

**LOAN BILL 2012**

*Second Reading*

Resumed from 15 November.

**HON KEN TRAVERS (North Metropolitan)** [3.15 pm]: I rise to speak on the Loan Bill 2012, which, as listed in the long title of the bill, is —

**An Act to authorise the borrowing of a sum of five billion dollars for public purposes.**

I think one can only imagine how ironic it is that only a couple of weeks after this house passed the Western Australian Future Fund Bill 2012, which the government proclaims is the saviour of the future generations of Western Australia by making provision for them of \$4.7 billion to be accumulated by the year 2032, the government is back before this house asking for permission to be able to borrow \$5 billion. I hope that during the minister's response to this bill he will be able to provide us, in far greater detail than that which is listed in the second reading speech, a detailed outline of the financial years in which this money is intended to be spent. It is interesting to note that when one goes back and looks at previous second reading speeches for Loan Bills, both by this government and by previous governments, we can see that we have always been given quite detailed and specific amounts, not these rounded figures, on how much was planned to be spent in each year. When I went back and looked at those speeches, that said to me that in previous times we have had governments that have had good financial modelling and sound financial and planning processes so that they knew their intentions, and were therefore able to give a good explanation to the Council about how much money they needed and when they would need it. But this approach in today's bill of just rounding figures out to \$3 billion in 2012–13 and \$2 billion in 2013–14 suggests to me that a far more lackadaisical approach is being taken by the government in its financial management than it took even earlier in its term of government.

It is also worth noting that this is the second Loan Bill brought before this Parliament during this term of government—or within this Parliament, in fact, by this government. I make that point because Loan Bills were not that frequently brought before Parliament until we got this government in place. As I said, this is the second bill seeking \$5 billion. The previous time a Loan Bill came before the house was when an amount of \$8 316.197 million—there you go, Mr Deputy President (Hon Jon Ford), a very precise figure, as I mentioned earlier—was asked for back in 2009; including, I might add, at that stage, provision for \$1 239 920 million to be spent in the 2012–13 financial year. That means that this government will have asked for a total borrowings of more than \$13 billion. As clause 3 of the Loan Bill 2012 points out, those borrowings are from the “Western Australian Treasury Corporation or elsewhere, for public purposes”. “Public purposes” means the general government sector, because virtually all non-financial public corporations have within their acts a separate borrowing capacity. This government is asking for \$13.3 billion in a single parliamentary term. It might be the longest parliamentary term in living memory. The government has had plenty of opportunity to get things done, but has not—but that is an extraordinary amount. I invite members to interject if they know when, prior to the 2009 Loan Bill, a Loan Bill was put through the Parliament of Western Australia. I see Hon Phil Edman scratching his head whilst thinking rapidly and madly to try to remember the occasion. As a keen student of politics, I am sure he remembers the bill that was put through Parliament in 2004. I am not sure what he was doing in 2004.

**Hon Phil Edman:** I was trying to beat Kim Beazley, mate.

**Hon Kate Doust:** Yeah, you got rolled on that one, didn't you?

**Hon Phil Edman:** I nearly took him to the fence actually. You guys did such a crummy job down there, you're lucky you didn't lose the seat all together.

**Hon Kate Doust** interjected.

**Hon KEN TRAVERS:** Settle, settle! There is only a day and a half to go.

Prior to the 2009 Loan Bill, there was the 2004 Loan Bill. The Loan Bill 2012 seeks \$5 billion. Do members know what amount the 2004 Loan Bill sought? Did that bill relate to billions?

**Hon Helen Morton:** Oh, just get on with it.

**Hon KEN TRAVERS:** Does the minister know?

**Hon Helen Morton:** I wasn't listening, I am sorry!

**Hon KEN TRAVERS:** That is quite fascinating! A minister of the Crown who was party to the cabinet decision to put this bill before Parliament, and who is party to the budget decisions of the government of the day, wants to interject, but when she is asked an important question that will highlight the excessive amount being sought and

the impact that her government will have on not only this generation, but also future generations, she is unable to answer it!

**Hon Helen Morton:** No, she said she wasn't listening to you!

**Hon KEN TRAVERS:** Then I ask the minister whether she knows how much the 2004 Loan Bill was for.

Several members interjected.

**The DEPUTY PRESIDENT (Hon Jon Ford):** Order, members! Hon Ken Travers, the member on his feet, needs to resist the temptation to ask for and encourage interjections.

**Hon KEN TRAVERS:** I do apologise, but when I come into this chamber I always feel that I have to try to educate the government and its backbenchers. I always believe the best way of educating them is to have an interactive process so that they learn a bit more!

Several members interjected.

**The DEPUTY PRESIDENT:** Order, members!

**Hon Helen Morton:** Now you know why I wasn't listening to you!

**Hon KEN TRAVERS:** And now we know why the minister is often ignorant on so many things.

**The DEPUTY PRESIDENT:** Order, members! I understand what Hon Ken Travers is saying. Unfortunately, however, the rules preclude that engagement.

**Hon KEN TRAVERS:** Mr Deputy President, I am sure you would know how much the 2004 Loan Bill was for. I am sure that he too —

**Hon Jim Chown:** I actually wonder why you needed a Loan Bill in 2004 when you were running a billion-dollar surplus as the government.

**Hon KEN TRAVERS:** That is a good question, Hon Jim Chown. I will get to that point in a moment. I am glad he raised that point.

**Hon Jim Chown:** Year after year after year.

**Hon KEN TRAVERS:** I do not feel any embarrassment about the fact that the previous Labor government ran surpluses and used them to invest in infrastructure in Western Australia—and that at the same time it was able to leave the current government the best set of books for the general government sector in the record of Western Australia, including a future fund that was able to provide for the construction of Fiona Stanley Hospital. It left a \$3 billion surplus including a special purpose account that allowed for the construction of Fiona Stanley Hospital. They were good times during which the government acted responsibly, particularly financially responsibly, by spending wisely and by not borrowing during good times so that it had the capacity to borrow in the future during bad times to help stimulate the economy. The question is: have there been good times during the last 4.5-year term? Yes, there have been good times with revenue; indeed, increases in revenue during the Barnett government have been as good as ever. The reason it ran up debt is that it had record expenditure that it was unable to contain, which is why it has never been able to produce a significant surplus. It lacks the ability to control expenditure growth. In fact, during Troy Buswell's time as Treasurer, he has never been able to keep expense growth below 10 per cent. Hon Christian Porter achieved expense growth below 10 per cent, but Hon Troy Buswell has never, never, never in his time as Treasurer been able to achieve less than 10 per cent growth.

I come back to the 2004 Loan Bill, which sought an amount of \$250 million. Today we are being asked to approve a loan of \$5 billion. I am sure you, Mr Deputy President, recall the Loan Bill prior to the 2004 Loan Bill, which was the 1993 Loan Bill that sought an amount of \$183 million. For more than a decade, the total request for money through Loan Bills totalled just over \$400 million. In fact, the total request was for almost two decades because the bills were introduced in 1993 and 2004. By 2009, when the Barnett government was elected, the drunken sailor was put in charge and suddenly Parliament was presented with an \$8 billion Loan Bill. Hon Jim Chown's comment earlier was insightful. When the government introduced its 2009 Loan Bill, \$446 million was still available under the previous Loan Bills to be borrowed and spent by the state government. In fact, although the 1993 and 2004 Loan Bills were passed as prudent measures in case they were required, they were never drawn on until the drunken sailor and his mate—B1 and B2—got control of the state's purse strings and started to run amok. Do we have anything to show for it? There is silence in the chamber, as I would expect. What has progressed slowly is a list of monuments in the central business district. I am sure members on the other side of the chamber are aware of them, but they dare not speak about them because they know that every time they mention projects such as Elizabeth Quay, people in the suburbs and towns of Western Australia are

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reminded of what they are missing out on and what is not being built in suburbs like the northern corridor of Perth.

For four and a half years, the discussion has been around Elizabeth Quay and projects like the “Premier’s Palace” in the Perth central business district. Now the government wants to talk about anything but the CBD. We had the amazing situation recently of the Premier saying he wanted to make fixing the public transport problems of Perth the centrepiece of his next term of government. After four and a half years of inaction and bad decisions that have contributed to congestion, he now says he is the person to fix it. He now wants to try to avoid talking about Elizabeth Quay, which is one of the bad decisions that will add to congestion in Western Australia. If people do not believe that, they should to drive through the inner northern suburbs of Perth where, as a result of the works being done to try to manage the congestion that will be created by the development of Elizabeth Quay, some temporary barriers have been placed on Mitchell Freeway. That has caused massive congestion in the inner suburban parts of Mitchell Freeway, so people are leaving Mitchell Freeway to use the parallel major roads in the northern suburbs. Those roads have now reached capacity, so people are starting to do rat runs. I invite anyone to drive through those inner northern suburban streets, such as Shakespeare Street in Leederville, at eight o’clock in the morning and see the cars in what was once a quiet back suburban street. It is now full of traffic. We could drive down Waterloo Street in Joondanna, as I did the other morning when I was heading off to meet Janet Pettigrew, the Labor candidate for Balcatta, to look at many of the other congestion issues that have arisen due to the bad decisions of Mr Barnett and his government. Each of those roads is now being used as a major thoroughfare as people seek to avoid the traffic congestion on our roads. It is giving us just a taste of what is to come once Elizabeth Quay causes Riverside Drive to be blocked off and traffic to be diverted across into the tunnel. The present two lanes in the tunnel are about to reach capacity anyway, and once it is expanded to three lanes to take additional traffic, it will be virtually at capacity; therefore, where will we go next? We will go down those back streets around the city. I have talked about the northern suburbs, but, trust me, according to the government’s own traffic modelling, members of the South Metropolitan Region will face the same issues as far down as Manning Road.

Members might ask: Will the Loan Bill we are looking at today fix that problem? Is the purpose of borrowing this money to enable us to address the congestion and build the transport projects Mr Barnett says he wants to make the centrepiece of the next election? I am looking forward to an election built around transport, because Labor’s record on transport will leave the coalition’s record for dead. I am looking forward to a debate, something the Minister for Transport has never wanted to do, but has promised he will have with me during the election campaign. I am looking forward to that debate with a great deal of excitement because Labor will have a good story to tell about a good plan for the future. The current government does not have that.

Will this money we are talking about today provide any funding whatsoever to fix the problem on those congested metropolitan roads, or on any of the big issues the government has been talking about that it might do in the future? I will go through some of those projects in a little more detail later. The very simple answer is no, it will not. This Loan Bill money will be expended on the projects already in the budget, such as Elizabeth Quay. Our roads will see no relief from this. We will probably need to come back and have not just \$13.3 billion but something closer to \$20 billion if we want to do all the projects the Premier says he will do as part of his centrepiece. He is good at spending, but he is not good at balancing the books at the end of the day.

This is not just about metropolitan Perth; it is also about regional Western Australia because under the Barnett government, no investment has been made in roads across regional Western Australia. In fact, under this government, the state appropriation made towards road building has declined. It is masked by the fact that the cost of motor vehicle registrations are up and more money is coming from them. It is also masked because the current federal government is spending more money than ever before predominantly on either maintenance or major projects at major regional centres. That is a good thing, but the roads going through regional Western Australia that everyday Western Australians drive on have not received that funding. They have simply become dangerous. I am very proud that Mark McGowan has already made it very clear that Labor will get its priorities right, and one of them will be to invest in regional roads to make them again safe for people. I note that the Liberal Party now says that it also wants to do that. It has been in government for four and a half years and never done it but now, in response to the fact that Mark McGowan has put roads back on the agenda in Western Australian politics, the Liberal Party says it wants to match it. The big question is: does the National Party support the Premier’s view about funding roads in regional Western Australia? I note Hon Colin Holt is beginning to smile in response to that. I am more than happy for him to interject and give us an answer to that. Does the National Party support them?

**Hon Col Holt:** Support what?

**Hon KEN TRAVERS:** Does it support investing in regional roads from royalties for regions? He can take his time and think about it. Does he need to phone a friend?

**The DEPUTY PRESIDENT (Hon Jon Ford):** I remind the member of my earlier comments.

**Hon Nick Goiran:** Are you listening; the Deputy President is speaking?

**The DEPUTY PRESIDENT:** Hon Ken Travers has the call.

**Hon KEN TRAVERS:** There is deathly silence. Hon Colin Holt clearly needed to phone a friend to check on what his party's line is. He needs to phone a friend because we know the Nationals are not allowed to move until they know what Brendon Grylls thinks. We know that Mr Grylls thinks road funding in regional Western Australia is not a priority. I have been at many forums, including one at the Western Australian Local Government Association, where he has said that he does not want to spend money; he is happy to see the roads of regional Western Australia continue to decline. Come the election, the question for people in Western Australia is: which policy will prevail after the election? I note that we are now getting a nod from Hon Colin Holt. Which policy will prevail? This is the dishonesty of this government. It will go into this election promising two things at the same time: that we will spend more money on roads and that we will not spend money on roads. The reality is that, going into the next election, the only party that can guarantee more money will be spent on roads is the Labor Party if it is elected. We know that the Liberal and National Parties will sit down after the election and work out which set of policies they choose to implement. That, in my view, is a very dishonest approach to the way this government is operating. It wants to try to hoodwink the people of Western Australia into believing that it works both ways.

One of the areas in which we see continued mismanagement is in state finances, even the reporting of the way state finances operate. Members in this place will recall that I have continually asked about statements of corporate intent from port authorities. Statements of corporate intent are an important accountability mechanism to inform this place, and thereby the people of Western Australia, about what is happening to the financial management of some of the key economic drivers of our economy—namely, our state-owned port authorities. There has been a history of this government failing to table its statements of corporate intent. I have continually pursued why those statements of corporate intent have failed to be delivered to this place in a timely manner, although the Port Authorities Act 1999 makes it very clear that they should be tabled before the end of the financial year prior to the year in which they come into effect; the Auditor General has regularly reported to this place on that very fact. But we did not get the statements of corporate intent for 2011-12 until the 2012-13 financial year—after they were completely redundant.

During the estimates hearings, I asked questions of Treasury as to why those statements of corporate intent had not been delivered. According to my notes, the supplementary answer Treasury provided to the estimates committee stated —

Delays can occur for a variety of reasons, including:

- (1) Delays in submitting the SCI to the Treasurer by the minister.
- (2) Delay with government processes; and
- (3) The content of draft SCIs not matching government objectives or approved financial parameters; i.e. the state budget.

They were the three potential reasons that there had not been concurrence from the Treasurer to allow those statements of corporate intent to be tabled on time.

On 24 May, I asked question without notice 316 of the minister, about what was happening with the 2012-13 statement of corporate intent; when we could expect them to be tabled; and whether we would get them before the end of the 2011-12 financial year so that this year's statement of corporate intent would be delivered on time. The answer was —

Process issues have caused some delays; however, it is expected that this will be resolved expeditiously.

“Expedientiously”, the minister told the chamber.

Of course, 30 June passed, and we are now in December and there is still no statement of corporate intent. But the answer provided to the estimates committee about the 2012-13 statements of corporate intent as at 10 October makes it clear that the port authority statements of corporate intent for Albany, Broome, Bunbury, Dampier, Esperance, Fremantle, Geraldton and Port Hedland had been not been tabled at that stage; I am not sure they have even been tabled to this day, even though it was going to be happening expeditiously back in May. More interestingly is that the reason given for them not being tabled was “Reason (1) as above”. What was reason (1) as above again?—delays in submitting the SCI to the Treasurer by the minister.

I can only but imagine what the Treasurer's attitude would have been. He would have been sitting there, waiting to get the statement of corporate intent from the Minister for Transport. He probably would have thought:

“Where are they? I need them. I need to give my concurrence so that we can meet the requirements of the act.” When they were not delivered, I am sure he would have been completely beside himself about the failure of the Minister for Transport to give them to him. If I was the Treasurer, I would imagine that I would have immediately picked up the phone and called the Minister for Transport and said, “Come on, buddy, you know the rules; we have to get these in. What’s going on?” The Treasurer is making very clear that it was the Minister for Transport’s fault that they had not been delivered on time.

Maybe the Minister for Finance can inform this place as to whether the Treasurer has ever had a conversation with the Minister for Transport about why he did not get them to him on time and they were delayed. In fact, I would like to know whether, if that was the only reason for the delay, the Treasurer now has them; one can only assume that he has not, because we still do not have them. If I was the Treasurer, at that point I would have put in a phone call to the Premier, making it clear that, “Premier, the Minister for Transport still has not given these statements of corporate intent. I can’t give my concurrence; we’re not meeting key financial acts. As the Treasurer, even though the port authority acts under the Minister for Transport, I think we need to do something about this incompetent Minister for Transport.” That is what I would be doing as the Treasurer.

But of course nothing seems to be happening. For some reason, the Treasurer in this state seems to be completely turning a blind eye to the incompetence of the Minister for Transport and the Minister for Transport’s failure. It is a real problem when these two ministers—the Minister for Transport and the Treasurer—seem to be completely incapable of working together and resolving anything, with the result that legislation is being ignored. I think the Premier has to have those two ministers in one room to sort it out. It is appalling. I note that the Minister for Energy is having a bit of a chuckle at this stage. He probably understands that there seems to be immense conflict between the Treasurer and the Minister for Transport. I do not understand why; I would have thought they would get on pretty well together. The Minister for Energy knows both of them well—I think he has stayed at both of their houses at various times.

**Hon Sue Ellery:** No; they stayed at his.

**Hon KEN TRAVERS:** Oh, they stayed at his house—that is right! The minister has had them as housemates—both of them—at various times!

Of course, they are one and the same person, are they not? What a nonsense of a response! What a nonsense of a response by the Treasurer to blame it on the Minister for Transport and then not to have done anything about it. That is the complete and utter contempt in which this government holds important financial legislation, and providing the people of Western Australia with the proper information.

As I said, none of this Loan Bill will go to the projects the Premier says will be the cornerstone of the next election. He is running around the state of Western Australia talking about everything bar his central business district projects at the moment. He does not want to talk about those, but there is a long, long, long list of projects that the government talks up that are nowhere even close to being in the books. They have a little planning money here and a little planning money there to pretend they are doing something, but when we drill into whether they have any money to build it—is this Loan Bill to assist us to build it—we are going to take state debt —

**Hon Alyssa Hayden** interjected.

**Hon KEN TRAVERS:** Pardon? It doesn’t need money?

**Hon Alyssa Hayden:** For the rail line; you didn’t have the money when you made that announcement either.

**Hon KEN TRAVERS:** What does Hon Alyssa Hayden mean? It was in the finances. See, this is the nonsense. Now I understand; if that is the sort of pressure the financial management team of the government gets put under, then no wonder it gets away with it. I can tell members that if Eric Ripper ever strayed there were plenty of us in the caucus who would have brought him back into line—not that he ever needed to be because he was always spot-on with finances. We did not need to because he never did it. There was money, and Hon Alyssa Hayden should look at not only the Labor pre-election financial statements—our commitments at the last election—in which money was allocated for the commencement of the construction of the Ellenbrook railway, but also her own Liberal Party pre-election financial statements. Funding of \$53 million was allocated over the period of the forward estimates to commence construction of the Ellenbrook railway. There was also money allocated in those pre-election financial statements on the Labor Party side for the extension of the railway line to Butler—a project the Liberal government deferred. So to suggest in any way, shape or form that Ellenbrook was not funded is an absolute nonsense.

**Hon Col Holt:** How much funding did you have allocated?

**Hon KEN TRAVERS:** To commence construction?

**Hon Col Holt:** Yes.

**Hon KEN TRAVERS:** It was \$53 million.

**Hon Col Holt:** You guys did?

**Hon KEN TRAVERS:** Yes; and the Liberals did. Your government did.

**Hon Col Holt:** I was just curious.

**Hon KEN TRAVERS:** And plenty of other things, Hon Col Holt. We actually had a justice centre funded up in Carnarvon that you lot cancelled and then brought back eventually, but it was there at the time of the last election. During the last term of government we built Karratha–Tom Price Road; \$150 million on that. There was lots of money —

**Hon Norman Moore:** You promised to build that in the first term of office.

**Hon KEN TRAVERS:** We built stage 1.

**Hon Norman Moore:** You said the whole road.

**Hon KEN TRAVERS:** What has this government done on it? Nothing. We built stage 1.

Let us look at some of the projects this government has floating around. One of the better projects of all time is the floating Orrong Road proposal that the Minister for Transport put forward. Because of his relationship with the Treasurer, it will be interesting to see whether he can ever get the funding out of the Treasurer for it! The Minister for Transport has this proposal for a floating Orrong Road. It is probably about a \$900 million project, I would have thought. His proposal is that we put a road in the sky from Perth out to Leach Highway so people can get to the airport without ever going through a set of traffic lights. That is Disneyland stuff! That is going to happen, according to *Hansard* of 2 June 2011. Hon Troy Buswell said on page 7, “It will happen on Orrong Road”! He then went on to say —

... we can either go out, up or down, as I read, so that is what we will be looking at.

He was going to get on and build a floating Orrong Road.

**Hon Jim Chown:** You would still be in government if you were as good as you say you are!

**Hon KEN TRAVERS:** The member is probably right; but we will see whether the Liberal Party is still in government after one term. Mate, you battled to hold your preselection, if I remember correctly. Your electors could not even decide whether they wanted you back in the party, let alone the electorate!

Several members interjected.

**The DEPUTY PRESIDENT (Hon Jon Ford):** Order, members! We have now turned into a rabble. I anticipated that this would happen. I thought I would let it go for a bit longer to see what would happen. We will not complete the business of the house unless Hon Ken Travers is allowed to speak. I would like Hon Ken Travers not to encourage interjections; and, if he does, I would like members not to participate.

**Hon KEN TRAVERS:** Mr Deputy President, I read an article in today’s *Joondalup–Wanneroo Weekender* in which the government is suddenly talking up the fact it will get on and spend \$400 million to extend Mitchell Freeway north. Will that come out of the Loan Bill we are dealing with today? Not a dollar has been allocated for it over the forward estimates. It has to be added on to the accounts. We will need to be back for another Loan Bill to fund that work. That is work, I might add, that was promised by the member for Ocean Reef prior to the last election. We were told the planning and design work for that extension would start immediately if the Liberal —

**Hon Sue Ellery:** What about Roe 8?

**Hon KEN TRAVERS:** Roe Highway stage 8 is coming, Hon Sue Ellery. Do not worry; I will not forget Roe 8.

We were told the planning and design work would start immediately, and it never happened. That is another broken promise. There was the Eelup roundabout. Remember that promise? It is a shame Hon Adele Farina is away on urgent parliamentary business. The Eelup roundabout was promised but was never delivered.

In respect of Roe 8, Hon Sue Ellery is absolutely correct: I think we are supposed to have had the bulldozers already in there turning over the soil, digging up those internationally renowned wetlands. They should have already been in there, but are they there? No. Is the Perth foreshore being dug up? Have the bulldozers gone into Perth foreshore for Elizabeth Quay? Yes, they have.

**Hon Sue Ellery:** It is about priorities.

**Hon KEN TRAVERS:** It is all about priorities, and we know what the government’s priorities are. The priorities are not out in the suburbs of Western Australia; they are in the Perth CBD. Metro Area Express light

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rail: the only thing we seem to have spent money on so far is to get a consultant to google what names are used for light rail around the rest of the world and to come up with the fantastic idea of, “Why don’t we name our light rail after the light rail in Portland, Oregon, and call it MAX?” It is a lovely name—27 grand! But is there any money to actually construct this light rail to Mirrabooka that will cost—using those technical terms I think Treasury must have instilled in the Minister for Transport—“‘well north’ of a billion dollars”? I cannot wait to see what the final costings for that will be. To do it, a high-pressure gas main will have to be moved. That will cost a squillion. We will probably be back with a special Loan Bill just for that project. There are projects like Fremantle Traffic Bridge; North West Coastal Highway north of Minilya; Bindi Bindi Bends on Great Northern Highway; and Nullagine Road. There are transport projects right across Western Australia that need to be done but have been forgotten by the Barnett government because it has its priorities wrong.

Hon Jim Chown, we lost the election because I think we started to get our priorities wrong and people sent us a clear message. This government has not learnt from that. Many of the projects that people were talking about and saw as wrong priorities are the same projects this government is doing and that people will still see as wrong priorities. That is why Labor has learnt its lesson. We have taken the message from the electorate since the last election. We have listened and we are getting on with getting the priorities right and focusing on the projects. Important road projects this government committed to in the past have been deferred and delayed. The Malaga Road–Reid Highway intersection was identified as a road needing an upgrade back in the time Hon Simon O’Brien was the Minister for Transport—back when the Treasurer and the transport minister had a better relationship than they do today! That road was identified as needing an upgrade. Under the black spot program in the 2011–12 budget, \$50 000 was allocated for design work for that road so that construction work would occur in 2012–13. We were told at the time of this year’s budget that \$2.2 million had been allocated out of the road trauma trust account. How the government was using the road trauma trust account is a separate issue altogether; it is a debate for another day. When that road was identified the other day as the RAC’s number one red-spot road in Western Australia, the government said, “We’re going to do something in 2013–14.” Deferred again! I suspect the government is deferring that project to try to bring in a balanced budget this year. I suspect that if the government is still having problems with finances next year, it will be deferred again. But will it defer Elizabeth Quay? No. This government has its priorities very wrong. The Reid Highway–Lord Street intersection is another crucial intersection in the East Metropolitan Region that has been completely forgotten about.

Up in Kununurra, about \$7 million was spent on the Victoria Highway for the Kununurra bypass. This is an area that would be well known to Mr Deputy President (Hon Jon Ford). The bridge into Kununurra over Diversion Dam is not able to take the loads that go over it. It is starting to get to the end of its useful life for heavy vehicle movements. The design work was done. Is there any money for that in this Loan Bill? Will any of the money out of this Loan Bill be used to fund that? No, because it is not in the budget. There are projects up hill and down dale across Western Australia that the Barnett–Grylls government is talking about, but it does not have money in the budget to fund them.

Another project is the Perth–Darwin Highway. I have seen a leaflet that says it is on its way! The member for Swan Hills put that out in a leaflet to his constituents, but I cannot find it in the budget. I look forward to seeing where it is in the midyear review. If that is in the midyear review, I would suggest that the government needs to move an amendment to the Loan Bill because we will not have enough. The big problem is we will have to find ways to fund that because it is getting tighter and tighter.

As a result of the passage of this Loan Bill, using the forward estimates predicted by the current government, by the end of the forward estimates period, interest paid by the state of Western Australia will be the fourth-biggest item of government expenditure. There will be health, education, police and interest. In fact, I suspect if interest rates go back to their long-term average, interest will probably bump police from that list. How that meets the requirements of section 6 of the Government Financial Responsibility Act 2000 that “funding for current services is to be provided by the current generation” is absolutely beyond me.

Important and essential infrastructure is needed in the suburbs of Western Australia. We will have to change the priorities of the government and then slowly work towards paying down the debt that is left. I note a leaflet that went out recently claimed credit for all the \$700 million that the federal government is putting into the Gateway WA project; all of a sudden, it is the state government’s contribution. The real answer in Western Australia is we need a 20-year infrastructure plan so that we can map what is required and have a good program. We need to get the advice of experts out there and to bring along the community with a community-owned infrastructure plan that provides for all the essential infrastructure before we indulge ourselves with projects in Perth’s CBD that might be nice to have but are not essential. The Labor Party has committed to that. If we are elected, we will develop a long-term infrastructure plan so that there is a clear roadmap going forward that is tied into a clear financial strategy to ensure it occurs.

This government, as a result of the passage of this bill, will have had approval from this Parliament for more than \$13 billion worth of borrowings. We would think, given that amount of money, that if the government had released a policy at the last election, it would have been able to deliver on it. No other state government has ever borrowed that amount of money. But when we go through what the Liberal Party promised to do and what it has delivered, there is a long list of broken promises. Roe Highway stage 8 construction was due to begin; it has not happened. The Eelup roundabout was to get a flyover; it has not happened. Coalfields highway was supposed to have \$25 million spent on it in the first three years; that did not happen. The North Greenbushes railway line was supposed to reopen; that did not happen. Ellenbrook railway line, despite the Premier's arguments that he did not promise it, was supposed to start construction, having had \$53 million allocated to it. They are the headline front cover promises. The government said it would have a 20-year master plan in the first three years. The government is still developing it, because the first draft plan it put out was roundly ridiculed as inadequate to meet requirements. The government has done a couple of things. It built a set of traffic lights in Alfred Cove for \$250 000. It did a duplication for \$5 million in Ranford Road. It built 3 000 parking bays at train stations, although, I might add, a lot of those had already been planned, funded and constructed by the previous Labor government. Therefore, the government was able to continue the clear road map that had been laid out for it. However, when we look at the government's headlines, basically it is a failure; it did not meet the majority of the commitments on its front page. I could go through the many other promises. Today is taxidriver of the year award day. Did the government meet its commitments to the taxi industry? No; they are more broken promises.

The government has a \$13.3 billion budget allocation that it needs to borrow on. It has not been able to deliver on its election commitments and does not have a plan for the future. The government has not allocated money to do the projects it keeps running around Perth telling people it will. This is a government of deceit and dishonesty. Although we will allow the Loan Bill 2012 to go through this place, we make it very clear that this government's financial mismanagement, wrong priorities and failure to address transport infrastructure not only in Perth, but also across the state of Western Australia will be centrepieces of the next election. Even if this government wants to walk away from them—it is quite common for this Premier to make a statement and then walk away from it—we will ensure that those matters are back, front and centre at the next election.

**HON LINDA SAVAGE (East Metropolitan)** [4.05 pm]: I take the opportunity to speak to the Loan Bill 2012 to raise a specific issue, because my chances to speak in this place on issues are now quite limited. This issue concerns something that other members may be interested in considering in the long term. Earlier this year there was an article in *The West Australian* concerning an application for criminal injuries compensation that overturned a decision by Judge Anette Schoombee. In overturning that decision, the Court of Appeal denied the applicant criminal injuries compensation because she was taking drugs when she was sexually assaulted. This case concerned me because it seemed to me that it could be an example of circumstances that would particularly affect and disadvantage women. I looked at the decisions and took the opportunity to suggest this issue as a topic for the parliamentary research internship scheme. I thank Jarrad Gould who took up the topic and has done the work that is the basis for some of my preliminary comments.

As members will recall, the Criminal Injuries Compensation Act, which was a very important and overdue piece of legislation, was introduced by the then Attorney General, Jim McGinty. That act is to, in certain circumstances, provide payments of compensation to victims of offences. Section 39 of the Criminal Injuries Compensation Act states that any victim who was committing a separate offence, however, cannot receive compensation. It is about that element that I will make a few comments today. The comments I will make form only part of my views in regard to this matter, as obviously I have not formulated these views in their entirety because I am waiting to see what other work Jarrad does on this issue. However, I raise this matter because as someone who has had two and a half years in this place, I think it is incumbent upon us to do more than simply see the legislation through this Parliament; it is important to actually take the time to look at legislation in practice, as I have done for most of my working life as a lawyer, and then consider whether it needs finessing.

Section 39 of the Criminal Injuries Compensation Act prohibits compensation when a person is injured while engaged in criminal conduct. It removes the discretion from the assessor, creating a blanket rule whereby any criminal conduct, no matter how causal or disproportionate to the offence, disqualifies a victim from receiving compensation. In the first instance, decisions about whether or how much to pay are made by the criminal injuries compensation assessor. Based on the work done in my office and by Jarrad Gould, it appears that 43 cases have materially considered section 39. The three main appeal cases regarding the application of section 39 in Western Australia have been *SW v BB*, Attorney General for Western Australia v Her Honour Judge Schoombee, and *NJC v RVS*. I will put the details on the record so that in the future, as I intend to raise this issue if there is enough substance to it, when we are doing the review of the Chief Justice's Taskforce on Gender Bias—which is coming up to its twentieth anniversary and of which I was a member—in regard to particular laws, or in another forum, and give consideration to what I said at the beginning, which is that my interest is to ensure that it does not prejudice women victims of crime.

The District Court case *SW v BB* in 2010 was an appeal from an assessor's decision to not award compensation due to section 39 of the Criminal Injuries Compensation Act. The victim claiming compensation had been sexually assaulted, and the perpetrator had pleaded guilty. Throughout the day on which the offence occurred the victim had been smoking methamphetamine with the offender. In reaching her decision, the judge stated that section 39(1)(b) required a causal connection between the crime—her possessing the drug and smoking it—and the offence—the rape—in order to be refused compensation. There was no such causal link, so the judge awarded compensation. This case was appealed. In the appeal decision it was stated that the judge's interpretation of section 39 requiring a causal link was wrong and that the only question was whether the victim was committing an offence when she was assaulted. As such, the District Court quashed the earlier decision. The victim applied for special leave to the High Court but this was refused in June this year.

Another case was *NJC v RVS*. This District Court case was an appeal not to grant compensation, again pursuant to section 39. The victim in this case was a 16-year-old girl who had been sexually assaulted and was claiming compensation. At the time of the assault the victim had agreed to go with the offender to buy drugs, which is a conspiracy offence under the Misuse of Drugs Act. The assessor refused compensation. On appeal, District Court Judge Wager found that on the balance of probabilities the victim had at no time agreed to obtain the drug with intent to sell or supply. In that case, the assessor's decision was quashed and the applicant was awarded compensation.

These cases are significant because they highlight the adverse effects legislation can have on female victims. In *SW v BB* the victim was denied compensation because she possessed and was smoking methamphetamine at the time of the assault. The judge ruled that the proximity of offending to the assault made it such that she was committing a separate offence for the purposes of section 39. There was quite a lot of media response to this issue. I think that the response in the media when the decision was made on appeal to quash compensation showed that the community was concerned about that outcome when the perpetrator had pleaded guilty to committing sexual assault.

I note that I have very little time so I will wind up my comments, although there is much more I could say, particularly given that the other states do not have this blanket prohibition and some other countries that have had it have moved to change their legislation. I am not suggesting doing that at this time, but it is something that I think needs to be considered, and I will do more detailed work on it. I again acknowledge Jarrad Gould for his work and the value of the parliamentary research internship scheme, which has enabled me to pursue this issue. I look forward to seeing his final paper and discussing his conclusions. If necessary, I will find a way to progress this issue.

**HON SIMON O'BRIEN (South Metropolitan — Minister for Finance)** [4.13 pm] — in reply: Mr President —

**Hon Ken Travers:** So long so long as you don't filibuster!

**Hon SIMON O'BRIEN:** I will probably drag it out all the way through to afternoon tea, knowing me!

I thank the house for its support of this important legislation. Members who have spoken on the Loan Bill 2012 have taken advantage of the opportunity, as of course they can with any money bill, to speak about matters that range across any area of activity. It is not my intention, obviously, and neither should it be, to respond to each and every aspect raised, but there were some interesting points raised. If I can participate in the debate to which Hon Ken Travers referred —

**Hon Ken Travers:** Only if you are agreeing with everything I said!

**Hon SIMON O'BRIEN:** Let us not get too far ahead of ourselves! Suffice to say, Hon Ken Travers' remarks will form the basis of a future discussion. The detail of the loan amounts is already on the public record. If the member wishes me to discuss them further, we will have another opportunity to do so. I commend the bill to the house.

Question put and passed.

Bill read a second time.

*Sitting suspended from 4.15 to 4.30 pm*