

Speaker; Mr Eric Ripper; Mr Ben Wyatt; Mr Troy Buswell; Acting Speaker; Mr Joe Francis; Mr Fran Logan; Mr Alan Carpenter; Dr Graham Jacobs; Mrs Michelle Roberts; Dr Mike Nahan; Ms Lisa Baker

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## GOVERNMENT FEES AND CHARGES

### *Matter of Public Interest*

**THE SPEAKER (Mr G.A. Woodhams):** Members, today I received within the prescribed time a letter from the Leader of the Opposition in the following terms —

I wish to raise the following as a matter of public interest today, Thursday May 21, 2009.

“That this House condemns the Barnett Government for failing to protect Western Australian families in the 2009-10 Budget and in future years against rising government fees and charges.”

Yours sincerely,

It is signed by the Leader of the Opposition. The matter appears to me to be in order. If at least five members stand in support of the matter being discussed, it can proceed.

[At least five members rose in their places.]

**MR E.S. RIPPER (Belmont — Leader of the Opposition)** [2.49 pm]: I move —

That this house condemns the Barnett government for failing to protect Western Australian families in the 2009-10 budget and in future years against rising government fees and charges.

We have already discussed to a certain extent the outrageous slug on WA families of this government’s budget through household fees and charges. Electricity prices will be up \$750 over the next three years. Water prices will be up 10 per cent this year. We do not know the price path for future years, but that is \$40 for the average household this year. Sewerage is up 4.2 per cent—an extra \$21.40 per household this year. We do not know the price path for subsequent years. Motor vehicle licensing will be an extra \$72 a year. Again, we do not know what the government’s plan is for future years. We also see public transport fares costing average families nearly \$20 a year more and we do not know what the government’s price path is for future years.

We have discussed those fees and how wrong it is for the government in the context of its own rising debt to slug Western Australian households with vastly increased fees and charges. Today, I want to talk about the hidden, nasty surprises in this budget—the fees that have not been talked about. The first is the landfill levy, which the Treasurer boasted about in his budget speech. That levy is a 300 per cent increase. The way the Treasurer spoke about the landfill levy made it sound like something esoteric between local and regional governments with regard to landfill. The budget papers reveal it is a \$24 per-year, per-household fee; it is a new fee that households will have to pay that will be passed on to them by local government. But there is worse, because, as we have discussed in question time, the government has abandoned the It Pays to Learn allowance. That is going to be, I think, terribly disappointing for Western Australian families at the time in family life when expenses can be at their highest. Everyone knows that when families have teenagers in years 11 and 12, the costs are greater than when those students are younger. The previous government recognised that. It recognised that families needed assistance at the same time as we increased the school leaving age. The previous government provided assistance to families by paying \$200 a student in years 11 and 12 and \$400 if the student was undertaking tertiary and further education studies. In fact, we thought the program was so good that in the last election campaign we promised that if we were elected, we would double those payments. The Premier refused to match that promise, but he did not say that his side of politics did not and would not support the It Pays to Learn allowance. That is one more example of the dishonesty of the government’s election campaign. The Liberal Party went to the people to tell them they could have everything that Labor had given them and that they could have additional things on top of that. Moreover, the Barnett family thought so poorly of the It Pays to Learn allowance that it claimed it, knowing that, in its heart of hearts, the Liberal Party were determined to abolish it soon as it got the opportunity.

The Minister for Education, who has left the chamber, did at least include a one-line statement in her press release about education in which she conceded that the It Pays to Learn allowance would be abolished. She also included a vague reference to the \$100 subsidy for government schools. Well, let us be clear what that is. When it was made clear that school fees were voluntary, the previous government, under the leadership of the then Minister for Education and Training, the member for Willagee, gave a \$100 per student subsidy to high schools. Those high schools were expected to, and did, cut their fees for students by that \$100. What is going to happen now that that has been abolished? The government claims it as one of its much-vaunted savings. Every school is going to be short of that \$100 per student subsidy, with the consequence that school fees in every government high school across the state, affecting tens of thousands of Western Australian families, will go up by \$100 per student. The same budget that withdraws the It Pays to Learn allowance, and takes away that support for families facing extra costs as their student children enter years 11 and 12, is going to whack up school fees by \$100 per

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student in every government school. That must be taken into account when calculating the impact on Western Australian families of what the government is doing with fees and charges.

I want to take an example of a family with two adults and two dependent students—one in year 10 and one in year 11. According to the government, that family will face a \$334 increase in household fees and charges in 2009-10, thereby taking its total fees and charges to \$4 021 a year. The family will face an additional 25 per cent on its electricity bill and an extra \$24 landfill levy charge every year. However, the family will face yet more difficulties because it will lose one \$200 payment. The following year, it will face a further 25.9 per cent increase in electricity tariffs and will, in that year, pay \$1 200 for electricity. It will also miss out on \$400 in It Pays to Learn allowances that would otherwise have been available under a Labor government. The following year, that same family will face another 12.5 per cent increase in the electricity tariff, and by 2011-12 it will be paying \$1 500 a year for electricity. One student will have left high school, but the family will still miss the \$200 payment for the other child. If we look at a three-year period, that family will lose \$600 in It Pays to Learn allowances; pay \$750 more for electricity; pay three landfill levies at total of \$72; and pay an extra \$100 in school fees for every student every year. The impact on families' household fees and charges will be significant as a result of this budget.

It goes beyond what we talked about last week because the budget reveals hidden nasties, including the abolition of the It Pays to Learn allowance, the increase in government school fees and the imposition of a new landfill levy. They are all the hidden nasties in this budget, and there is worse to come. Budget paper No 3 foreshadows the government's proposed action. This government is storing up an attack on so-called transfer allowances, or transfer payments. It is about to go through the community service obligation payments—the payments that keep water and sewerage prices down for country residents and the payments that help seniors pay their local government and water rates—and attack those payments. That is where this government will go in future budgets. Its own budget papers send a very clear signal that that is the agenda. We know that this a desperate government, losing control of the finances, and that it will be driven to these extraordinary actions. That is the implication of a \$19.1 billion debt, a debt that is climbing day by day as we uncover the dishonesty of this budget and the items that the Premier is committed to, but which the Treasurer has not included. I thought it was very interesting at question time to twice hear the Treasurer declare that this budget is the government's plan. Twice he made that declaration. Who was that declaration aimed at? Whose ears did he want that declaration to sink into? The man sitting in front of him. That was what that declaration was about. It was about telling the Premier that the budget is the plan; it was about telling the Minister for Health that the budget is the plan; it was about telling the Minister for Water that the budget is the plan; it was about telling the Minister for Police that the budget is the plan—because the government is speaking with many voices. Every portfolio minister—even the Premier himself—has a different list of projects and a different list of government decisions for public consumption from the list of decisions that the Treasurer has included in the budget. It is a dishonest budget; it is a budget that shows that debt is climbing. It is a budget that will result in a huge increase in debt beyond the 430 per cent increase in state debt that the government has already factored into the budget. I believe the debt will go beyond \$20 billion. It will go beyond the 430 per cent increase to a 450 per cent increase in state debt since Labor lost charge of the books—to the peak of state debt—in four years.

How will the government deal with that? The government will deal with that by slugging Western Australian households and families year after year. We have uncovered the price path for electricity. I would like to know what the price path for water is, I would like to know what the price path for motor vehicle licences is, I would like to know what the price path for drivers' licences is and I would like to know in particular what the price path for public transport fares will be. That is because when I go budget paper No 3, I see a particular attack on the subsidy for public transport. I see observations from the author of the document that many of the transfer payments are poorly targeted and are not achieving their policy objectives. I read a particular observation that public transport users do not appreciate the extent of the subsidy. Well, Madam Acting Speaker, a nod is as good as a wink to a blind man; I understand what that means. I have supervised preparations of budget paper No 3 in the past; I have personally edited budget paper No 3. I know the control that the Treasurer can, or should, exercise on the production of budget paper No 3. It is no accident that the government has put those observations into budget paper No 3. It is planning a huge attack on family living standards in subsequent budgets. It is not as if it would be doing this only because of some ideological preconception, although ideology is involved when it comes to public transport fares. Both National Party and Liberal Party ideology is opposed to subsidies of urban public transport.

However, what goes beyond that is the debt position; that is, the government's desperate need, which will eventually emerge, to deal with the debt position. It will start at \$19 billion, then climb to \$20 billion, without taking into account the projects not provided for in the budget. Today we discussed, for example, the school building program. The school building program budgeted for will not do the job. Families in outer suburb after

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outer suburb will be bitterly disappointed when they do not get the schools they expect. The government will come under immense political pressure to build those schools. It will not be tenable for the government not to build those schools, so there is another black hole in the budget, another addition to state debt and another reason to hit families with additional school fees, which is a further loss of the support for living standards that is provided for by those transfer payments.

If the Premier cannot understand the argument, here it is in very simple terms: his financial mismanagement will be paid for by Western Australian families. His dishonest budget will be paid for by Western Australian families. His irresponsible debt will be paid for by Western Australian families. His aspirations for more and more projects that the Treasurer has not provided for in the budget will be paid for by Western Australian families as they receive the bills from his government agencies.

**MR B.S. WYATT (Victoria Park)** [3.04 pm]: I rise to speak in support of the motion.

The Leader of the House today talked about contempt of Parliament. This budget, and the process by which it was released, was a contempt of the Parliament. There was incessant leaking and contradictory information given to the Parliament and to the media; it was a complete and utter farce! Now, we have a budget presented to us that immediately presents itself as a disgrace. I dare say that never before has a budget, on day one, been found to have a black hole in it of at least \$700 million. The Premier stated that the state would build Oakajee port but he did not know how much it was going to cost, yet he was able to put in a submission to the federal government on a 50-50 basis. One can only assume, therefore, that he has to find \$340 million to match the federal input for Oakajee alone. The government took the Midland health campus out of the budget; now that Kevin Rudd has given it \$180 million, it has to go back and bring it back in. Other examples are the construction of the Northbridge Link and the Esperance nickel circuit.

The government has not even started considering the redevelopment of Royal Perth Hospital. It says it needs an extra year to consider it; that it is not quite there yet. Next year's budget will be a doozy! It will have to factor in running both Fiona Stanley Hospital and Royal Perth Hospital. The government is not even considering how it will do that yet. That big iceberg that is sitting down there in the central business district is fast approaching the Premier in the form of Royal Perth Hospital.

As was said in question time today, I am looking forward to hearing what the Treasurer's advance request will be by December this year when the *Government Mid-year Financial Projections Statement* is published. I dare say it will be a beauty, bearing in mind that the last one was for \$1.2 billion, and we can expect something similar.

**Ms A.J.G. MacTiernan:** The only way they are going to manage is to actually just not do anything over the next six months!

**Mr B.S. WYATT:** It has been very hard to question the government about its budget. It has stated that just because a project is not in the budget, it does not mean that it is cancelled. That has been the absurd response that we have had from the government—no money in the budget for it, but it has not been cancelled! It is still there somewhere; we just do not know where it will be! The budget document is not worth the paper it is written on!

An example of this is the cancer centre. The Minister for Health said, "No, no, it's still there; it's all on track". As the member for Kwinana pointed out, it is just out there a little further out, but it is coming! The minister said, "It's coming; we promise you that", even though he had no idea that the Treasurer had gone through and cut it out of the budget.

Just yesterday the Minister for Police stated that the funding for 500 police officers was still available; it is now 350 police officers and 150 auxiliary police officers. We do not even know what they are; all we know is that the commitment to employing 500 new police officers has rapidly disappeared.

I want to talk about the performance of the National Party today. Initially, last year, the National Party ministers actually propped the government up; they were performing, they were across their brief, they knew what they were up to. Now that we finally have the budget papers, which contain some detail about royalties for regions—which is something we are all interested in because it is a significant amount of public money—it cannot answer the legitimate, detailed questions put to the Leader of the National Party by the member for Armadale, and continually mocks the opposition for even daring ask the questions. The fact of the matter is that the Leader of the National Party cannot just simply wander around the state throwing lollies around and not expect detailed questions on the substance of the most significant, expensive policy in the government's budget. It is simply not good enough. There have been a number of times when the Leader of the National Party has just refused to answer questions; he does not do it! He jumps up, with his nervous laugh, and mocks us all for daring to suggest

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that we oppose royalties for regions. Whether we oppose it is irrelevant. We have every right to question every dollar that will be spent in the budget.

The Leader of the Opposition has already outlined household fees and charges, and what Western Australians will have to pay for the excessive debt that this government is taking on. The government has form on this. It is worth going back and examining the rise in household fees and charges under the former Labor government, and then under the Court government before that.

**Mr C.J. Barnett:** When are you going to start moving forward?

**Mr B.S. WYATT:** The Premier can get up in a minute and respond; I dare say he will not!

Several members interjected.

**Mr B.S. WYATT:** They do not like this! They do not like this at all!

Between the years 2000-01 and 2008-09, representative household fees and charges went up 13.25 per cent, annualised at 1.6 per cent each year. The consumer price index during the same period was 22.1 per cent—that is, CPI was at 3.1 per cent, and household fees and charges were at 1.6 per cent. The new government accuses the former Labor government for not delivering on the boom. Every householder was given that huge benefit during the boom years by the former Labor government.

Let us look at what happened under Richard Court's leadership. Between 1993-94 and 2000-01 the representative household fees increased by 23.23 per cent, annualised at three per cent, when the CPI was significantly less, annualised at 2.6 per cent.

Liberal Party members have form when it comes to household fees and charges. They stride up and down the Terrace saying that they have not raised taxes and how wonderful they are. Meanwhile the average Western Australian is being caned by the extra fees and charges that this government will be gouging out of them. It does not matter if people live in the regions; they will be paying their fair share plus a bit more.

I know that the Treasurer will say, "You were going to raise electricity prices as well." He complained in December last year that the Labor government had locked him in to a 10 per cent electricity rise. Western Australians wish they had locked him in to a 10 per cent electricity rise. They would be delighted with a 10 per cent electricity rise. The Premier's decision will result in increased electricity charges of more than 10 per cent in 2009-10; an extra \$128 million alone. It is the Premier's decision and he has to wear it. He should not go out into the community and complain and whinge that it is the Labor Party's fault that it is gouging Western Australians—the proverbial sledgehammer going through the budget of households—because of what the former Labor government did.

The Leader of the Opposition has already referred to the It Pays to Learn allowance. Even if people are remotely energy efficient, the liquefied petroleum gas subsidy has gone. The Waterwise consumer rebate has gone. I repeat that the It Pays to Learn allowance has gone. The \$100 a year subsidy that parents have been receiving to assist with their children's school fees has gone. The increase in household fees and charges are just the beginning. The government has commenced to cut subsidies and allowances. I note in the Treasurer's speech that that was not proclaimed. Government backbenchers jumped up and applauded the Treasurer for his budget, but they did not realise what was in it for their constituents. Over the next four years there will be a real cut in spending on government services, and Western Australians will be paying significantly more for those services. It is a real cut and the standard of living of Western Australians will decline courtesy of the decisions made by the Premier and Treasurer.

I will conclude by referring to the Government Financial Responsibility Act 2000. It is an interesting document. I draw the attention of members to section 6(a), which states —

The financial management principles are as follows —

- (a) funding for current services is to be provided by the current generation;

This state will have \$20 billion of debt. That equates to \$7 850 for every single Western Australian—man, woman and child. I can guarantee this budget and its forward estimates, for whatever they are worth and it is not much, breaches the provisions of the Government Financial Responsibility Act. We will be paying this debt for a long time to come, because of the decisions made by the Premier and Treasurer of Western Australia.

**MR T.R. BUSWELL (Vasse — Treasurer)** [3.13 pm]: I know that members opposite have not had the best week.

**Mr R.H. Cook:** It has been pretty good.

**Mr T.R. BUSWELL:** It has been pretty good, has it?

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**Mr E.S. Ripper:** The budget is unravelling.

**Mr T.R. BUSWELL:** It is unravelling? The opposition has lost the seat of Fremantle. The substance of this matter of public interest motion is similar to the one moved last week. The term “groundhog day” has already been used, but it is more like a time warp in this place.

**The ACTING SPEAKER (Mrs L.M. Harvey):** I note that members on my left had six minutes to spare when they concluded their remarks.

**Mrs M.H. Roberts:** We have more to say.

**The ACTING SPEAKER:** If members of the opposition had more to say, they could have stood and sought the call. The Treasurer has the call.

**Mr T.R. BUSWELL:** Before I go on to deal with the substantive issues, it is useful to know that tomorrow the crowning glory in the rebirth of the state parliamentary Labor Party occurs when Jock Ferguson takes his seat in the upper house. I am looking forward to that; it will be part of the renewal process.

*Point of Order*

**Mr B.S. WYATT:** The opposition has raised an issue of fundamental importance to the people of Western Australia. The Treasurer can mock the new members of the other place all he wants, but we would all appreciate it, including probably his own back bench, if he spent his time on the substantive issue.

**The ACTING SPEAKER:** I thank the member for Victoria Park for raising the point of order. The behaviour of members of this house is, on occasions, disintegrating and is unparliamentary. I ask the Treasurer to deal with the matter at hand.

*Debate Resumed*

**Mr T.R. BUSWELL:** Thank you, Madam Acting Speaker. I was going to say that we will be providing him and the other Labor member in the upper house, Helen Bullock, the wife of Joe Bullock—the two powerbrokers — Several members interjected.

**Mr T.R. BUSWELL:** No wonder the member for Armadale is leaving, because if they had supported her a bit more she would be in a different seat.

*Point of Order*

**Mr E.S. RIPPER:** I would like to know what the Treasurer has against the first Chinese-born person elected to the Parliament of Western Australia.

Several members interjected.

**The ACTING SPEAKER:** There is no point of order. The matter at hand is the matter of public interest. The Treasurer is trying to address this motion.

*Debate Resumed*

**Mr T.R. BUSWELL:** I do not have anything against Chinese women; they are fantastic. For the record, my mother-in-law was born in Shanghai. It is a ridiculous statement by the Leader of the Opposition considering that one of the people coming into the Legislative Council replaces the first Vietnamese member of the upper house who lost Labor preselection. The good old right wing. Big Joe is getting closer; Jock will be here to look after the metal workers.

I come back to the point at hand. Household fees and charges are going up in the budget. The Leader of the Opposition made an assertion that the impact of the increase in, for example, the landfill levy was hidden in the budget. I turn to page 288 of the 2009-10 *Economic and Fiscal Outlook* wherein it states —

The impact on local government authorities, if passed on in full, will result in the average householder being charged an estimated \$24 per year through their local council rates.

It is not hidden. It is pretty easy to find. The member is right. I edited the document and I saw that sentence in it and it did not have to stay there. It could have been left out for members opposite to work it out. It is important that people understand the impact of government decisions like that. We were happy to leave it in the document; there is nothing hidden about it.

I will refer quickly to the statistics. The pensioner household model for fees and charges will increase by 9.77 per cent. If electricity is taken out, it will be 2.9 per cent.

**Ms R. Saffioti:** Where is it in the budget?

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**Mr T.R. BUSWELL:** It is not in the budget, but I am happy to provide the member with the documents. The standard household fees and charges will increase by 9.08 per cent. If electricity is excluded, they will increase by 3.1 per cent. I said in this place last week that the increase in electricity accounts for 78 per cent of the increase in household fees and charges for pensioner households and 67 per cent for standard households. The large percentage of the increase in household fees and charges is because of electricity. Why is the price of electricity going up? It is because the Labor government mucked up the reform agenda.

**Mr P. Papalia:** People do not believe you.

**Mr T.R. BUSWELL:** The member is completely wrong. Outside this chamber it is an argument that most Western Australians understand and clearly acknowledge. They look to this government to make the hard decisions to fix up the problems that it has inherited. That is what we are doing.

I will raise one other point, and I am sure the Premier will make comments around electricity. Members opposite laud the fact that under their regime the price of power would go up by only 10 per cent. The shadow Treasurer was on about it again today. Last year's budget papers stated, as I recall, that the price would go up this year by 10 per cent and in subsequent years by not less than 10 per cent. Therefore, in the former government's regime, the price would have gone up by 10 per cent this year and at least 10 per cent in subsequent years.

**Mr E.S. Ripper:** What was the financing based on?

**Mr T.R. BUSWELL:** Any other discussion on that was hidden. It was a one-line item in the budget. What did we do this year in budget paper No 3 that we vetted and edited, as the former Treasurer and now Leader of the Opposition said? We detailed the glide path over the next few years, because we are happy to provide people with an opportunity to understand the issues. We are fixing the basket case that the former government left us. It is simple.

**Mr P. Papalia:** How can you say that with a straight face?

**Mr T.R. BUSWELL:** I say it with a straight face, and I think it is actually the view of most people in Western Australia—that is, people outside of some members of this chamber.

Of course members talk about the impact of the rise in electricity prices on households, and it will have an impact on households. We are aware of the impact it will have on households. Members will note that the funding available for the hardship utilities grants scheme has been increased. Members will note, in terms of assistance to pensioners, that this government has introduced the \$100 and \$150 cost-of-living rebates to single and married pensioner couples respectively. Members will note that this government has introduced free transport for seniors, the country fuel card and the \$200 home security package. That is what we have been doing to help lessen the blow of increased electricity prices.

I want to move on to the broader issue, which is the issue that was raised in the introductory remarks to the Leader of the Opposition's speech on Tuesday. That was the speech for which the opposition forgot to switch on the clap machine after the Leader of the Opposition sat down! Notwithstanding that, a ripple of applause dribbled out from the opposition benches. I am talking about the issue of debt. The Leader of the Opposition stood in this place and said that debt is unsustainable, and again the shadow Treasurer stood in this place today and said that debt is unsustainable, yet neither of them nor any of their colleagues outlined a plan by which they would reduce debt in Western Australia.

**Mr E.S. Ripper:** You don't have a plan to repay the debt.

**Mr T.R. BUSWELL:** The opposition did not outline a plan at all. I am going to work the opposition through this issue. Opposition members come into this place with the confused approach that I have talked about before—"Mr No Debt" and "Mr Lots of Debt".

**Mr B.S. Wyatt:** You've got it wrong.

**Mr T.R. BUSWELL:** "Mr No Debt" and "Mr Some Debt". Everyone else wants to spend money. Let us have a look.

Several members interjected.

**Mr T.R. BUSWELL:** We are not going to apologise for the fact that we are borrowing money to support Western Australian jobs—full stop. We believe it is an important priority of government to support jobs and to put in place the crucial infrastructure that this state will need to underpin its economic growth into the twenty-first century. There is a body in Australia that casts its ruler over state government finances, and when it casts that ruler, it looks at items such as debt. One member of that body is Standard and Poor's.

**Mr E.S. Ripper:** What's your debt-to-revenue ratio?

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**Mr T.R. BUSWELL:** Net debt.

**Mr E.S. Ripper:** What's your debt-to-revenue ratio?

**Mr T.R. BUSWELL:** Net financial liabilities —

**Mr E.S. Ripper:** No, what's your debt-to-revenue ratio?

**Mr T.R. BUSWELL:** Why would we worry about the Leader of the Opposition's tired old ratio? We are focused on the ratio —

**Mr E.S. Ripper:** You've taken it up to 62 per cent.

**Mr T.R. BUSWELL:** What ratio does Standard and Poor's use? When the ratings agencies run a ruler over a state to see whether it deserves a AAA credit rating, what is the predominant —

**Mr M.P. Whitely:** They just use the most convenient measure they can find, which is exactly what you are doing.

**Mr T.R. BUSWELL:** Some states have kept their AAA rating, like we have. Some, like Queensland, have lost it.

**Mr M.P. Whitely:** You've kept it for eight months; well done!

**Mr T.R. BUSWELL:** When an independent body runs a ruler over the finances of Western Australia, that body being Standard and Poor's, what does it say? It says, "Yes, there's debt, but we understand why." Standard and Poor's has reaffirmed our AAA rating. That is a great vote of confidence in the state government's management of the economy and a great confidence in Western Australia at a broader level. However, opposition members come into this place and say that in their opinion debt is too high.

**Mr M.P. Whitely:** You'll be changing that measure in two or three years because you'll not be able to meet it.

**Mr T.R. BUSWELL:** I cannot change that measure; it is Standard and Poor's measure. Does the member for Bassendean understand?

**Mr M.P. Whitely:** They don't use one measure; they use a whole range of them.

**Mr T.R. BUSWELL:** I have the document with me. There is a reason the member for Bassendean is always on the back bench, and every time he opens his mouth he reconfirms it to us. I do not have a problem with that. Carry on. I do not have a problem

We have kept the AAA credit rating. The opposition has come into this place and continually told us that debt is too high. What have we then heard from every shadow minister, the shadow Treasurer, the Leader of the Opposition and every other member opposite? We have heard that we are not spending enough money. I sat in my office this week—as I did not want to infect anyone with my dire flu—and listened to what they said. Every member opposite talked about things that we are not spending money on. No member opposite told us what we are going to do to reduce debt. The Treasurer, that is me. I mean the Leader of the Opposition—that used to be me for a while in his short, painful role I hasten to add!

**Ms R. Saffioti:** For a short time!

**Mr B.S. Wyatt:** And what a performance it was!

**Mr P. Papalia:** Those were the good old days!

**Mr T.R. BUSWELL:** Ah well, we all grow from our times in the gutter!

In the Leader of the Opposition's response to the budget, he went on to say that we should be spending more money on education, we should be spending more money on health and we should be spending more money on water, electricity and roads. He laid out the tune.

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

**Mr T.R. BUSWELL:** He laid out the tune and all members opposite sang along. That is what happened. The Leader of the Opposition got up and said that debt was too much but that we must spend all this extra money. Members opposite oppose the government's wages policy. The single biggest factor that drives the increase in government recurrent spending is the increasing wages bill. Why is the wages bill high? It is because of growth in wages and because of growth in full-time equivalent staff. I will again share a statistic with the house. In the 2007-08 financial year the size of the Western Australian public service grew every single weekday by 20 FTEs; that is, every single weekday of that financial year 20 full-time staff joined the Western Australian public service. Where were the improvements in service delivery? Where was the focus on service delivery? These are the matters we are dealing with. We have a headcount freeze in place. We have adopted a wages policy, which in

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the current climate in my view is fair. It is a wages policy that protects the real value of people's wages while providing a capacity for real wage growth and a trade-off for productivity improvements. It is an important part of our strategy to manage wage growth.

**Ms J.M. Freeman:** Your wage growth is not wage growth; it's just keeping pace. That's not real wage growth.

**Mr T.R. BUSWELL:** Members opposite have a different view; that is fine. They have repudiated our wages policy; that is fine. We could adopt their wages policy, which was neither to lead nor to lag. That was a tremendously clear wages policy. I can imagine the government wage negotiators when they went into negotiations saying, "What's the government's direction? You cannot lead and you cannot lag." What does that mean: we cannot lead and we cannot lag? We are therefore addressing those issues.

Several members interjected.

**Mr T.R. BUSWELL:** To a person, members opposite have repudiated the three per cent efficiency dividend. By and large they have stood in this place and repudiated the aspects of the three per cent efficiency dividend that apply to either the shadow portfolios or electorates that they represent. That has created a minor problem: it was their idea. At the stroke of a pen members opposite would have us do away with \$1.7 billion worth of savings in recurrent spending across the forward estimates. We are not going to do that. A lot of hard work has been invested at ministerial level and at agency level to drive and deliver the three per cent efficiency dividend, and to a person most members opposite have gotten up in this place and flatly repudiated that the dividend should apply. The shadow Minister for Police does not believe it should apply to police, the shadow Minister for Health does not believe it should apply to health, and regional members opposite do not believe it should apply in regional Western Australia. We believe it is an important part of our management of the state's finances.

The last issue I want to touch on is this: members opposite have continually gotten up in this place and told us that debt is too high based on our budget. They have told us about all the extra items that we should be spending money on. Nobody has made a suggestion on what we should not be spending money on. Debt is too high, they have said.

Several members interjected.

**Mr T.R. BUSWELL:** Hold on! Members opposite have said that \$900 million of debt is too high, that we should spend another \$700 million but that we should not cut any spending. Miraculously, out of the puddle that is the economic strategy of members opposite, debt will go down! What will members opposite cut? Will it be the children's hospital?

**Mr P. Papalia:** Oakajee.

**Mr T.R. BUSWELL:** Members opposite will cut Oakajee; that is very good. Let us put that on the record.

Several members interjected.

**The ACTING SPEAKER (Mrs L.M. Harvey):** Order, members!

**Mr T.R. BUSWELL:** The Prime Minister's pet project gone! The Prime Minister is in Perth today; he might meet with members opposite. Is the rail line to Butler still in?

**Mr P. Papalia:** There is no money in the budget for that.

**Mr T.R. BUSWELL:** Gone!

**Mr P. Papalia:** Is the two new 100-megawatt power generation capacity still in?

**Mr T.R. BUSWELL:** The \$300 million investment in the Pilbara —

**The ACTING SPEAKER:** Members, the Hansard reporter is having trouble hearing the Treasurer. Could members stop interjecting?

**Mr T.R. BUSWELL:** Will that stay or go; a thousand new homes in Western Australia with state money—will that stay or go?

**Mr E.S. Ripper:** Is that additional or is that to bring it forward from a reduced program?

**Mr T.R. BUSWELL:** It is a "bring forward" into this year.

**Mr E.S. Ripper:** That's right. So it is not an addition to the program; it is only a rearrangement of the program.

**Mr T.R. BUSWELL:** The Leader of the Opposition should come with me onto building sites in Perth where people are in jobs and say, "You haven't really got a job, it has just been brought forward." What a nonsense statement!

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**Mr E.S. Ripper:** Because in two years there will be a reduced program.

**Mr T.R. BUSWELL:** Clearly brought forward to keep people in work. The problem is that members opposite say that debt is too high and spend more, but they cannot say —

**Mr E.S. Ripper:** Treasurer, let's be clear: I support the bring forward but I do not support a claim that it is additional to the program, because you have cut the program in subsequent years.

**Mr T.R. BUSWELL:** We will go for a tour around building sites. The Leader of the Opposition can put his argument, I will put my argument and we will see who gets the hot cup of coffee! I do not think it will be the Leader of the Opposition. The problem is that members opposite say that debt is too high. They all want to spend more money, but they will not tell us what we have to cut. They either cannot say or will not say what we have to cut.

I have got a chart with me! We had to make \$7.6 billion worth of hard decisions to protect the state's finances. The opposition has unwound that \$7.6 billion of hard decisions. It has backed out of it. Every member opposite has made comments about increasing spending or backing out of other decisions we have taken. What would happen if that \$7.6 billion was on top of the figures in this budget? I will show members what would have happened. Members can see the chart I am holding up. We are the light blue; the former government is the dark blue. We will maintain budget surpluses for three years. We are seeing the projected deficit in the out years at around half a billion dollars. Under its plan, the opposition would have state debt at \$26.7 billion. Members opposite reckon it is high now. When it is \$26.7 billion, they would have Standard and Poor's AAA credit rating—the net financial liabilities to revenue—at 108 per cent. We would lose our AAA credit rating, and members opposite would be delivering budget deficits in the out years of more than \$1.5 billion. They are the facts. The opposition comes in here talking about cutting debt, but it has no plan. That is a problem. We have a plan in government and it is embodied in this document. It is a plan that delivers four outcomes. It protects jobs, it puts in place the infrastructure that this state will need to go into the twenty-first century, it improves service delivery to households and communities around Western Australia, and it protects the state's finances. We have a plan; members opposite have nothing.

**MR J.M. FRANCIS (Jandakot)** [3.33 pm]: What a joke! All I have heard for the past week from these guys opposite —

Several members interjected.

**Mr J.M. FRANCIS:** — is that we tax too much or we did not tax enough, or we spend too much or we did not spend enough. Half these guys opposite say one thing; the other half says another. I want to make one correction. As always, I have just heard the Leader of the Labor Party come into this house and wing it—which is a naval term. He makes it up as he goes! He interjected on the Treasurer—made an interjection about Helen Bullock.

Several members interjected.

**The ACTING SPEAKER:** Order, members! I request that the member for Jandakot address the matter of public interest.

**Mr J.M. FRANCIS:** I am referring to the interjection from the Leader of the Labor Party about Helen Bullock. The Treasurer said something about the first Chinese-born member of an Australian Parliament. I have got one name for these guys opposite—Helen Sham-Ho. Let me set the record straight. The first Australian-born —

*Point of Order*

**Mr F.M. LOGAN:** I thought your direction to the member for Jandakot was quite clear, Madam Acting Speaker. He is not addressing the MPI.

*Debate Resumed*

**Mr J.M. FRANCIS:** The first Chinese-born member of Parliament in this country was a Liberal Party woman from New South Wales. If he is going to make it up as he goes, he should check the facts!

**Mr D.A. Templeman:** Why don't you sit down and check the name?

**Mr J.M. FRANCIS:** I am sitting down the second I finish this. He cannot just walk in here and wing it; correct the Treasurer for something that he said —

*Point of Order*

**Mr B.S. WYATT:** The Treasurer says interesting things that perhaps are not entirely accurate, but he did address the substance of the motion. I am not really sure what the member for Jandakot is addressing at all. A

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ruling was made, and I thought it was quite clear to everybody, and I daresay the member for Jandakot may also have understood it. Perhaps he can be brought back to focus on the substantive issue.

**The ACTING SPEAKER:** Thank you for your directions, member for Victoria Park. Member for Jandakot, could you please clarify whether you are speaking to the motion or to a point of order?

**Mr J.M. FRANCIS:** I am indeed. The point I make is that this is a typical example of how this —

**The ACTING SPEAKER:** Member for Jandakot, are you speaking to the point of order or to the motion?

**Mr J.M. FRANCIS:** The matter at hand, the MPI.

*Debate Resumed*

**Mr J.M. FRANCIS:** The point I make is that the same principle applies to every point that these people make about this budget. They make it up as they go. They wing it. They recycle press releases.

**Mr W.J. Johnston:** Perhaps you need to read *Hansard*. You have got it wrong. Nobody said the first —

**Mr J.M. FRANCIS:** The first Chinese-born woman —

*Point of Order*

**Mr A.J. CARPENTER:** I anticipate that you are about to make a ruling and I would like to hear it, Madam Acting Speaker. The member for Jandakot is speaking over the top of you. I think you wish to provide the house with your ruling.

**The ACTING SPEAKER:** I have been receiving advice from the Clerk. Member for Jandakot, the content of your dialogue is not addressing the matter of public interest. If you have a point of order to raise in regard to comments that other people in this house have made previously, you need to raise that point of order. You need to address the matter of public interest or raise a point of order.

**Mr J.M. FRANCIS:** I am addressing the matter of public interest.

*Debate Resumed*

**Mr J.M. FRANCIS:** I will get back to the issue at hand. I was highlighting how members of the Labor Party come in here and criticise this budget—I am back on the budget. Members opposite make it up as they go; like the members who walked up to the press gallery and circulated recycled press releases that criticised the budget, all six of them, on the day the budget was released. They were probably our recycled releases! They walk in here and they wing it every single time. There is a lesson in this—they cannot make it up as they go along.

**DR G.G. JACOBS (Eyre — Minister for Water) [3.38 pm]:** I would like to spend a few minutes addressing the matter of public interest motion that suggests that this government is failing to protect Western Australian families in future years against rising fees and charges.

I want to suggest that water charges are quite moderate and in fact put these suggestions in context. We heard earlier from the leader about price paths—that this is to suggest some orchestrated campaign to sneak up on the people of Western Australia to whack them for six in future years and increase their burden with high water charges. A suggestion was made that we have come into government and imposed great burdens on the people of Western Australia. I remind the house that the price increases in water, as an example, had been recommended by the Economic Regulation Authority. Those same recommendations from the ERA's February 2008 report were adopted in the 2008-09 budget—the previous government's budget—including the projected increases for future years. Therefore, for members opposite to now suggest that the sky will fall in and that these increases will be imposed and thrust upon the people of Western Australia as a burden is simply errant nonsense.

There is some reform in the delivery of water in Western Australia. There must be. Some of that reform has to do with volumetric charges to better reflect the value of water. We heard the member for Cockburn talk about how we have allegedly overdrawn on the Gngangara mound. We understand the issues involved with the sustainability of the Gngangara mound. The sustainability strategy plots a course to make that resource sustainable.

**Mr F.M. Logan** interjected.

**Dr G.G. JACOBS:** The member says there is no money directed to it. I draw attention to the budget item that refers to a waste water program and groundwater replenishment trial for \$12.8 million. However, the member says there is no money directed to it!

**Mr F.M. Logan:** It was \$17 million last year and it is \$12 million this year!

**Dr G.G. JACOBS:** Members opposite are great with flight paths and glide paths—I will give them a glide path! The total cost is \$54 million. The moneys spent, the \$31 million and the \$17 million that the member is banging

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on about, are to establish some of the infrastructure. Therefore, that money was for the infrastructure needed to establish this replenishment program and the \$12.8 million is to continue that program.

I will refer to some of the comments that the opposition's water spokesperson made yesterday about the charges for water for the people of Western Australia. The average metropolitan residential customer pays two water charges—a service charge and a usage, or volumetric, charge. The average charge for up to 300 kilolitres a year is \$401.15. The 10 per cent increase will add \$40.15 to that bill. I understand that there are also charges for waste water and drainage. Yesterday the member added up all the percentage increases for the water, waste-water and drainage charges to be 20 per cent. The waste-water annual charge for the average metropolitan residential customer is \$509.60; that has gone up 4.2 per cent and that customer will pay an extra \$21.40. The average annual drainage charge is \$63.10; it will go up 6.7 per cent and add \$4.20 to the customer's average annual charge. The total water charges for water, waste water and drainage for the average residential customer are \$973.85. There will be an average increase of 6.8 per cent, which will add \$65.75 to that customer's bill. If I heard correctly, the member was talking about something like a 20 per cent increase, which is what I was getting at when I said "scuttlebutt". The member took the 10 per cent increase for water charges and added the 4.2 per cent waste-water charge increase and the 6.7 per cent increase in the drainage charge to that. What do we get when we add that up? The 20 per cent figure that the member talked about yesterday. I am no Treasurer and I am not the greatest person with figures; however, I suggest to members that that is misleading. We need some moderation and we need to put this issue in context.

Several members interjected.

**Dr G.G. JACOBS:** The other issue is that if people want to conserve water and are worried about the Gngangara mound, they should switch their sprinklers off now, as winter is upon us.

**MRS M.H. ROBERTS (Midland)** [3.46 pm]: I want to do something novel in this debate and bring people back to the motion before us. I remind the house that the motion states —

That this house condemns the Barnett government for failing to protect Western Australian families in the 2009-10 budget and in future years against rising government fees and charges.

That is the motion that is up for debate. I acknowledge that the previous speaker, the member for Eyre, at least talked about the increase in water charges and the impact that would have on families. However, I note that none of the speakers from the government side has actually given us one line about why this is a good budget for families or how the government has minimised the impact on families. What we know is the reverse. We know that the government has already admitted that there is a significant impact on household fees and charges, and it has detailed that. However, what we are finding out more and more is that there are embedded costs in this budget that will directly impact on families.

Today we have highlighted that the It Pays to Learn allowance is being cut and that the \$100 subsidy per secondary student for school fees is being cut. Last year, some 47 000 families were eligible for the It Pays to Learn allowance; therefore, in 2008, 47 000 families received that \$200 reimbursement for out-of-pocket expenses. Everyone knows that it is expensive to have children in high school and that \$200 is certainly very welcome by families throughout this state. In addition to that, \$100 per student goes to schools to subsidise school fees. We have heard little from the government on this, but the sad fact is that schools throughout the state have to charge fees so that they can offer a full range of programs. There is nothing to support families. The government has not said that, in place of the It Pays to Learn allowance, it will reduce the impost of school fees and reimburse schools \$200 or \$300 per student so that those fees do not have to be charged. Some schools are clearly more successful at collecting those fees than others. Schools in lower socioeconomic areas have a very poor collection rate. It simply means that children who most need those additional programs and support and enrichment to be able to learn and to get a job to support their families in the future are the ones who miss out. Schools in affluent areas, where there is a much higher collection rate of those fees, will continue to do well and offer a greater range of programs. However, middle-income families and low-income families will certainly miss out.

This is a budget that is not family friendly, which is why the opposition has moved this motion today. This budget not only increases all the household fees and charges, but also has embedded additional costs for thousands and thousands of families in the state of Western Australia. In particular, the 47 000 families or thereabouts who will miss out on the \$200 It Pays to Learn family allowance will have to find, at the very least, an additional \$100 towards their child's school fees or find that their child will simply miss out on the level of education that he or she needs.

**DR M.D. NAHAN (Riverton)** [3.49 pm]: One of the questions raised was: why are we imposing the landfill levy? I looked at an act passed by the previous government called the Waste Avoidance and Resource Recovery

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Act 2007. Some of the principles related to it include the polluter pays principle: those who generate the pollution and waste should bear the cost. The users of goods and services should pay the price based on the full lifecycle of the cost. In other words, the government is doing what members opposite would have done. It introduced a bill, set up the principles, set up the Waste Authority, asked the authority to provide a waste management plan and gave it the guidelines, and it is following through with it.

Several members interjected.

**Dr M.D. NAHAN:** Members opposite are criticising us for implementing the policies they put in place. They are also criticising us for increasing debt. Debate has gone on about what is the optimal level of debt. I looked at the previous government's budget and it forecast debt to increase from \$4.7 billion in 2008 to \$11 billion in 2012. In other words, the Labor government's budget was forecasting a 240 per cent increase in debt in the context of the biggest boom in Western Australian history. Money was rolling in; there were great boom times; the government was going to build stadiums and museums and improve foreshores. Although it had a budget surplus of \$200 billion, it was increasing debt by 240 per cent. Now that our revenue is collapsing, we are struggling to keep people in work. Revenue is collapsing —

**Mr B.S. Wyatt:** It is not; Rudd has propped that up for you.

Several members interjected.

**Dr M.D. NAHAN:** Land transfer fees are down 50 per cent, payroll tax is down and goods and services tax is down. The member for Victoria Park is the shadow Treasurer and he does not know the facts.

**The ACTING SPEAKER (Mrs L.M. Harvey):** Order! The member for Riverton's time is up.

**MS L.L. BAKER (Maylands) [3.52 pm]:** I have a couple of quick comments to make. The Minister for Water was talking about the average water usage. I am not very good at mathematics, but I do know about averages and mediums and how they relate to low-income households. An average of water use per household adds all the various levels used and divides them by the figure first thought of! Right? Low-income and disadvantaged households do not fit the "average" model. Generally speaking, there are a lot more children in low-income households; therefore, decisions based on averages disadvantage households on low incomes. The minister should remember that when he bases decisions on average household water consumption because it will disadvantage clients who are poor.

Did the minister say that the opposition released six media statements on budget day? Compared with the huge bundle I have in my hand, I do not think there is any competition.

With regard to the cost of living for families in Western Australia, the price of food has increased by 10 per cent; housing, at least 10 per cent; health services, 12 per cent; and education, 15 per cent. The government has just added a whole lot more fees and charges to households. Congratulations on behalf of the families of Western Australia!

Question put and a division taken with the following result —

Ayes (24)

Ms L.L. Baker	Mr W.J. Johnston	Mr P. Papalia	Mr T.G. Stephens
Mr A.J. Carpenter	Mr J.C. Kobelke	Mr J.R. Quigley	Mr C.J. Tallentire
Mr V.A. Catania	Mr F.M. Logan	Ms M.M. Quirk	Mr A.J. Waddell
Mr R.H. Cook	Ms A.J.G. MacTiernan	Mr E.S. Ripper	Mr M.P. Whitely
Ms J.M. Freeman	Mr M. McGowan	Mrs M.H. Roberts	Mr B.S. Wyatt
Mr J.N. Hyde	Mr A.P. O'Gorman	Ms R. Saffioti	Mr D.A. Templeman ( <i>Teller</i> )

Noes (27)

Mr P. Abetz	Dr E. Constable	Mr A.P. Jacob	Mr C.C. Porter
Mr F.A. Alban	Mr M.J. Cowper	Dr G.G. Jacobs	Mr A.J. Simpson
Mr C.J. Barnett	Mr J.H.D. Day	Mr R.F. Johnson	Mr M.W. Sutherland
Mr J.J.M. Bowler	Mr J.M. Francis	Mr A. Krsticevic	Mr T.K. Waldron
Mr I.M. Britza	Mr B.J. Grylls	Mr P.T. Miles	Dr J.M. Woollard
Mr T.R. Buswell	Dr K.D. Hames	Ms A.R. Mitchell	Mr J.E. McGrath ( <i>Teller</i> )
Mr G.M. Castrilli	Mrs L.M. Harvey	Dr M.D. Nahan	

Pairs

Mr D.T. Redman	Mrs C.A. Martin
Mr W.R. Marmion	Mr P.B. Watson
Mr I.C. Blayney	Mr M.P. Murray

Question thus negatived.

**Extract from *Hansard***

[ASSEMBLY - Thursday, 21 May 2009]

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