real issues of the Oakajee port near Geraldton, the railway lines or the extensions to Port Hedland harbour and a number of other harbours around the state are fundamentally important.

I wish to talk about some of the infrastructure that I do not think is necessarily as important. I have had a change of view about sports stadiums. I believe that hospitals and schools and ensuring that teachers are well resourced and well housed are of fundamental importance to the wellbeing of the state. Just before I went to China I visited my local doctor to get checked out and to make sure that I would not cark it on the way and be a burden on the delegation. Fortunately, it was a very healthy trip. I spoke to my doctor about the sports stadium. When I was the leader of the Liberal Party—obviously the government makes the decisions—I wrote to John Howard to try to get some money from the Commonwealth government. Senator Brandis came over and spoke to Trevor Sprigg. We both wrote letters requesting \$100 million from the federal government. I felt that the new stadium should be built at Burswood. I know it would be more expensive, but if we are going to spend \$1 billion, let us do it properly and have a stadium for football, rugby and soccer. My doctor said to me, “Do you realise that we are spending \$1 billion for an extra 15 000 seats for a group of people who go to football and love football?” I think most people in Western Australia love football. He said, “Football is now a very commercial business. Why can't the private sector pay for the stadium? Let them own it if necessary.” It is a question of viability and all the rest of it. The point that he made to me that really hit home was that for the price of a football stadium, we could build a new King Edward Memorial Hospital for Women and a new Princess Margaret Hospital for Children.

If we weigh up what is important to our society today, we see that even with a huge, growing economy and an affluent society, the gap between the haves and the have-nots when it comes to families at risk and young children is widening. We as members of Parliament should be cognisant of that. We must take responsibility to ensure that future generations are properly catered for. When I was the leader of the Liberal Party I had a very strong view that early intervention in child welfare and support was fundamentally important. It is not just vitally important to identify early learning difficulties in children; we must go back to when a mother falls pregnant, whether she is part of a normal family, a single parent or any other kind of parent. She should be well aware that if she does not lead a healthy lifestyle, it will impact on her child before and after it is born. We should be investing millions of dollars into that kind of project to identify those early learning difficulties with children.

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We must ensure that mums know that if they drink heavily, smoke and take drugs, it will have a long-term effect on them personally and on the way they look after their family and the way their child grows and is nurtured into the future. If I could make a contribution to this state that is long and lasting, it would be in the area of child health and wellbeing and the wellbeing of parents. I would like to ensure that when families on low incomes struggle, when the fridge or the car breaks down and their children run short of food or are not properly nourished, we consider that the number one priority as members of Parliament. I do not think that we, as a group of members of Parliament making the laws of this state, take that seriously enough. We are more interested in making sure that we have sports stadiums, museums and theatres. All of those are important—I am not saying that they are not—but we have our priorities wrong when it comes to families and children. Obviously, child protection is fundamentally important, and there are significant funds in the budget for that.

I heard the member for Murchison-Eyre talking about class sizes. Problems with class sizes depend on where the school is and what kind of demographic it is. If two kids in a class of 28 or 30 kids have a disability and if another two kids are dysfunctional or behave aggressively, it will be impossible for the teacher to properly teach those kids. When the State School Teachers Union of Western Australia came to see me before Christmas to talk about wages and conditions, all of these issues came out. Most of the teachers who visited my office would not necessarily be conservative voters. They were concerned about the education and welfare of those children. The government will get total support from me, and I am sure it will get bipartisan support, when it comes to the education of our children. We need to ensure that teachers are well resourced and able to teach effectively in the classroom. If members found themselves in a primary school classroom with 30 normal kids aged between eight and 10 years, the kids would probably be a breeze to teach, particularly for an experienced teacher. It would be a different situation if we added the ingredients of at least two kids with a disability and kids with aggressive behaviours without any teacher assistance.

I can tell members that teachers in the primary schools in my electorate of Warren-Blackwood have real problems trying to cope with what happens in their classrooms. I know about that at first hand, because I have relatives and family members who are teachers and I have always paid a great deal of attention to what happens in schools in my electorate, whether they be high schools, primary schools or special education schools. Education services and special education centres are fundamentally important. If there is one thing I can say to the government, it is that once again the state is projecting a huge budget surplus for next year and the government should put some of that money into education and protecting children, rather than into projects that earlier in our lifetime we would have regarded as luxuries. I will continue to make a forensic examination of the budget during the estimates and third reading debates. I will refer to the issues on which I believe the budget is deficient, but I will also give praise where I believe the budget has been appropriately set.

**MR P. PAPALIA (Peel)** [9.40 pm]: Around 14 months ago, on 23 February last year, I was elected to represent the people of Peel. I remain incredibly proud of and humbled by that opportunity. In fact, I look forward to continuing to assist and to represent the electorate in the coming year. In that spirit, some weeks ago I was very pleased to host the Premier at the official opening of my new electorate office at unit 10A, 2 Oasis Drive, Secret Harbour.

**Mr M.W. Trenorden:** Have you worked out where the harbour is?

**Mr P. PAPALIA:** Secret Harbour? It is an interesting name, is it not?

As I said, in the company of dozens of representatives of residents' associations, service and sporting clubs, community service groups, local governments, school principals and parliamentary colleagues, I celebrated the fact that I was finally able to move my office into my electorate. My office is not only in the geographical centre of my current electorate, but also, coincidentally, in the geographical centre of the future electorate of Warnbro. However, most importantly, it is far closer to the centre of gravity of the greatest population base of the electorate, including the suburbs of Warnbro, Port Kennedy, Golden Bay, Secret Harbour, Singleton, Baldvis and Settlers Hills. For the first time the bulk of the people of the southern suburbs of Rockingham have their state representative's office within close proximity. Representing the area I do, and noting the previous federal member who represented that area, I feel that it is appropriate to reflect on one particular outcome of the tectonic shift in the national political scene that took place on 24 November last year. For many millions of Australians the election of the Rudd Labor government was reason for great celebration. However, I must admit that there were mixed feelings for those of us in the federal seat of Brand. It is no reflection on our new member of the federal Parliament. Hon Gary Gray is an outstanding current member and potentially a far more influential future senior leader of the Labor Party at the federal level.

**Mr M.W. Trenorden:** I agree. I think he is outstanding.

Mr John Bowler; Mr John McGrath; Mr Mark McGowan; Mr Bob Kucera; Dr Kim Hames; Mr Paul Omodei;  
Mr Paul Papalia; Mr Max Trenorden; Mr Ben Wyatt; Mr Grant Woodhams; Mr John Day

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**Mr P. PAPALIA:** He is. He brings unparalleled political experience to the role and, of course, most recently a vast amount of experience from the commercial sector through his senior executive role with Woodside prior to standing at the recent election. Therefore, those of us in the Brand electorate feel honoured and privileged to have Gary as our local federal member. Nevertheless, to many people the election marked a sad time because it marked the passing of Kim Beazley's representative role. Kim is admired and respected by many Australians, but he is particularly held in special regard in the seat of Brand where we see on a daily basis at first hand the fruits of his efforts to make the Royal Australian Navy truly a two-ocean navy. Half the surface fleet and the entire submarine fleet are based at Garden Island due, in no small part, to the efforts of Kim and his driving force as Minister for Defence at the time. Thousands of individuals also are based onshore at HMAS *Stirling* in a number of units, most notably one of my former commands, Australian Clearance Diving Team 4. All the people in these units represent thousands of positive citizens contributing millions of dollars to the local economy and, indeed, the wider state economy. The Collins-class submarine itself is a fitting tribute to Kim Beazley and his service to the nation. When we contemplate the project that was undertaken at the time to build a submarine in Australia, it was an outstanding and astonishing achievement. For a medium power that had never before had the capability nor tried to build in its country its own submarines—to undertake from scratch the building of a modern, very capable conventional submarine—is almost akin to a country trying to establish its own space program, especially when we consider the extent of the knowledge and skill levels that had to be built up from a very low base.

I was therefore particularly incensed in 1996 and the years immediately following when the then incoming Howard government proceeded to denigrate the capability of the Collins-class submarine in an effort to achieve some pretty shallow political outcomes. The actions of the Howard government were completely irresponsible in the national strategic sense. Those actions were so successful that we could probably find a great many people in Australian society today who still believe that the Collins-class submarine is not a very capable one and in many ways may even have been a mistake. The reality is that any serving or recently retired submarine officer in our Navy will confirm that the Collins-class submarine is by far and away the most capable conventional submarine in the world today. Of course, the Howard government subsequently rushed to shore up confidence in the submarine's capabilities when Australia was faced with problems in East Timor and the government had to call upon the submarine's capabilities to support the Navy and Army operations in East Timor. The Howard government also had to re-establish the threat—not the direct threat but the implied threat—of the capability of that submarine. There was therefore a great amount of hypocritical effort put into building up the reputation of the submarine and trying to convince our near neighbours and those further away that in fact the submarine was as capable as everyone within the service knew it was.

On Tuesday, 8 April this year, Kim Beazley launched the book *The Collins Class Submarine Story: Steel, Spies and Spin* at the Australian National Maritime Museum at Sydney's Darling Harbour. There Beazley spoke about how the boats were politicised and about the lack of nation-building projects these days. He said that he had only one profound regret, which was that instead of building only six submarines we should have built eight. Kim's foresight and vision on the Collins-class submarines were vindicated in the recent announcement by the newly appointed Minister for Defence, Hon Joel Fitzgibbon, that the government intends to build a follow-on submarine. The vindication was confirmed by the meek manner in which the opposition defence spokesman acquiesced to that statement and agreed that it was the right thing to do.

Kim was similarly vindicated on another front. As the federal Leader of the Australian Labor Party he was frequently accused by Howard, Downer and Costello of weakness and often famously scorned for having no ticker. The lie was put to that accusation when at, the time of the dual blows of the loss of his leadership of the Australian Labor Party at the federal level and the tragic death of his brother on the same day, Kim Beazley stood in the national limelight and, with a great deal of dignity and undeniable courage, conceded defeat for the leadership of his party, and then focused on his family.

I take the opportunity to contrast that brave and honourable behaviour with the behaviour of his detractors since their own recent comparatively minor blow—an election loss. Howard, that man of steel of the Asia-Pacific Economic Cooperation group conference, demonstrated the extent of his courage by failing to face up to an old Indigenous lady in Canberra and other Indigenous people at the Australian National Sorry Day, and instead went to America to trumpet his achievements to an audience of sycophantic neo-conservative Americans. Alexander Downer has dropped his bundle entirely and has contributed more to the Canberra hospitality sector than he has to Parliament in recent times. Finally, Peter Costello, "Captain Smirk" himself, who was so full of bravado, strength and courage when in office, has been shockingly and conspicuously absent from a leadership role after the defeat of the federal Liberal Party.

**Mr M.W. Trenorden:** You will not promote Kim Beazley by abusing others. Kim Beazley deserves your praise. You should be a bit gracious. I think he would be a bit more gracious than you.

Mr John Bowler; Mr John McGrath; Mr Mark McGowan; Mr Bob Kucera; Dr Kim Hames; Mr Paul Omodei;  
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**Mr P. PAPALIA:** I am talking about their behaviour in relation to him. I think it was reprehensible and I am happy to place it on the record, which is why I am saying it.

**Mr M.W. Trenorden:** Kim Beazley deserves praise.

**Mr P. PAPALIA:** I am not saying that all their behaviour has been at the same level, but their behaviour towards him and their personal attacks on him were reprehensible, and they have not retracted them.

**Mr M.W. Trenorden:** Any leader of any political party can have mud thrown at him.

**Mr P. PAPALIA:** Not necessarily. In continuing my address, I will talk about the Western Australian defence industry, which Kim Beazley was closely associated with. In 2005, as part of its ongoing efforts to promote the diversification of the state's economy and thereby insulate the economy against a downturn in the resource and commodity sectors, the government established a task force to assess the level of skills shortages in the WA defence industry. The task force confirmed that although the sector looks set to grow significantly by an average of 40 per cent over a three-year period, very few participants intended to undertake any training of future employees. That leaves them to compete desperately for skilled personnel with the resource and other sectors in a very competitive market.

To remedy the situation, the task force recommended the creation of a Defence Industry Skills Unit, which was subsequently created in 2006, and it was to be guided by a board, which was established in March last year. It has been my privilege to chair that board since then. It has been an effective and supportive tool to identify the skills shortages within the industry and to target methods of filling those shortages. I will give members an indication of the level of participation from industry and other sectors that it has received by reference to its membership, which includes Mike Deeks, who is the head of Raytheon in WA; Mike Poynter, the general manager of the WA operations of the Australian Submarine Corporation Pty Ltd; Linda Devereaux, who is the executive manager of human resources at Austal; Phil Christensen, who is the managing director of Formation Design Systems Pty Ltd, which is an incredibly innovative and successful design company based in Fremantle; Chris Eggleton, who heads the ANZAC System Program Office, which represents one of the biggest customers for the WA defence industry through its involvement in the maintenance and upgrading of Anzac-class frigates; and both Rod Clark and Barry Jones from BAE Systems Australia Ltd. They effectively represent all the prime defence industry contractors that operate in Western Australia, predominantly in the shipbuilding industry. We will also welcome to the board very soon Mark Bates, the manager of fast jet military systems for BAE at the Royal Australian Air Force base at Pearce. The board has an aerospace component.

The board comprises representatives of other relevant associations who provide input from the professional field, including Graham Priestnall, the chair of the Australian Industry and Defence Network Incorporated in Western Australia, representing several hundred smaller to medium enterprises in the industry; Robert Shaw, the chairman of Group Training WA; and Jim Brown from Engineers Australia, providing input from the professional field. Local government is represented by Chris Fitzhardinge, who is the director of South West Group, which represents a group of southern suburbs councils clustered around the Australian Marine Complex. The government and education sectors are represented by Liz Harris, the managing director of TAFE; Professor Yianni Attikiouzel, from Murdoch University; Gary Fitzgerald, the director of industry and community policy for the Department of Education and Training; and John O'Hare, the general manager of marine and defence in the Department of Industry and Resources. Therefore, a number of key government players are on the board. Peter Mack is an observer who sits on the board and he heads the Defence Materiel Organisation Business Access Office, which is the major potential customer of the defence industry in Western Australia. Within the federal government, that organisation controls a huge budget of around \$60 billion over 10 years; it is a rolling \$6 billion-a-year budget. All those people are supported by our Defence Industry Skills Unit staff. Terry Booth is the manager of the Defence Industry Skills Unit and Jane Lorrimar is the manager of the Defence Industry Pathways Project.

I can report that the board of the Defence Industry Skills Unit has been very active and has achieved significant progress in establishing programs to reach into our schools and communities and to encourage our young people, and sometimes not so young people who are looking at changing careers, to consider the defence industry, and this particular sector, as an attractive career option, which it is. Although we cannot always offer the same remuneration that is offered to people to work in the resource sector or to work offshore, the defence industry can provide a sector that is, to some extent, immunised against the peaks and troughs of sectors that rely on foreign markets. Members are aware that the defence industry has been quarantined from funding cuts in the federal budget. The very nature of the projects means that they extend long distances into the future. People who want a secure future can choose to work in this industry. However, probably the main reason for choosing to work in the industry is that workers can remain at home rather than live the fly in, fly out lifestyle, which has

**Extract from Hansard**

[ASSEMBLY - Wednesday, 14 May 2008]

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Mr John Bowler; Mr John McGrath; Mr Mark McGowan; Mr Bob Kucera; Dr Kim Hames; Mr Paul Omodei;  
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some negative impacts on the workers. They can choose to remain in close proximity to their friends and families and have a good, long and rewarding career in an exciting area.

Our programs have been reaching as many as 450 students, and we are looking to expand them. The programs are going into some 14 schools surrounding the Australian Marine Complex and looking further afield all the time. Many of the programs we run are the type associated with school apprenticeship link programs, but they are branded with a defence flavour and receive defence industry mentoring. There are also some innovative programs that people may not be familiar with. One in particular is called Work Smart, which we ran last September and in which 17 students participated. A few dropped out, but 12 finished. It was very successful in one area. In a five-week program, four students spent three weeks at Challenger TAFE in Henderson, and two weeks on the job with an employer. Four students went to Austal Ships and three were offered apprenticeships on completion, after only five weeks. We hope to replicate that sort of success in other areas.

I will try to keep my remarks short because we will be pushed for time overall. I read the speech I made this time last year and I see that in this year's budget the government has continued to support the Rockingham-Kwinana region. It has come through with the goods in a number of areas for which I had listed my hopes and aspirations for my electorate as well as the wider Rockingham-Kwinana area. Everyone knows Rockingham-Kwinana District Hospital will receive a \$110 million upgrade. It will be a fantastic improvement, and those additions will open in 2009. Within the education field, Gilmore College is nearing completion and some parts of it are open. That college and the TAFE Automotive Technology Training Centre in Kwinana, at a combined cost of \$52.8 million, are coming along nicely. The government recently confirmed that in my electorate it would extend Comet Bay College to years 11 and 12 and it has committed funds in this budget for that purpose. In the area of law and order, we also know that the notable success of the Rockingham Transit Police Station, which has been operating for some time, has received media coverage. Funds have been allocated also for building the Secret Harbour Police Station. In a very short period the number of police stations in Rockingham will go from one to three. The area will also be supported by three times as many police in the long term.

I can happily report that the Carpenter government's theme of building Western Australia is being played out not only in Perth in the form of the Fiona Stanley Hospital, the new sports stadium, Perth Arena, the new Museum and the Perth foreshore redevelopment, but also in the electorate of Peel and the wider Rockingham and Kwinana areas.

**MR M.W. TRENORDEN (Avon)** [9.59 pm]: In August 1990, a safe and secure late twentieth century world changed forever with Iraq's invasion of Kuwait and what has become known as the Gulf War. Thirty-four western nations, including Australia, participated in Operation Desert Storm, ostensibly to protect the sovereignty of an independent Arab nation. The overt reason was to rescue a constitutional monarchy from the clutches of a despot. Covertly, those nations wanted to ensure continuous access to the world's fifth largest known oil reserve. The attitude amongst western economies that they had to protect unfettered access to major external oil supplies went up in smoke along with 80 per cent of Kuwait's 950 oil wells. Operation Desert Storm also gave rise to Osama Bin Laden. On 11 September 2001, any comforting sense that safety and security still lay within a nation's borders disappeared with the twin towers of New York's World Trade Center and the death of 2 752 people. The effect of those and other events has been that the most powerful economy on earth, the United States, is on the brink of isolation in protecting its homeland and appeasing its people. The widening trade deficit between the US and its new economic archrival, China, has 60 per cent of Americans claiming that international free trade is harmful to local employment. The fact that China has exported hazardous products has given added weight to protectionist arguments. Anti-Chinese sentiment in the US has given rise to 12 bills that are currently before Congress and that have the aim of punishing China and Chinese imports.

The perilous overall state of the US economy has the rest of the world holding its breath. As a consequence, many countries have acted to safeguard strategic economic assets within their borders. Gaz de France, a state-owned essential power service provider, has bought out SUEZ, an independent French power distributor, to prevent its takeover by a similar company based in Italy. Belgium has placed a tariff on shoes imported from China because of local angst over unfettered free trade. Venezuela, Bolivia, Ecuador and Russia have all engaged in the nationalisation of foreign-owned oil assets within their borders. Russia has also threatened to cut off natural gas supplies to western Europe because of a gas payment dispute with Belarus. Africa and Asia's poorer economies are reacting to increased global food prices by erecting export barriers in an attempt to gain self-sufficiency in food production. Meaningful international trade negotiations have been shelved and are no longer ratified by countries such as Brazil, India and China. Numerous economies are placing restrictions on foreign investment. State-owned companies are expanding, especially in essential services that have a large national security component such as oil, gas and food supplies. State-funded investment pools from Asia, the Middle East and Russia are the new powerhouses in financial circles in both the US and Europe and are buying up assets such as ports for strategic advantage and not financial return.

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Multiculturalism is under threat as public support for immigration restrictions grows rapidly in both developed and developing economies. The government claims that tens of thousands of skilled labourers will be needed in the next decade to maintain the resources boom and meet future export demand. If that is the case, such growth in the skilled workforce can be achieved only through immigration. This could place a major strain on the social fabric of the state and enrage the government's mates, the powerful unions, which have already reacted to the current influx of imported labour in their usual manner.

Multilateralism, the concept of cooperative design within such institutions as the United Nations and the World Trade Organisation that is promoted by the middle powers such as Australia, Canada, Norway, Denmark and Sweden, is potentially under threat from reborn unilateralism, even isolationism. With the apparent divergence of international commonality of economic purpose, which is known as globalisation, into national self-interest, any international agreement on issues such as global warming may well be in jeopardy. It will be in jeopardy because many of those who will not act will be state-owned corporations in the nations of the world who will talk and not act because of economic pressures.

The Organisation for Economic Cooperation and Development and the International Monetary Fund have asked the following question: is there a rapidly developing inequality of life and lifestyle in developed economies? The Stolper-Samuelson theorem curse—that is quite a mouthful—states that wealth gained through trade can be unevenly distributed according to workplace skills, especially at the time of accelerated technological demand, development and progress leading to an equitable society. Another theory is that the wealthier economies demand higher taxes and more economic and social regulation, which will bring imbalance to developed communities. Was this information sourced from *The West Australian*, which is the recalcitrant government's magnificently malicious obsession? No, it was not. A fair degree was sourced from *The Wall Street Journal*, one of the world's most prestigious newspapers. Was any of this information provided by a Western Australian journalist? No, it was not, although I do not have a problem talking to Western Australian journalists. We can only blame internationally renowned economists such as MIT's Nobel Prize winner Paul Samuelson and Princeton University's Alan Blinder, among many others.

Is there a correlation between this international anti-globalisation backlash and the state of Western Australia? No, there is not. The state of Western Australia has little to nil comprehension of the current state of the global economy and the unilateralist and isolationist push, either in theory or in practice. One example of the reversal is the attitude of Venezuela, which told a multinational oil company to no longer darken its doors. The company concerned has demanded \$US4 billion for its nationalised oil assets. The Venezuelan government's response was to give it \$1 billion. If the company argues, it will get nothing. When a multinational oil and gas company does not get its own way on the North West Shelf, it tells the government that it will either pull out or not develop the particular tenement. How do semi-post globalisation, economically responsible governments react? They say that it is the company's choice and that it should close the door on its way out and that they will develop their own assets. That is the message of some of the nations to which I referred. It is interesting that only a short time ago, the key nations that I spoke of—Bolivia, Venezuela and Russia—were global cot cases that depended on the World Bank for survival. Now they drive many economic activities.

Despite the fact that this government has within the state's borders 40 per cent of the nation's wealth generators, including much of its rich and diverse resources, it still thinks that globalisation means how many light globes are needed in Parliament House chandeliers. There is absolutely no acceptable policy on state security of state assets for the state on behalf of the people of the state—none. There is no policy. What are the similarities between some wealthy economies with exorbitant tax regimes, strong economic regulation and rapidly developing wage inequalities and Western Australia? In fact, it is worse here than in most other countries in the world. The Stolper-Samuelson theorem curse mainly occurs in economies undergoing enormous industrial advantages, resulting in a large disparity in wages between skilled and unskilled labour. That is the story of Australia. This is because the demand for skilled labour far outweighs all other labour demand.

There are no technological or secondary industry advances in this state—state funded or otherwise. The economy is 98 per cent resource driven, with a dig-it-up and ship-it-out policy. In the case of mineral exports, Western Australia ends up importing the result of its exports at thousands of times the cost of the exported raw material. The facts are that, despite Western Australia's resource-driven wealth, it has only a developing economy with no substantial commercial and secondary industry base that is intrastate, interstate or export driven. There is no state policy requiring a reserve of oil sourced in the state to be retained in the state for this state's use. There is no adequate policy or comprehensive state plan to meet any deficiency in, or lack of, an imported oil supply through dependent or alternative energies, such as bio-energy, hydrogen or any of the others that are currently being talked about. As unbelievable as it may sound, at a time of emergency Western Australia will have great difficulty in adequately feeding its people for any length of time from its own food sources. By 2020 it probably will not be able to feed its people at all. This state's food and vegetable industries are

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decimated. The milk and meat industries are in chaos in this state. It is claimed that 40 per cent of all food consumed in Western Australia is sourced from either the eastern states or overseas. Most of this food is not checked for contaminants or quality by any appropriate state agency, including the Department of Agriculture and Food and the Department of Health. At a time when many nations are identifying food self-sufficiency and food security and food quality as a must, this government identifies none of these as being of any importance. In fact, this government cares so little for the annual \$12 billion agri-food industry that it is prepared to invest only \$2.2 million per annum to protect it from the effects of climate change and global warming.

Are there any similarities between resource-rich economies that are now protecting their strategic economic assets and this state government's policy and planning? It depends whether we call a new football stadium, a museum in the middle of nowhere and a huge expensive commuter train rattling along with empty carriages some form of strategic economic assets. They are obviously not; they are social assets. Western Australia's natural gas reserves are of little benefit to the Western Australian citizens whose domestic gas bills are skyrocketing, while overseas commercial consumers pay very little for their gas in comparison. The agreed reserve of natural gas for the state is of no benefit until it can be adequately accessed by the state and its businesses and domestic consumers at a fair and equitable price. The lack of appropriate action by this government has seen rural, regional and remote domestic gas consumers paying close to the same price a litre as they pay for unleaded petrol. This is creating a financially disadvantaged rural underclass. By 2015 the state may be importing 70 per cent of its oil requirements at a price set by the Organization of Petroleum Exporting Countries and multinational oil companies. OPEC nations have few reasons to support western economies, especially those of the coalition of the willing, with which Australia has well and truly been identified. Multinational oil companies, including those accessing the state's oil and gas reserves, have the worst reputation within the international business community for providing false and misleading information to both governments and shareholders, being far less environmentally friendly and engaging in price fixing and cartel operations to the detriment of consumers. If members think that statement is not true, I have sourced it from Senator John McCain, who is the Republican candidate for the United States presidency.

This government lacks the entrepreneurial and marketing skills and the business acumen to manage the Western Australian economy to ensure that our current resource assets provide for a sustainable and prosperous non-finite resource, technology-enriched, downstream-developed economic future. This state will be turned from a food bowl into a dust bowl through this government's attitude that our agri-food industry is unsustainable. Most members opposite believe that is true, when it is not factual. Internal support, whether financial, technological or promotional, for the vegetable, fruit, nuts, grain, oilseed and meat industries is at its lowest ebb since Helen Dance chopped down a tree right about where we are to mark the first Foundation Day 179 years ago. Export marketing and global merchandising of some of the finest quality agricultural products in the world are of little or no interest to this state government. With the assistance of a continuous \$15 000 impost on already unaffordable and unrealistic median home prices, we have ensured that Perth is without doubt the most isolated, vintage-champagne-cost capital with an intellectually barren, beer-budget culture in the known world. I am basically saying that we are dreaming. The failure to provide social and economic infrastructure to meet current rural and remote community needs has already created wage, education, health, housing and other essential service inequalities in rural WA that defy any normal standard of economic rationalism within a wealthy economy.

[Member's time extended.]

**Mr M.W. TRENORDEN:** Global warming will be controlled by neither international goodwill generated by globalisation nor the apathetic attempts of this government. Carbon trading will cause more arable farming land not to be used in the best interests of the state's economy. Biofuels can be produced from biomass, the residue from primary agriculture production, without further reducing the state's food supply. All this sounds just a little too hard. Any future downturn in the Chinese, Japanese and US economies will see Western Australia virtually without an economy. Because of this government, this state knows very little of the positive elements of a healthy, wealthy, progressive economy and the equitable society that it should produce. This government is prepared to be re-elected at any cost, letting 25 per cent of the population suffer on behalf of the Labor Party in this state, and that 25 per cent is obviously all those people who live outside the metropolitan area. Unfortunately, the cost will be to the state's economy and the best interests of its people. The government has not just dropped the ball; it has failed to notice that the international goalposts have shifted very rapidly. That is the very point of what I am saying. This government is basing its policy on looking in the rear-vision mirror of the car while trying to drive the car forward, and it is bound to crash.

What can we do about that? I want to talk about what we can do in the future. The Dampier consortium in Karratha is willing to sell gas to Western Australia at the same price at which it sells gas products overseas. It would do that. It is in its best interests politically to do that. It is not in its best interests economically to do that, because the consumption of gas in Western Australia is minute compared with the demand in the world.

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Nevertheless, if we were to approach that consortium, I am certain it would make gas available at a fixed price. That fixed price would be able to drive our transport needs, our commercial needs and our private needs for the future. It would source for us a secure supply of fuel at a fixed cost within the state. Gas in its many forms can drive this state. It can drive the agricultural industries, the transport industries and the mining industries. It can drive the industries in the city. More importantly for the people of this state, it can drive the houses and the vehicles of our constituents. That is a highly achievable objective. It is also environmentally correct. It would also provide security for Western Australia's energy policy. It would cost a lot. However, linking our fortunes and our future to overseas sources will cost a great deal more in both cash and security terms.

I now want to talk about food. The opportunities for this state in food production are endless. The Department of Agriculture and Food should be resourced to meet the clear world demand. However, it is not being resourced to meet that demand. This state has lost its way on the question of food research. The new system, which was set up with my support and National Party support, has not been focused correctly. I agree that the direction in which that system is going is correct, and that the drive to put together the greatest amount of resources for research is a good objective. However, that research has lost its focus. The focus of that research has not been driven by the needs of agriculture or the need for cleaner food supplies. It has been driven by universities and the needs of the researchers at those universities. We should be marshalling that system in a better way, because we are losing a fantastic opportunity. It is essential in this arrangement that the researchers meet the needs of the world, not the needs of the researchers. The argument about wheat has now been going on for about three years. No matter what side we take in that argument, we are wrong. It is a 20-year-old argument. Successful economic agriculture in the future will not be about bulk produce. The bulk marketing of wheat is a stupid argument. Those people who are driving that argument and fighting both sides of that argument are misguided. They are decades out of their time. The future is about quality. The future is about health. The future is about security in food. If members have not read about that, and if members have not seen that occur in their own time, they have surely been asleep.

I do not have time to go through all of what I want to say. I spoke in my budget reply speech last year about the opportunities in food and agriculture, and I stand by that speech. I will say only that I would love to have the opportunity to get my hands on the levers of this state.

I think the opportunities for Western Australia are enormous. I will talk about a few things related to that. Demand from both the federal government and state government will result in up to 15 per cent of arable land in this state moving away from food production, for a range of reasons. None of these reasons is to do with global warming. It will be because the state government and federal government continue to refuse to adequately resource infrastructure. My electorate in the central wheatbelt did not get a zack out of last week's state budget. It is an area that produces more than \$5 billion in agricultural produce. Commercial and industrial applications of the land will increase dramatically and blindingly quickly. If farmers are given the opportunity to be paid more to grow something that will be made into a fuel, or to be paid by some power station in Japan to not grow anything at all, they will take that opportunity with both hands. When it occurs, it will be irreversible. A Japanese university has been coming to Jennacubbine, just outside Northam, for the past four years, measuring the growth of trees in the central wheatbelt. They are ready for carbon trading. The government does not understand that people will come to our state and pay producers more to grow trees on good arable land than they are paid to grow food. That is a fact. That has been driven by the fact that the Howard federal government, the Rudd government and this government have all blindly ignored the consequences of the lack of production of food. No-one will blame the farmers—I should not say that; I will never blame farmers—when people in this state finally realise that they can no longer buy produce from this state because it is no longer viable.

I return to my argument about globalisation. The argument that the world will grow something of quality is dead. Isolationism is growing quickly. Nations will protect their own food sources. They will not give food to us. We will not have the capacity to grow food. To repeat myself—people can measure this in the future if they so wish—at some time in the reasonably near future, up to 15 per cent of good-quality, arable land in this state will no longer produce food for either the world or domestic markets.

**Mr P.D. Omodei:** It's already happening.

**Mr M.W. TRENORDEN:** Of course it is already happening. I am concerned that this government does not understand that this is happening in front of its eyes. There are a raft of people out there who are trying to produce high-quality product and who are unable to make it work because the state government and the federal government will not recognise the fact that investment in infrastructure is an extremely important process.

Biodiesel and biofuels are definitely going to be with us. We are talking about \$2 a litre for fuel. That will not be sourced from grain. The argument advanced in the USA is wrong. Most of the biofuels in the United States are sourced from corn. The things that are not getting the corn as a result of that are the animals of the world, not the

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people of the world. In Australia, biofuels will be mostly sourced from trees. They certainly will not be sourced from grains. The Department of Agriculture and Food has already identified a type of mustard in this state that produces dramatic yields. That mustard will grow well in those areas considered by the government to be marginal. As a result of that, those areas on which the government will not spend any money, even for social programs, will be high producers for the state. We will consume that fuel, not the rest of the world.

I have said all I will say today, even though I read speeches badly. I am highly concerned that we are not watching the goalposts. The world has changed in front of our eyes and we are planning a process in which we have not seen the goalposts move. By the time we wake up to it we will be way behind.

As I said, members should do their own research. They should get on the internet and look at the work done by a few of these professors around the world who are looking at these matters on a daily basis. Russia went from a cot case to a world driver. Venezuela is happily kicking out major oil companies so that it can not only produce oil itself, but also create very sizeable funds to buy our assets. The argument put by the member for Cottesloe about the involvement of the Chinese and others in our north west is correct. They are buying into those areas not to make money out of our assets but to control our assets.

**MR B.S. WYATT (Victoria Park)** [10.30 pm]: I too rise to speak this evening to the Appropriation (Consolidated Account) Bill (No. 1) 2008 and the Appropriation (Consolidated Account) Bill (No. 2) 2008, otherwise known as the budget for 2008. I am now in my third year as a member of this place, and this is rapidly becoming my favourite part of the parliamentary year. It is a rare opportunity for all members of this place to get to their feet and discuss matters of importance to not only their electorates, but also members of Parliament generally. We just heard the member for Avon reflect on his concerns about the effect of globalisation around the world and how that will impact on Western Australia, and certainly his constituents; the member for Peel reflected on Kim Beazley; and the member for Warren-Blackwood reflected on his trip to China, of which I was also a part. I thoroughly enjoyed that trip, something I will come to later.

The state budget is a document that sets the course for the government for the upcoming financial year. It is a good state budget. It seeks to address some of the issues I raised in my first speech in this place, primarily focusing on broadening our economic base beyond the resources sector that quite clearly is our driving force. My electorate will get many benefits from the budget. Tax reform for home buyers was announced—the legislation has already been introduced by the Treasurer—as well as land tax reform and a significant increase in spending on health, education, law and order and child protection. I would particularly like to emphasise the increased spending in mental health services, an area that is increasingly in demand by my constituents. The Bentley mental health hostel in my electorate has undergone and continues to undergo quite significant upgrades to take into consideration what seems to be rapidly increasing mental health problems in our community.

Three million dollars was budgeted to complete stage 1 of the technology precinct master plan in Bentley. The total project is estimated to cost just under \$9 million. Bentley Technology Park is known by most members in this place. I spoke about it in my first speech to this place. It is contributing greatly to areas that will go a long way towards broadening our economic base, not just the areas of information, communication and technology but all sorts of different areas. In fact, financial service organisations are moving into the area. In targeting this particular area, the Minister for Industry and Enterprise described it as the future Silicon Valley of Australia. I think he is correct. It has the land, proximity to Curtin University of Technology and the closeness to the city that such an idea and such a project needs. There has been a discussion in my electorate that has been prompted to a certain extent by some of the comments made by the Minister for Planning and Infrastructure in her discussions about light rail and public transport. We are all caught up in this climate change debate that we seem to be having in every aspect of the implementation of public policy. I am very keen to get my electorate engaged in it. Later this year I will be conducting a forum to discuss this particular issue. I think the time is right to consider this. With the upgrade of Perth Airport finally on the cards and the increased density of people living in inner city electorates, we need to consider alternate transport options. In fact, just today Parsons Brinckerhoff and Curtin University of Technology held a conference at the Sheraton Hotel to discuss these very issues of place-making and the effect that light rail is having in places such as Portland and Syracuse, places that are similar to Perth, Western Australia. Those places have to deal with the same issues that we are dealing with right now. Certainly, Portland has been able to remove planned freeways and highways from its forward planning because of the rapid increase in the use of public transport, cycling and walking. Indeed, on that point, many parliamentarians rode to a shared breakfast during Bike Week from one of the train stations on the new Mandurah line. The point was made to me that some 40 per cent of people who park their cars immediately around each train station live within a kilometre of the station. Those people must be somehow encouraged to leave their cars at home.

**Dr G.G. Jacobs:** They should walk.

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**Mr B.S. WYATT:** Correct.

**Ms A.J.G. MacTiernan:** If they live within a kilometre or two, it is more likely they would ride and that we need to put in bike terminals.

**Mr B.S. WYATT:** Yes, for bike riders. We need to look at these issues and how we can perhaps follow the successful Portland model.

One issue of particular concern that arose not long after I was elected to this place was the release of significant plans for Belmont Park. Those initial plans would have sat perfectly with that successful Portland model. I am disappointed that those plans have been rolled back at this stage. Should that agenda not be pursued, I believe there will be a great reduction in the plans for the waste water initiatives, the parking caps and the use of the Armadale train line as a place-making facility. I put that on the agenda now, as light rail would be a viable option with the size of and access to Bentley Technology Park and the airport increasing rapidly and with the federal and state governments now putting significant moneys into upgrading Great Eastern Highway. I can foresee a plan for a future light rail coming together very nicely. It is not a project that I expect will appear in the next budget; I think it is a 20-year plan for Perth. However, it is a project that the budget debate gives us all an opportunity to consider.

Certainly, at this point in the budget debate members of Parliament do their prime job; that is, as state members of Parliament we all represent our electorates, but we are fundamentally here to represent the people and the state of Western Australia. Individually, although we can talk about and are interested in the financial sweets, candies and goodies that each electorate is getting in the budget, overall we must step back and look at the bigger picture and think about what we want the government to do and the priorities we want it to pursue.

At budget time we should take stock of the government's performance, its purpose, what inhibits it from doing its job better, and how current democratic traditions can continue to thrive. It is interesting to note that never before have this issue and these considerations been more prominent. Things happen when a new federal government is elected. It does not matter whether it is a coalition or Labor government that is freshly elected, a lot of activity is generated with a new government.

The federation—the discussion now of what it is our federation means and what it should do—is being examined greatly in these economic times. The weakness in our federal structure that has been around now since 1901 comes to be identified only in times of great economic activity; it is not discussed as much when the economic times are slow. I think our country's enormous wealth is now being inhibited by some of the scoliosis that we are seeing in our federal structure. This is not something new. I am not alone in saying this; the Prime Minister is saying this, and a lot of other members of Parliament are saying this. We also have a very rare opportunity whereby one party is in power not only at the federal level, but also at all state levels. This is not only a great opportunity, but also a great responsibility. There is now an enormous responsibility on governments at all levels to address these issues, because I daresay that if we do not do it now when we certainly have not just the political but also the economic times in which to do it, we will be held to account for a long time to come.

A big event occurred not long after the election of Prime Minister Rudd—something that has not received much comment in this place. Indeed, it has received lots of comment all over other parts of Australia, and to a certain extent internationally. It is something that has had a fair bit of criticism and cynicism attached to it. I am referring to the Australia 2020 Summit. It was an opportunity for 1 000 people primarily from all over Australia to come together. However, apart from those 1 000 people, it generated a huge amount of activity among other people, from schools to various community groups, who wanted to get involved and contribute. As a young and new member of Parliament, I found that to be particularly encouraging.

I have been looking for an opportunity to quote from a speech that I admire on the issue of apathy. One of the great worries that I have had is: how do members engage with their electorates? How do we encourage our constituents to be excited about what we do in this place and about what our federal members of Parliament do? In 1999 Elie Wiesel gave a fantastic speech to the Seventh White House Millennium Evening in Washington on "The perils of indifference". Elie was a man who was held in a concentration camp in Europe during the Second World War, and he gave a very emotional speech. I will quote a short part of it —

Of course, indifference can be tempting—more than that, seductive. It is so much easier to look away from victims. It is so much easier to avoid such rude interruptions to our work, our dreams, our hopes. It is, after all, awkward, troublesome, to be involved in another person's pain and despair. Yet, for the person who is indifferent, his or her neighbours are of no consequence. And, therefore, their lives are meaningless. Their hidden or even visible anguish is of no interest. Indifference reduces the other to an abstraction

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That was the power of his speech. What he thought was the effect of indifference on him as a boy and as a young man in the concentration camps of Europe is something that we, as leaders in our community, need to turn our constituents away from. We need to get people engaged with their communities. That is why I believe we should really admire the Australia 2020 Summit and look at what people contributed. It was not just the 1 000 people who attended the summit in Canberra who contributed; people from all over Australia went to great efforts to make sure that their voices were heard. I encourage all members of Parliament to read the initial summit report. It is not a big document, but it is quite an encouraging document for the many ideas and proposals that fell from the summit. Ideas are really what it is all about in this place. Public policy is the battle of ideas. It is what we are trying to achieve. I encourage all members to look through that report.

The summit dealt with a dozen or so topics. However, I would like to look to a couple in particular, if I can do so briefly. What it really comes down to is: how do governments value add to their communities? How can we contribute better in all the areas in which government is supposed to contribute? I refer to two areas from that 2020 summit. One is titled “Australian Governance” and the other effectively deals with foreign relations; that is, Australia’s future security and prosperity in a rapidly changing region and world. State governments—and particularly our state government and our state—should no longer be silent on foreign affairs issues, because we are directly involved in them. I will come to some of the comments made by the member for Avon in that regard.

The issues involving some of the relationships that the states have forged with other nations are something from which the commonwealth can take advantage. One of the areas that was recommended was the establishment of a regional energy security forum, including the four major countries—the United States, Japan, China and India. I thought about this government’s role in that forum. It should be huge. It is a great idea. The next 50 years for the world will be purely about energy security. Australia and Western Australia play an enormously important role in that.

The Australian governance aspect looked to the creation of a modern federation. It is something to which I have turned my mind for a long time—well before I came into this place. I now bring this matter to the attention of members in this place. It calls for a commission to look at and review the mix of responsibilities of state and federal governments. I do not believe for a minute that centralising in Canberra is an answer to our federal problems. However, I have said and written previously that we are probably looking at a bigger role; that is, devolution to get people more engaged in their government so that they can feel that they own a bit more of the decisions that are made by government. I refer to a Public Accounts Committee report that will be presented to the Parliament tomorrow. It will sit nicely with the state infrastructure strategy that will be released soon and Infrastructure Australia, the newly established federal government body. We are starting to see some consideration of these issues.

It is interesting that we are trying to remove from the political process all these organisations and the things that we talk about. We ask how we can make things independent from government and how we can remove them from the political cycle. By doing that we are acknowledging the weakness of the democratic four-year electoral cycle that brings the craziness that comes with that. We try to pull out some of the important issues and establish independent bodies that can plan accordingly.

**Mr T.G. Stephens** interjected.

**Mr B.S. WYATT:** I thank the member. Democracy necessarily promotes populism. Populism in itself is not a bad thing. However, if we are talking about infrastructure development worth billions of dollars, in the political process we have to work out how we can plan for the future. I think we can. I am not giving up on everything. To do that we need to work out how to reinvigorate Parliament. I will say it because it is something I have thought: we have the “Washminster” system in Australia, a combination of the Westminster and Washington systems. Perhaps we need to look at removing the executive from the legislature. We should directly elect the Premier and allow him or her to appoint the cabinet and allow the Parliament to perform its role properly by holding the executive to account.

**Mr T.G. Stephens** interjected

**Mr B.S. WYATT:** Not at all. I said that this is a time when summits are being held by a Prime Minister. In the 22 schools in my electorate these discussions are taking place. It is something on which we should have discussions in this place as well.

**Ms A.J.G. MacTiernan:** Why do you think it is a better system?

**Mr B.S. WYATT:** I am not saying it is, minister; I am saying that these are the things that we need to talk about because discussions on these issues are taking place in the community and not in this place. I would like to get these discussions going. I draw the attention of members to something I found particularly good.

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[Member's time extended.]

**Mr B.S. WYATT:** At page 7 of the initial summit report, one of the suggestions under the productivity agenda was a community corps to allow community service to reduce a person's higher education contribution scheme debt. It is an interesting option. The situation now is that when people graduate from the higher education system, they have a high HECS debt. Perhaps we need to think of other ways in which graduates can contribute to the community and receive adequate compensation by way of reduced HECS debts.

Not long after I was elected to Parliament I was approached by many of my community groups seeking assistance to encourage lawyers onto their boards and committees. I managed to get 10 or so lawyers involved. However, it was difficult because they had to pay debts and were climbing their corporate ladder. It was not particularly easy. Perhaps we need to look at other ways for people to take a year off work. That is becoming an increasingly popular option. The people who do that could contribute in a way that would allow them to get a financial return, although it might not be a direct financial return. This is not a new concept. President Kennedy created the Peace Corp, which lasted for a long time and was popular in the United States, despite the various criticisms of it.

I will follow on from the speech given not long ago by the member for Warren-Blackwood about his trip to China, which I was part of. The delegation was led by the Speaker and it was quite a spectacular trip. It alerted me to the reforms that occurred under Deng Xiaoping and have been underway since the late 1970s. They have come to fruition in a way that I could not have comprehended without visiting China.

**Dr S.C. Thomas:** It was a very unpopular trip in Collie.

**Mr B.S. WYATT:** I will come to that later. Although the issue of international relations sits more appropriately at the federal level, it has been raised a couple of times in this place and has been discussed more broadly in the Lowy Institute for International Policy, for example. I think Australia has handled the economic rise of China better than most other countries. We have been very good at it. We have traditionally handled our relationship with China very well. An interesting change is taking place in that relationship with China, courtesy of Deng Xiaoping's reforms of the late 1970s. China is now a very confident country that is expressing its concerns about energy security, which I referred to earlier, and about the price of iron ore, and it is iron ore that is feeding its development and allowing us to enjoy the standard of living that we are currently enjoying. Colleen Ryan wrote a very good article in *The Australian Financial Review* on 24 April. It is a perspective on China and is titled "China's coming to dinner". It refers to the changing relationship between China and Australia. She points out that the tension in the relationship between Australia and China is not strategic; it has risen out of the economic ties between Australia and China. In particular, it stems from China's desire to want a piece of the action by buying into corporations that operate in Australia. It is primarily an issue of iron ore but it involves other resources also. This is more of a diplomatic issue than a political issue. The new federal Treasurer has implemented some new guidelines, and the article deals with that issue very well.

**Mr C.J. Barnett:** One of the reasons for that is that literally only in the past two or three months has the issue transcended from being a state issue, or a Western Australian issue, to a national issue. Until then it was a Western Australian issue. It has been out of sight and out of mind.

**Mr B.S. WYATT:** That is right, but that is no longer the case. I would be delighted to leave copies of this very good article for members to read.

The Lowy Institute has been pushing this debate. Both articles to which I refer are in *The Australian Financial Review*. The second article was written by Stephen Grenville and is titled "Sovereign wealth funds only part of the debate", which was published on 11 February 2008. His concern with sovereign wealth funds is that the economic decisions behind them are not necessarily motivated solely and purely by the desire to increase the value of an individual firm. He is worried that that desire and national interests have started to clash. Colleen Ryan makes the points in her article that China has a much more active, state-owned corporate role to play. She identifies the issue very well in saying that it is now getting beyond simply diplomacy and is entering areas in which politicians are becoming more and more active. In *The Australian Financial Review* of 3 April, Allan Gyngell, executive director of the Lowy Institute states —

The choices we confront in the new regional environment involve more than America and China. China and Japan eye each other jealously and on issues like access to our resources, Australia is already being drawn into their competition. We will have to help shape the relationships between the major powers in ways that help them deal with each other and which create the sort of regional environment that best suits Australia. Perhaps our biggest challenge is to persuade Washington, Beijing and Tokyo that it is not in the interests of any of our major partners to force Australia into a big, defining, either-or choice among them. The timing is critical too. Australia and China share important mutual interests, and

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because the forms of the emerging regional system have not yet been cemented, we may never have as good an opportunity over the next five to 10 years to help shape our future relationship with China and China's own role in the world.

We are in a very good position at the moment to get this right, and I think we can. I want to make the point that it is something in which the state has a big role to play. I say that because our state, in particular, has a very good relationship with China and with Japan and is developing a good and stronger relationship with India. All these emerging players will have a fundamental role to play in the energy security of the world and the resource security issues over the forthcoming 50 years. This is something that Colleen Ryan identified in her article. She refers to Larry Summers, a former United States Treasury secretary who identified these concerns, which he also has. The International Monetary Fund is now doing a study on these particular issues involving mainly sovereign wealth funds that countries are dealing with. They are issues that we are facing with China that fit neatly into its studies. A lot is now happening in these areas. As Colleen Ryan's article states —

Allan Gyngell believes we need to formulate an umbrella policy to cover the issue of state-owned company investment or investment by sovereign wealth funds, which goes beyond the guidelines for foreign investment already laid out by the Treasurer but which does not discriminate against China.

It is probably an unusual matter that a state member of this Parliament would raise in this chamber, but it is something that Western Australia is perhaps better placed than most states to consider and advise the federal government on.

**Ms A.J.G. MacTiernan:** It is something that affects us very immediately.

**Mr B.S. WYATT:** Absolutely. The Minister for Planning and Infrastructure is dealing with this issue as she sits in the chamber tonight.

**Mr C.J. Barnett:** As I have said privately, in the 1960s the rules of the game with Japan were established at the outset and kept to by both parties. There are no rules with China, and that is not China's fault; it is Australia's fault. We have not made clear to China what are the rules of its buying and investing in our resources. It's our fault.

**Ms A.J.G. MacTiernan:** It is more complex because the nature of the Chinese state capitalism is much more difficult to come to terms with and get behind to find the reality of control is very different from the —

**The ACTING SPEAKER (Mrs J. Hughes):** The member has only three minutes left.

**Mr B.S. WYATT:** I agree with both members but the sticky problem is in the final paragraph in this article. It is an issue that we must address immediately because it is a sticky problem, not least because Australia has already set a precedent in allowing one foreign wealth fund; namely, Singapore Telecom, which is set to make a substantial investment in our second largest telecommunications company, Optus. Do we just keep up the body language diplomacy referred to by Colleen Ryan and hope that China backs off? That is simply not going to happen and it is something we need to address rather urgently so that all parties know the rules under which they operate in Australia, particularly us, as state MPs within Western Australia. I have sought my extension and worked through my time, unfortunately. These are issues that the budget allows us to consider; they have direct relevance to the budget. We are talking about royalties for the state and the commonwealth. They are not directly related to what I may be doing day in and day out in the electorate of Victoria Park. However, I assure my constituents that these issues will affect the electorate of Victoria Park in the future. All members of Parliament need to turn their mind to the budget. The budget process is the best time of the parliamentary year, because it provides members with an opportunity to speak about issues about which they would otherwise not be able to speak because they would not be relevant to a particular debate.

I conclude by turning my attention specifically to the Appropriation (Consolidated Account) Bill (No. 1) 2008 and the Appropriation (Consolidated Account) Bill (No. 2) 2008. It is a good budget. This process is all about members on this side of the house lauding the budget and members on the other side of the house criticising it. Thankfully, those who are lauding it are in the majority, so the bills will pass. The budget deals with issues that relate to the services that are provided by the state government. It sets up the state very well into the future as it provides the infrastructure expenditure that is required to ensure that the state continues to boom and that its economic base, which I continue to talk about, is broadened so that when the commodity circle inevitably turns, we find ourselves in a very good position in which to handle the future.

**MR G. WOODHAMS (Greenough) [11.06 pm]:** It is that time of the year when I get to pay my tribute to the Nawab of Nyabing, the Balthazar of Belmont, the Treasurer of Torture, Torment and Trial. As heritage and tradition would have it, I have some historical literature that I would like to use to begin my response to the Appropriation (Consolidated Account) Bill (No. 1) 2008 and the Appropriation (Consolidated Account) Bill (No.

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2) 2008. I refer to a small piece called “The Budget Path To Heaven”. It was originally sung by Reckless Eric, with apologies to Led Zeppelin. It reads —

There is a treasurer who’s sure all that glitters is gold  
And he’s buying a ticket on the Foreshore  
And when he gets there he knows if the Ferris Wheel is closed  
With sixteen million dollars he can get what he paid for

And it makes me wonder

There’s a sign on the wall but he wants to be sure  
And you know sometimes words have two meanings  
In a tree by Claisebrook there’s a songbird who sings  
Sometimes all of our thoughts are about museums

And it makes me wonder and he’s buying an old power station.

There’s a feeling I get when I look over the scarp  
And my spirit is crying for salvation  
In my thoughts I have seen rings of smoke through the trees  
But it was only the ALP’s cannabis legislation

And it’s whispered that soon, when there’s another full moon  
Then the Premier will lead us hereafter  
And a new Daylight savings day will dawn  
And the cappuccino drinking chardonnay set will echo with laughter

And it makes me wonder

Ignore another referendum oooh ignore another referendum

If there’s one vote-one value in your hedgerow  
Don’t be alarmed now  
It’s just a spring clean for the Jim Queen

Yes there’s a jerrymander you can go by  
but in the long run  
There’s still time to put out a tender for the road you’re on

Your town is struggling, no water, no power and it won’t go, in case you don’t know  
The treasurer’s calling you to join him.  
Dear voter can’t you hear the wind blow and did you know  
Your destiny lies on a Perth whim

And as we head down to Subi,  
The new oval we all know would be  
Their dropkicks taller than our soul  
Spending millions for footy don’t you know  
While teachers struggle to get a go

I am glad that the Minister for Planning and Infrastructure is in the house tonight, because the piece continues —

The powers gone and the Mandurah train is running slow  
But if you listen very hard  
The budget will come to you at last  
With nothing in it, not even bread and lard

One vote, one value on a roll  
Woe oh oh oh oh

**Ms A.J.G. MacTiernan:** You haven’t said anything about the public transport corridor or the Geraldton town centre revitalisation.

**Mr G. WOODHAMS:** Perhaps the member for Geraldton will join me in the chorus. The Minister for Planning and Infrastructure can join in the chorus too. I am glad she appreciates this piece. It continues —

There’s a Treasurer who’s sure that the regions are old  
And he’s flying a fair way above them  
And when he gets there he knows if the stores are all closed

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It's him and his like that have condemned 'em  
And makes me wonder  
He's sold our stairway to Kevin

The budget contains many things, and I think the Minister for Planning and Infrastructure has alluded to some of them. There are a range of budget spends in the mid-west, which are not to an absolute cent, but very close to an absolute cent, very Geraldton-centric. There is, I believe, a very necessary spend on the transmission line from Pinjar to Geraldton, improving power supplies to that region. Considering the minister's homework, which she is probably doing at the moment on the tenders that are in for the proposed port at Oakajee, perhaps some of that spend can be justified. Let us hope so, because that would be marvellous. The rest of the spend in the as-described mid-west is all about Geraldton—absolutely about Geraldton.

**Ms A.J.G. MacTiernan:** The spend in Geraldton is driving the growth throughout the mid-west.

**Mr G. WOODHAMS:** I am sure that the minister will get her chance to speak.

**Ms A.J.G. MacTiernan:** It is. Just think about it. Think about the road from Morawa to Mullewa.

**Mr G. WOODHAMS:** I asked the minister a question about the road between Morawa and Mullewa, and she told me that a transport study had been done. I am still waiting to see the information that she said that she would provide on the upgrades to that road. I suggest that she get on with her work on the two organisations that have tendered for the port of Oakajee, and then maybe she will have something else to say in this house later on. As far as I am concerned I would describe the mid-west, part of which I represent as the member for Greenough and part of which I travel over very often due to decisions made in this place a couple of years ago, as being very poorly served by this budget. The member for Geraldton may stand and say something else. That would be wonderful, and I invite him to do so. While on the subject of the mid-west, an additional \$2.8 million has been spent on the central business district revitalisation project, which I believe takes to over \$20 million the amount of money that has been spent to remove sand, put it back, remove it and put it back, and dig up roads and put them back.

**Dr G.G. Jacobs:** It is happening in Esperance too.

**Mr G. WOODHAMS:** Yes, it is habitual. That is what is happening there. The good folk of Geraldton, whom I do not represent, are perhaps a little windblown at this point by the Geraldton foreshore redevelopment. Perhaps the \$20 million-plus that has gone into that development, may have been more appropriately spent on a service such as the Royal Flying Doctor Service. I merely make that as a suggestion.

The wheatbelt is another part of the world in which I spend a considerable amount of time. I have spoken to people across the wheatbelt about the money that is to be spent on the road between Muchea, the northern suburb of Perth, and Wubin in the wheatbelt. It is the considered opinion of most of those people that an upgrade of Great Northern Highway, although needed, is not really the answer to transport problems in that part of the world.

**Mr M.W. Trenorden:** It is funded by the federal government, anyway.

**Mr G. WOODHAMS:** Much of it is funded by the federal government. Perhaps the new federal government may see some wisdom in another suggestion, which I am sure many others in this place are familiar with, and that is the Perth to Darwin highway. All the confusion, anger, disappointment and disasters that occur on the Great Northern Highway, not only between Muchea and Wubin, but points further north and further south, may be alleviated in some sense by a budget in this place that perhaps is a little adventurous and looks at the creation of another major road north of Perth. As the Minister for Planning and Infrastructure so correctly points out, many projects in the north of this state are driving the state's economy and are really the great reason behind the budget that exists at the moment, which is a surplus budget that this government, via the Treasurer, has seen fit to allocate in the way that it has. I suggest that the government could be a little more adventurous and forward thinking and link some of the projects in the north to some of the projects in the south by taking another look at transport links. I am suggesting that it revisit the Perth to Darwin highway suggestion. It is just a suggestion.

There are some particular areas in the budget that I like to follow and that I feel I have some responsibility for, particularly from an electoral point of view, on behalf of the people who come to see me and whom I go to see on a regular basis. One of those areas, as members in this place will know, is teaching and the schools in the mid-west and wheatbelt. I referred to this matter earlier today during another debate. Some information is provided on page 856 of the budget papers. One of the dot points states —

Continue to develop and implement programs for young people at risk in their 16th and 17th year to ensure all young people in their 16th and 17th year can access a suitable education, training and/or employment option to meet their needs.

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If members went to virtually any district high school in Western Australia, they would find that, although that statement would have some resonance with people and they would agree with it, people would suggest that it is not happening and that a great number of young people in years 11 and 12 are at risk. These young people are staying at school, which is something that members on this side of the house agreed to. It is certainly something that I endorse. However, I repeat in this house—I said it last year—that I do not believe that the government has tried to fully understand the needs, particularly in smaller regional communities. I can evidence three schools—Carnamah, Morawa and Mullewa District High Schools—at which students have elected to stay for their compulsory education years 11 and 12. The programs provided to them are exceptionally narrow. The current suggestion is that those three schools bus their students to one central location, and so the students consume a great deal of time on the roads, which are very inadequate for a range of purposes, let alone for further bussing students. If the government is serious about its educational programs, particularly this one—that is, that students stay in school until their seventeenth year and be educated to an appropriate level—which I think the majority of people in Western Australia agree with, it must ensure that programs and resources are available in schools and that there is an appropriate number of staff in schools so that those young people are not put at risk, because they are at risk now. They will be at further risk the longer this program rumbles along without any great direction. This is a bandaid measure of bussing students from Mullewa to Morawa, Carnamah to Morawa —

**Mr M.W. Trenorden:** Brookton to Narrogin.

**Mr G. WOODHAMS:** — Brookton to Narrogin, Moora to Merredin, or Jurien to Dongara. I was citing just one example, but a range of measures are being talked about. A superschool solution is being talked about. It would probably be best if the Minister for Education and Training came into this place and gave the lie to that and gave some comfort to the students, teachers, administrators and communities that there is a way forward for those district high schools at which students are now electing to stay because, in many instances, they have no opportunity to go elsewhere. It is impossible for those students to go elsewhere because of the distances and the costs involved. Therefore, their parents say they will need to stay at school in Carnamah, for argument's sake. There is nothing wrong with Carnamah. It is a great little town. However, in terms of educational opportunities, for some people that is just not going to work. Therefore, this particular major initiative in the 2008-09 budget is simply not going to work. It needs to have some flesh put on its bones.

I want to mention another initiative in education that concerns me. This initiative is strongly allied to the issue that I have just been talking about. I am talking here about the Curriculum Council of Western Australia. This issue comes under the heading “Significant Issues and Trends”. It is found at page 880 of the *Budget Statements*, if any members are keen to take a look at their copy of the *Budget Statements*, which I am sure many people in this place think is just something that they can use to keep their flyscreen door open —

**Mr M.W. Trenorden:** Or closed!

**Mr G. WOODHAMS:** Yes. It states —

- The implementation of the senior secondary school reform as outlined in the report ‘Our Youth, Our Future’ continues through to 2010. This reform addresses:
  - the provision of courses and assessments that will allow schools to provide programs to all students, particularly those staying on at school as a result of the raising of the compulsory school leaving age to 17 in 2008;

That ties in very closely with the point I have just made about district high schools. I would like to underline again the words “the provision of courses and assessments that will allow schools to provide programs to all students”. That initiative will place further pressure, and in some cases further bureaucratic requirements, on our teaching profession. The teaching profession in the community of Western Australia is already under a great deal of stress and duress. I have described the community of Western Australia. I am not stating that this community is exceptional. As those people in this place who follow educational issues around the world, particularly the western world, would know, there is a crisis in teacher numbers around the world. I would suggest that Western Australia, of all the western economies, has the best and most flexible opportunities to create some solutions; to be adventurous; to not follow, but lead; and to look at the circumstances on a community-by-community basis. I say that because our population is not very large. I say that also because of the commitment that has been made by many people in this community. We also have a marvellous document that is lying somewhere in someone's bottom drawer called the Twomey report. That report could be the key to solving some of our problems in this state if it were to be released.

I have touched briefly on education. The point I am trying to make in touching briefly on education is that I do not believe this budget caters for the teaching profession. I do not find in this budget the flexibility that is required. I am more than prepared to be interrupted at this point. I realise that it is late at night and many

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members probably have not had enough caffeine. I do not find in these budget papers the provision of increased funding for people in the education sector. It is a pity the Minister for Planning and Infrastructure has left the chamber. I realise she is a far better singer than I am, and I bow to her greater ability in singing songs. If the minister was offended by my verses, I am sure she would be able to come into the chamber another day and sing them to me. The minister did mention Oakajee before she left the chamber. I would have like to have developed that point with her.

[Member's time extended.]

**Mr G. WOODHAMS:** Planning and infrastructure is in volume 2 of the *Budget Statements* on page 692. I found the one line dedicated to Oakajee—a mid-west infrastructure analysis report and the Oakajee-Narngulu infrastructure corridor study. That is the sum total of the “Significant Issues and Trends” with regard to Oakajee. The minister was being somewhat more honest and open in this place than the information we find here, because the Oakajee proposal has great potential to drive a lot of things, not only in the mid-west but also in the Murchison, the Gascoyne and the greater hinterland of the area between Perth and Carnarvon. That would certainly be something that that part of the world would warmly welcome. I see the Treasurer sitting there; I would certainly welcome the Treasurer's interjection. With regard to Oakajee, I hope that embedded somewhere in this document—I have highlighted the Oakajee-Narngulu infrastructure corridor study, which is currently being conducted—there is some flexibility in the Treasurer's budget allocations. I realise from the tenders that the port proponents will fund that, but I hope there is some flexibility in the budget to enable other necessary infrastructure to be developed, whether it is the actual service corridor that other users access, Western Power, gas, road, government rail etc. I only hope that that is embedded there. That is the point I wanted to make about planning and infrastructure with regard to Oakajee for my part of the world, the electorate of Greenough, which is where Oakajee sits.

I listened with great interest to the member for Avon. He remarked on a range of agricultural issues, which I thought were most pertinent in this place. I am from a farming background, but that does not mean that my life and interests are exclusively about farming. Having lived and worked mainly in agricultural areas of this and other states of Australia, and in the agricultural workforce of the United States, I found the remarks made by the member for Avon very refreshing, and they provided an insight for people in this place about where agriculture in Western Australia might be going. We have a remarkable opportunity in this state. We had a remarkable opportunity in this state back in the 1850s. In fact, the place where I come from—Greenough—was the state's breadbasket for the first few years during the 1850s. It was then superseded by other parts of the state. I will not give members a history lesson, but this state has a marvellous track record in agriculture. It disappoints me greatly, in many senses, that agriculture seems to have fallen off the radar as far as this government is concerned. Agriculture in its many forms can have a fantastic part to play, and still does. It is probably the quiet achiever in many senses. It does not get a lot of press; certainly not in this place, but for those of us in the know, we know what a phenomenal driver of the state's economy it has been and can continue to be. However, it could be even more important than it is now if we pay heed to some of the things the member for Avon said. The less food we produce in this state and the more dependent we become on imports, the more vulnerable we are to exploitation and the less viable many of the projects that are currently touted as the future of Western Australia will be. I urge the government to reconsider its position on agriculture.

The other day in this place I heard the Premier defending the Minister for Agriculture and Food, Hon Kim Chance. I had a very close look at the \$158 million budget commitment to agriculture, of which \$1 million is dedicated to the development of food. There is an opportunity to think outside the square when it comes to agriculture in this state. For a long time sheep, wheat and wool have been the mainstay, the backbone, but we are letting many other opportunities slide by because agriculture is no longer the flavour of the month.

There are a couple of things in agriculture that people ask me about on an ongoing basis. They are inescapable; we cannot get away from them. The first is: what has happened to the skeleton weed program? When I read about the major achievements for 2007-08, I learnt that the Department of Agriculture and Food successfully delivered services to the grain industry funded skeleton weed program. It is self-funded these days. That is what it means; farmers are funding it themselves.

**Dr G.G. Jacobs:** They are levied.

**Mr G. WOODHAMS:** Yes, they are levied. There is no support from the state government. The budget says that the government has “successfully delivered services”. What does that mean? I also read of the ongoing control programs for animal and plant pests such as feral donkeys and wild dogs.

**Dr G.G. Jacobs** interjected.

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**Mr G. WOODHAMS:** Wild dogs are down near the member for Roe's electorate. They have eaten all the sheep north of him. They will be in the Bay of Isles very shortly. In once sense it is mildly amusing that these dogs are absolutely everywhere but I assure members that they will be turning up in rubbish tips in our regional towns very shortly if they are not already there because they have eaten most of the livestock in some of these regions. People do not have livestock any more. We will see coyotes in Corrigin and dingoes in Dowerin. I do not know whether the statement that "ongoing control programs have been successful in reducing the impact of animal and plant pests such as feral donkeys, wild dogs and a range of agricultural and environmental weeds" is honest.

**Dr G.G. Jacobs:** Member for Greenough, do you think the government's going to commit anything seriously to a barrier fence or a pastoral barrier fence?

**Mr G. WOODHAMS:** No, I do not.

**Dr G.G. Jacobs:** Is there anything in there about it?

**Mr G. WOODHAMS:** No, there is not at all. This is a very controversial place. I am not often a very controversial person, as the Deputy Speaker will attest. I do not think that people in this place understand what will be the implications for the livestock industry of Western Australia when mulesing is abolished in 2010. I am not an advocate of mulesing but I do not know that people in this place understand just how wide an impact the abolition of mulesing will have. I do not know that the industry and certain people, particularly those single-farmer operations, have been consulted in this process.

**Mr M.W. Trenorden** interjected.

**Mr G. WOODHAMS:** I would say so. I am quite happy to reflect on that another day because this issue has been raised with me by many people who are greatly concerned about what will happen to small farmers in particular.

**Mr B.S. Wyatt:** Is that because the alternative is so hard for a small farmer?

**Mr M.W. Trenorden:** They have other options. They can move to other breeds that do not need mulesing. Wool production will just go.

**Mr B.S. Wyatt:** Because the other breeds do not have wool?

**Mr M.W. Trenorden:** They will just be produced for meat.

**Mr G. WOODHAMS:** That is part of the answer.

**Mr B.S. Wyatt:** I am asking; that is all.

**Mr G. WOODHAMS:** Yes.

The final point that I want to address relates to the Mid West Development Commission. If members thought that mulesing was an interesting matter and a subject that came out of left field, I suggest the next matter I raise may also for some members appear to come out of left field. The government should get rid of the Mid West Development Commission, the Wheatbelt Development Commission and the Great Southern Development Commission. Flick them! Get rid of them! Take away their budgets! Give the money to local government. Put that money on the ground. Remove that buffer. Remove that series of bureaucrats; remove that series of inactive, ineffective, totally misunderstanding individuals who really and genuinely in many places have no particular interest in the communities in which they live. Some, I believe, live in Perth and do not live in the regions. They do not reflect the needs and requirements of those communities. That is not to say that some of the people in those various development commissions around the state are not wonderful workers, are not great researchers and do not have good ideas. I believe those people and those funds could be more appropriately deployed. The workers could be more appropriately employed and do a far better job if the money was much more realistically spent. There would be far more jobs generated and more projects created if the moneys dedicated and given to the various development commissions around the state were deposited with local governments. It would finally give local governments the opportunity to make decisions about their future and whether they want to amalgamate with other local governments or go it alone. Here is a marvellous opportunity, because the development commissions are not helping at all.

**MR J.H.D. DAY (Darling Range)** [11.31 pm]: We are, of course, debating the 2008 budget in the debate on the bills that are part of that process. There are a couple of particular aspects of the budget that deserve comment. One of those is the fact that total public sector debt is forecast to increase from a level of \$4.7 billion as at the end of June this year, 2008, to \$11.4 billion at the same time in 2012, some four years later. I understand that most, if not all, of that debt is associated with the government's trading enterprises, particularly the electricity corporations and the Water Corporation, and that the debt will therefore be serviced by the income that is received by those corporations for the services they provide. Nevertheless it is a very significant increase. It is

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one that gives rise to a degree of concern, and one that I think needs to be very carefully managed and watched over the next few years or so.

The second particularly notable aspect of the budget, in my view, is the very substantial increase in royalties from mineral and petroleum resources that are expected to be received in the next financial year, 2008-09. Indeed, the increase reflects the trend that has been occurring in the past six to seven years in particular, but of course on a progressive basis ever since the exploitation of those resources has occurred. The forecast increase for 2008-09 is 35.2 per cent, a very substantial increase up to \$3.66 billion. That follows an expected 16.3 per cent increase in the current financial year, 2007-08, and an 18 per cent increase in the previous financial year, 2006-07. In the later part of the forward estimates years the increase in 2009-10 is much lower at 5.2 per cent, and there is then a forecast reduction as demand for commodities is expected to decrease. Whether in fact that eventuates may well be another matter. By way of comparison, the royalties received in 2000-01—about the time when there was a change of government to the current Labor government—amounted to \$1.16 billion, far less than is currently the case.

Going back to 1990-91, just for comparison purposes, the amount received was only \$263 million. Therefore, this substantial increase has been brought about by a combination of increases in the prices of various commodities, most notably at the moment, of course, iron ore, but also petroleum and gas products and a range of other minerals, and substantial increases in the quantities that are being produced. That is particularly the case with iron ore, of course. I think that both BHP Billiton and Rio Tinto are undertaking work to increase their production of iron ore exports over the next three or four years to about 300 million or 320 million tonnes each. Probably five or six years ago they were producing in the order of only 50 million tonnes a year each. Therefore, those increases are very substantial indeed.

The main point that I am getting to, as members may have worked out from some of my previous comments in the past couple of years, is that there is a substantial comparison between the state budget that was produced a week ago and the federal budget that was produced by the new Labor government last night. In the case of both the current federal government and the previous federal coalition government, which started off this process, investment funds, or so-called sovereign wealth funds, have been created. As I said, they were created originally by the coalition government, but they are being built upon by the current Labor government. In the case of the previous coalition government, the Future Fund, as it is called, was initially established with the sale of Telstra shares to ensure that funds would be available to pay superannuation to retired commonwealth public servants. More recently, the higher education endowment fund and also, I think I am right in saying, a health infrastructure fund were established. In last night's budget, proposed additions were made to those investment funds in the health, education and infrastructure areas.

I make the observation that there was a degree of spin in the federal budget last night and the associated announcements in that some of what is being put into the current federal government's investment funds is simply being taken out of what was already deposited in the Future Fund by the previous coalition government. That certainly applies to the education fund. Therefore, the amount of new money going into those funds is not quite as much as the federal government has been making out. Nevertheless, the important point is that the principle of putting something aside for the future to create an income stream to provide for some of the community's future needs is being maintained, and that is a good thing.

That is really, in my view, in direct contrast with the lack of action that has been taken by Western Australia, and of course the incumbent government must take responsibility primarily for such lack of action in establishing a similar investment fund. As I have pointed out before, we are receiving huge amounts of income from our natural resources. However, the essential point about those resources is that they are finite and non-renewable. As a state, we need, in my view, to establish and maintain a principle of retaining a proportion of that revenue from, as I said, finite and non-renewable resources and putting it into a fund that should build up over time to a substantial size, so that an income stream will be provided for residents of this state in the long term when the same amount of revenue will not be received from these resources in the future. As I have pointed out previously, a motion on exactly this matter was debated—it was not passed—in 1981. It was a motion moved by the then Labor opposition. Just over a year ago, I introduced the Western Australian Resources Heritage Fund Bill, which is still on the notice paper, to establish such a fund and to put in place the principle that I have been espousing. It is an important issue for this state. I hope that ultimately the idea will be taken up, although I recognise that the government has pressure on it to spend money in a whole range of areas. We need to accept and adopt this principle of putting something aside from non-renewable resources. In essence, the family silver is being sold off at an ever-increasing rate and it will not be available forever.

In that regard I make an observation on an issue that was raised in question time today about the possible merger of BHP Billiton and Rio Tinto. I am not sure whether the state will receive a significant windfall from stamp duty that may arise from such a merger. The Treasurer made the point, as I understand it, that that issue would

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not be looked at until such a merger occurs. In the event that the state receives a windfall from stamp duty, those funds should be deposited in an investment fund to which I have been referring. It would certainly be a mistake for such a windfall to be spent on a short-term project.

The point has been made to me by a constituent who is working in the mining industry that there is a potential problem when the state or government activity is competing in the construction market for labour and other resources to build projects when the private sector is also undertaking a high rate of construction activities. When both the private and public sectors are, in effect, competing against each other for the relatively scarce labour and other resources, as is currently the case, the cost of construction will increase. It makes a lot of sense to slow down to some extent the rate of government activity and defer or spread out some of those projects. This would alleviate the degree of competition and the bidding up of the cost of projects that currently occurs.

The second benefit of deferring or spreading out the construction time for some of the major projects that a state may contemplate is that a stimulus can be provided in the construction sector and, therefore, in the whole economy when, inevitably, as will occur at some time, there is a downturn in the level of activity. It is much better to try to smooth out these activities rather than take part in what some people might consider to be a frenetic rate of activity at the moment. Establishing such a fund and having such a principle would enable that aspect to be dealt with as well.

I will make a comment on the royalties received by the state. My comment does not relate to the aspect of establishing an investment fund, but it picks up on something that was also mentioned in question time today. The Premier made great play of the fact that Western Australia, under the new federal Labor government, is expected to receive approximately \$100 million from royalties, which the commonwealth government would have otherwise kept, from the Gorgon and Pluto liquefied natural gas projects. I am not sure over what period the \$100 million is expected to be received, but that is not the important point. Has the government received advice on whether the receipt of that \$100 million will have an effect on the state's share of goods and services tax payments, which is, quite rightly, currently under debate? We should seek to obtain a modification to the formula that is being used now, because it is making the state's finances that much more difficult in the future. It is highly likely that under the current process the \$100 million that the state will receive will ultimately go into the Commonwealth Grants Commission formula process, resulting in Western Australia having a reduction in its share of GST, in the same way as the state is currently experiencing a reduction from the increased amount of royalties it receives and the other benefits that Western Australia is judged to have compared with other jurisdictions around Australia. The windfall, or the amount of funds that the state government is expecting to receive, might not be anything like the amount it is predicting. The \$100 million in reality might be spread across all the states and territories so that Western Australia might only partly benefit from those funds.

I also wish to comment on a few local issues in my electorate, including the future of Kalamunda Police Station and its staffing levels. The Shire of Kalamunda, which is within my current electorate, has two police stations. One is located at Kalamunda and has been there for many years and the other is located at Forrestfield and is a much more recent police station. It was built during the time of the previous coalition government and was opened in 1995 or 1996. The announcement of the establishment of the station was made during the Helena by-election back in 1994. Both police stations have a very important role to play. The population of the Shire of Kalamunda is about 50 000 or so and is growing fairly rapidly, as it is around much of Western Australia. Both of the police stations have substantial populations to look after. It is a major concern to the local community that the staffing levels at Kalamunda Police Station are being reduced. The Kalamunda policing district comprises not only a substantial population—probably roughly half the Shire of Kalamunda—but also covers a large geographic area, including Gooseberry Hill, Kalamunda, Lesmurdie and all the rural and semi-rural areas, including Walliston, Carmel and Pickering Brook and eastwards to Mundaring Weir. I understand that the recent officer in charge of Kalamunda Police Station has either resigned or taken up extended leave without pay. He is entitled to do that, but the major concern is that he has not been replaced. This has had the effect of reducing the number of sworn staff from nine to eight. I understand also that Kalamunda Police Station has been placed in control of the officer in charge of Forrestfield Police Station. There is no argument at all about trying to get good integration between the policing efforts of the different police stations within the policing districts and indeed across the state. However, I certainly will be concerned on behalf of the local community if the police presence in the Kalamunda policing district is to be reduced. The information that I have been given by concerned constituents indicates that that is exactly what is happening. The government must respond to this concern. I have written to the Minister for Police about this issue and I am awaiting his response. I understand also that the current situation might reflect the difficulty in attracting sufficient police officers across the state, which is an issue that the government must address very actively. As a result, the level of policing activity, particularly proactive policing activity, which is important for communities in the metropolitan and regional and rural parts of the state is, unfortunately, being diminished. That issue is a major concern in my community.

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Another issue of concern is the condition of many of the old schools around the state. That matter is exemplified by Kalamunda Senior High School. Its staff are certainly very dedicated and committed; however, having been built around 50 years or so ago, it is one of a number of schools that has a fairly high need for maintenance. I asked that question of the Minister for Education and Training a month or so ago on the needs of the school and the allocation of funds for completing those maintenance works but, unfortunately, I can only say that the answer I got back from the minister, without reading it out, was a smart alec sort of answer. In essence, it simply boasted how wonderful the Labor government has been in dealing with maintenance and capital works issues in government schools. However, he really provided none of the specific information that was requested; he made the statement that more than \$5 million has been spent on maintenance and capital works on Kalamunda Senior High School since 2001. If \$5 million has been spent, I would certainly like to know where and how. Indeed, I think the minister has got it wrong. I do not think he has given the right information to Parliament at all, because in an article in one of the local newspapers, the acting infrastructure director of the Department of Education and Training, Mr Mal Parr, stated that only \$1.7 million had been spent on maintenance and minor repairs at the school since 2001. I think the Minister for Education and Training needs to face up to that issue a little more seriously and provide accurate information. I have submitted another question on notice and hope I get a better answer than I have so far. More importantly, perhaps he needs to ensure that the needs of schools such as those at Kalamunda are better addressed than is the case at the moment. We all remember the situation during the last election campaign when this state government was very busy putting up signs outside government schools, including outside Kalamunda Senior High School, entitled, I think, "Fixing our schools — a \$65 million maintenance program", which was supposed to have been undertaken.

[Member's time extended.]

**Mr J.H.D. DAY:** The erection of those signs was completely improper and, I am pleased to say that the government was forced to remove most of the signs. My point is that the government is very good at making announcements about what will be done, but it is far less effective in actually carrying out some of the commitments it makes. In relation to Kalamunda District Community Hospital, which has been very much an ongoing issue ever since I have been representing the Darling Range electorate and well before that, I am pleased to see that \$2.75 million has been allocated for capital works at the hospital. I assume it is for the upgrading of the operating theatre, which is very much overdue. We were told by the Minister for Health last year that that would commence in May 2008 with an expected completion date of October 2008.

**Dr G.G. Jacobs** interjected.

**Mr J.H.D. DAY:** As my colleague the member for Roe effectively interjected, there is no way that will happen. The work has nothing like started. I will be very interested to see whether it will even commence in 2008. Again, big promises have been made by the government but it has been much less effective in carrying them out. The Kalamunda district, of course, was very disappointed when the government removed the maternity services from Kalamunda hospital two years ago. The upgrading and modifications that are necessary to the operating theatre and the sterilising area have been awaited ever since the operating theatre was forced to close at the beginning of last year. This government has been very slow to respond and it seems, unfortunately, that it will take much longer than was expressed by the Minister for Health last year.

The final issue I will raise relates to natural resource management, or land care funding, across the state because it does affect my electorate in particular as well as many other hills and outer metropolitan electorates. I understand that the federal government provides funding for natural resource management or land care activities. Under the previous government, it was known as the Natural Heritage Trust program; under the current federal government the title has been changed to Caring for our Country. Funds were provided by the previous federal government. I understand that those funds were in the order of \$21 million. Approximately the same amount of funds are available in the state budget. However, there is a major concern within community groups that the funds that would normally be made available to the community groups through the various catchment councils are in doubt. It is important to recognise that the community groups involved in land care management play an important role. They have been involved in the preparation of long-term planning activities that have dealt with issues such as salinity, weed infestation, revegetation with natural vegetation and the maintenance of waterways and important water life activity areas, so to speak. Those community groups are involved in those activities. There are many volunteers in the community and if there is a sudden discontinuation of the funding that is available to those groups, there will be a high level of disillusionment and people will walk away from the very valuable work that they are undertaking. I encourage the government—I understand that the relevant minister in this case is the Minister for Agriculture and Food—to ensure that the necessary funds will be provided through the catchment councils to community groups so that there is a continuation of their important work, which many community volunteers wish to continue.

**Extract from *Hansard***

[ASSEMBLY - Wednesday, 14 May 2008]

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Mr John Bowler; Mr John McGrath; Mr Mark McGowan; Mr Bob Kucera; Dr Kim Hames; Mr Paul Omodei;  
Mr Paul Papalia; Mr Max Trenorden; Mr Ben Wyatt; Mr Grant Woodhams; Mr John Day

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Debate adjourned, on motion by **Mr J.C. Kobelke (Leader of the House)**.