

APPROPRIATION (CONSOLIDATED ACCOUNT) RECURRENT 2012–13 BILL 2012

Third Reading

MR C.J. BARNETT (Cottesloe — Treasurer) [5.57 pm]: I move —

That the bill be now read a third time.

MR B.S. WYATT (Victoria Park) [5.57 pm]: Mr Acting Speaker, I just seek clarification that there is no lead speaker extra time on the clock. I am not the lead speaker.

Mr R.F. Johnson: You have got 15 minutes, but that is all—you do not have to take that long!

Mr B.S. WYATT: I rise to again reflect on what has been an extraordinary time in Western Australian politics, where the Treasurer introduces the budget, talks about the great ethical decision of the future fund, and then promptly absconds—gets out of Dodge! It is extraordinary, when this is the great ethical decision, the centrepiece of this budget. The Premier said earlier this year that the Treasurer will be introducing this piece of legislation later in the year. The former Treasurer gets up and says, “I look forward to setting this up for my kids”, and then he suddenly decides, “Actually, I’m not interested anymore! I’m just not interested! I don’t even want to finish off the budget process. That is how not interested I am! I’m off to a seat in federal Parliament.” I hope, Mr Acting Speaker, that if he ever makes it to the heady heights of ministerial benches in the federal Parliament, he is not confronted with a similar position and he decides halfway through some important legislation, “Actually, I’m off to the United Nations”, or he is off somewhere else. This has been an incredible situation that we find ourselves in. As the Premier likes to often say, never before in the field of human competence has this ever happened before! Never before! I can tell members I will be very surprised if this has happened in any state, where a Treasurer loses interest in his own budget! His own budget bores him senseless, and he gets out of Dodge! I cannot get over it. We find now that we have the light switch Treasurer—on again, off again—filling in the role on a temporary basis, as we have been told.

It is important to reflect. During this government, the Treasurer has presided—well, the Treasurers; there has been a bevy of them—over a 35 per cent revenue growth of over \$6.5 billion. Unfortunately, they have also presided over a 51 per cent expense growth of \$8.5 billion. That is why we have the Premier storming out of the chamber. That is why we have an increase in the debt position of over 415 per cent, and the Premier confirms today that actually there is another \$1 billion coming. We know that the state’s finances do not include things like the remainder of Burswood stadium; Roe 8; the Perth–Darwin highway; the floating Orrong Road, which the member for Vasse, potentially the next Treasurer, potentially, again, the future Premier to be, said would be there; the Ocean Reef marina; the children’s hospital, whatever its name may be, which is still to come; Royal Perth Hospital, about which the Minister for Health made some interesting concessions during the estimates period; and the Bunbury–Albany gas pipeline—they are gone.

Sitting suspended from 6.00 to 7.00 pm

Mr B.S. WYATT: I was saying before we were rudely interrupted by the dinner break that we find ourselves in a situation now of being four Treasurers into this government and presiding, as I said, over the 51 per cent growth in expenses and the 415 per cent growth in net debt. It is interesting now that the Premier presides again as the fly in, fly out Treasurer, to go back and look at his views on debt. As reported in an article by Robert Taylor in *The West Australian* of 4 September 2010, he said —

“In reality you don’t have to pay back the debt, what you have to do is make sure the debt is (under) control and as a guide I’m intending keeping our total level of net debt below \$20 billion,” ...

The two problems with that are that debt is not disclosed in the budget documents. We have a figure, but we know from question time today that there is another billion dollars to come in money squirrelled away in various special purpose accounts, which, as the Treasurer/Premier has said, will be spent over the four years. By my very rough calculations—I went through some of the infrastructure commitments made by the government that have not yet been brought to book or accounted for as an expense—there is about another \$1 billion to \$1.5 billion, based on very conservative estimates. We know there are another couple of billion to come, but that is okay because, according to the fly in, fly out Treasurer/Premier, we do not have to pay back the debt; it sits there like a growth somehow on the state’s books, never to be paid back. The reality is, as I think every family in Western Australia knows, that debt ultimately does have to be paid back and it will not be the fly in, fly out Treasurer/Premier who will pay it back; it will be governments and families in the future. That is the reality of his initiative. The great ethical decision of this budget to create this so-called future fund is that the impact of the \$1.1 billion across the forward estimates pales into insignificance on the state’s books, and the people of Western Australia who are servicing that debt will have to ultimately pay it back. The future fund is nothing more than a

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minor attempt at some form of vague debt management plan. That seems to be the response of the former Treasurer and the now Treasurer.

Now that the former Treasurer has left us to join his federal colleagues, it is worth looking at what his colleagues in the federal Liberal Party say about the GST. We recall the former Treasurer gloating about the federal opposition leader, Mr Abbott, carrying on about the wonderful commitment he had made to the per capita distribution of the GST. Of course, Mr Abbott left Western Australia and presented himself to Tasmania, where the Tasmanians, ever alert to a sliding dollar, realised the commitment Mr Abbott had made here in Western Australia, but which, when translated to my friends in Tasmania, would mean a \$700 million-a-year hole. What did Mr Hodgman, the opposition leader, do there? He tried to get on the phone to Mr Abbott and has been quoted as saying, “Well, I’ve left a message for him; he just hasn’t called me back.” When Mr Abbott got off the plane, what did he say to the good Tasmanians? “It’s okay; you’re not going to be worse off under the GST.” He said one thing on one side of the country and another thing on the other side of the country. I dare say the Tasmanians will not be as easily fooled as the former Treasurer, and certainly Mr Abbott, would like to think they are.

Shortly thereafter, on 6 May on *Insiders*, Barrie Cassidy asked the shadow Treasurer, the person the former Treasurer, the member for Bateman, will be looking to for guidance on the economic policies of the federal Liberal Party, the following question —

BARRIE CASSIDY: When Tony Abbott was in Western Australia he said he would seriously consider a per capita arrangement and that of course would hit some States very hard. And when he got to Tasmania he said that he would not short change them. So is it a serious consideration of a per capita arrangement or not?

JOE HOCKEY: Well, I think the challenge with the GST is, and I understand, and we have said previously on numerous occasions, that we are sympathetic to the plight of Western Australia which has very significant structural challenges. More than 1,000 people are moving to Western Australia every week ...

But we’re also mindful that the GST pool is not going to be broadened under us. The revenue is flat lining, in some cases even falling below expectations. We want to have a constructive relationship with all the States.

The key line is —

And States are not going to be worse off under the distribution of the GST under us.

The former Treasurer, the member for Bateman, was very hairy chested whilst state Treasurer, but that is the position he will be taking on the GST, which will, of course, protect all states because the Premier—the FIFO Treasurer—signed that deal that gave that right of veto to our friends in Tasmania, South Australia or any other state. That is the conundrum—the headache—we are left with from the former Court–Barnett government.

Another thing I would like to flow on with on the GST is an interesting answer that we got during the estimates committee hearings. I note that the Treasurer has since provided the supplementary information. The Treasury provided the details of the total capital grants that the federal government has provided to Western Australia since 1993–94—a significant period. The figures for the five years from 2003–04 to the end of the former Labor government in 2007–08 are interesting. Over that five-year period, the federal government, mainly under former Prime Minister John Howard, provided Western Australia with \$2.172 billion in capital grants. Over the five-year period from 2008–09 through to 2012–13, under this government, the federal government provided Western Australia with \$5.538 billion in capital grants, an increase of \$3.4 billion in capital grants to this state, or a 155 per cent increase. Those are figures that the former Treasurer and the now Treasurer/Premier do not particularly like to reflect on when they talk about the relationship with the federal government. No doubt, now that the former Treasurer is absconding to Canberra, he will become very aware of those figures.

One of the more interesting discussions I had during estimates was with the parliamentary secretary for training. Of course, the Minister for Training, Hon Peter Collier, sits in the other place so he cannot be questioned by members of this house. During the estimates hearings I thought I would ask the director general, through the parliamentary secretary, about a trip Hon Peter Collier made to Ireland. I was intrigued by the rhetoric he expressed before he left. As reported in *The West Australian* of 27 October 2011, Hon Peter Collier talked about his upcoming trip to Ireland, when he said —

“I’m sick of talking to Chris Bowen about it ... “I’m working with Ciaran Cannon and the Irish Government and we’re going to go around the Feds on this thing. We’ll work with the Irish Government and we’ll hold it up as a big success.”

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“A big success”. He duly flew over to the United Kingdom, to Ireland, and spent some time there with quite a delegation. I thought I would ask the director general: what were the key performance indicators; what was the success of this trip; how many Irish people are flooding into Western Australia as a result of the hard work of Hon Peter Collier going around the feds and working with the Irish government?

Mr C.J. Barnett interjected.

Mr M. McGowan interjected.

Mr B.S. WYATT: That was interesting, because when I asked —

The ACTING SPEAKER (Mr P.B. Watson): Members!

Mr B.S. WYATT: Mr Speaker, I crave your protection from the cranky Premier!

Mr C.J. Barnett: I will leave you then, mate. You can carry on by yourself for a while!

The ACTING SPEAKER: Premier!

Mr M. McGowan: He’s storming off again!

Mr B.S. WYATT: He is storming off again! Look at him go!

I asked the director general, Dr Shean, what happened, and this is what she said —

The other thing, however, the member may recall—Minister Collier spoke about it at the time and certainly when he returned—was the likelihood of establishing a memorandum of understanding with Ireland. That presented us with some difficulties, because we found to our great chagrin that we are indeed a subnational jurisdiction.

Therefore, Hon Peter Collier—who was, let us not forget, a former teacher at Scotch College, I do believe—flew all the way to Ireland to be told by the Irish, “Well, you’re not actually a country; you’re actually a state, and you don’t have any jurisdiction to enter into any agreements with us. So maybe you’d better fly on back and we’ll speak to Chris Bowen, because he’s the relevant minister we speak to about these particular things.” I am delighted that Hon Peter Collier was able to fly all the way to Ireland, on which tens of thousands of dollars was spent, for the Irish to tell him, “Well, actually, you’re not a country.” No wonder the director general was chagrined about that particular information, because obviously Hon Peter Collier had absolutely no idea about the status of Western Australia!

The Premier today in question time—the Leader of the Opposition has touched on this already—made the point that the entire public service is subject to the full-time equivalent freeze. Bearing in mind that the Treasurer has said—I quoted the Treasurer—that it actually only applies to 37 763 FTEs, the Premier needs to now explain exactly whether this cap applies to the entire public sector or just to the public sector as defined by the former Treasurer.

Mr C.J. Barnett: Trying to correct your fumbled question, are you?

Mr B.S. WYATT: I look forward to the Premier’s response!

Mr C.J. Barnett: I am not going to respond.

Mr B.S. WYATT: The new Treasurer—the fly in, fly out Treasurer—has been found wanting very early. We have now a bevy of former Treasurers: a murder of former Treasurers; a bankruptcy of former Treasurers—however we define them.

Mr C.J. Barnett: What would you have—a corruption of Labor ministers?

Mr B.S. WYATT: Under this guy we will certainly have a bankruptcy of former Treasurers; this is a guy who does not even know whether his own freeze applies to the entire public sector or just to 37 000 of them!

Mr C.J. Barnett: You were good friends with Julian, weren’t you? Fundraisers—dodgy fundraisers!

Mr B.S. WYATT: This has been an absolutely disgraceful performance, and the Premier and his statesmanship ducks into the gutter very quickly, because I tell the Premier that when we get the chance to talk about the leaders’ forum —

Mr C.J. Barnett: Please do.

Mr B.S. WYATT: — then I certainly will be spending a fair bit of time on how much access people get for the 25 grand you are charging to get to see you.

MR M. MCGOWAN (Rockingham — Leader of the Opposition) [7.13 pm]: I rise to make my third reading contribution to the debate on the Appropriation (Consolidated Account) Recurrent 2012–13 Bill 2012. At the

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commencement of my second reading contribution—my budget reply speech—I said it was a mean and tricky budget, but I did not realise that by the third reading I would be saying that the Premier had been mean to the Treasurer, and that the Treasurer had been so tricky that he had left. The meanness of the Premier to the Treasurer, and the trickiness of the Treasurer in being so ashamed of the job he has done on this budget that he has actually left Parliament, defies description. I think it is a historic first that the Treasurer himself has been so disappointed by the budget presented that he has not only resigned the portfolio, but also is leaving Parliament. It is unique, I suspect, in Westminster democracy that we have a Treasurer who is leaving Parliament as a consequence of the budget he presented, and is heading off as far away, virtually —

Mr C.J. Barnett: Your credibility is dwindling in front of your face.

Mr M. McGOWAN: Sorry; what was that, Premier?

Mr C.J. Barnett: I said your credibility is dwindling in front of your face. This morning you came out and went on to the media about some great rift between the member for Bateman and myself—absolutely no truth to it! That was your response of the day.

The ACTING SPEAKER: Come on, members; we are talking about the third reading of this bill.

Mr C.J. Barnett: That was it.

Mr M. McGOWAN: It is unusual. I will go into it, but to be standing in this place dealing with a budget with a very cranky and angry Premier, because he does not want to have to be dealing with it as Treasurer again, is unpleasant for all of us.

Mr C.J. Barnett: Finish your speech, sit down and leave. Spare us your plaintive, miserable comments.

Mr R.H. Cook: You are such a grump!

Mr M. McGOWAN: It is unpleasant for all of us.

Mr C.J. Barnett: I am very happy. I just find that your level of contribution to this budget has been the worst I have seen from any opposition in 20 years. It has been appalling—there has been a lack of research and a lack of thought-out questions. It has been absolutely slack!

The ACTING SPEAKER: Members, let us get back to the bill.

Mr M. McGOWAN: I would like to deal with the bill, but it is very unusual for the Treasurer to have left, and it deserves better explanation than it has received. I acknowledge that the Treasurer has greater ambition than the Western Australian Parliament, and good luck to him for that. We cannot blame him for having greater ambition, but what we can blame him, the Premier and the government for doing is leaving in the middle of a budget process and leaving so close to an election. I suspect, having watched the commentary from ministers in the government and members of the backbench, that they are not happy about that outcome. One member, the member for Swan Hills, was surprised but not shocked; I think the commentary of the others was perhaps a little more comprehensible. Their commentary was that it is a very strange development and an unwelcome one for most of them. I think it is unwelcome for the people of Western Australia to have the Treasurer leave in the middle of a budget being presented. I suspect he did not wish to. My very strong suspicion is that he did not wish to.

Mr C.J. Barnett: Is it? Give me one item to support that.

Mr M. McGOWAN: Why would he want, nine months before an election, and perhaps 15 to 18 months before the federal election in which he is standing, to leave the Treasury portfolio, and the Attorney General portfolio, which we would have to say he likes and enjoys a great deal? Why would he want to do that? It defies reason that he would want to.

The second point is that it actually defies logic that he would. There is no reason why he had to. We have a range of ministers approaching their retirement who are keeping their portfolios in the lead-up to their retirement. They will not be in the Parliament—in any Parliament—in any shape or form after the next election and they are keeping their portfolios with the imprimatur of the Premier.

Mr C.J. Barnett: It has nothing to do with the issue of retirement.

Mr M. McGOWAN: I have given the example, and I think it is a better one, of the Leader of the National Party representing the electorate of Central Wheatbelt, yet running for the Pilbara. Somehow that is acceptable. He is actually able to directly use state resources to assist him and directly use not only the spending capacity of the state, but also the campaigning implements of the state; that is, the jets and the staff available to him. That is okay, yet in the case of the member for Bateman, who is running for what is, frankly, a safe Liberal seat, it is not okay. I am unable to work out what the distinction is.

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Mr C.J. Barnett: I am not at all surprised you cannot understand the distinction.

Mr M. McGOWAN: The Premier is a very angry man.

Mr C.J. Barnett: I am a very calm and quiet man.

Mr M. McGOWAN: No, the Premier is not. He is running around Parliament waving at people in bizarre manners. He is standing there jumping up and down on the spot waving his arms in the air. It is a very strange set of behaviours that he is exhibiting today. He needs to just act a little like a Premier.

Mr C.J. Barnett: Because every time I walk out of the chamber your corny group over there say, “And there’s the Premier stamping out again”, as I walk across the chamber! You have an inability to tell the truth; that is your problem!

The ACTING SPEAKER: Premier, you will have your opportunity to speak at the end of —

Mr C.J. Barnett: I won’t be speaking.

The ACTING SPEAKER: I do not care what you want to do, but you will have the opportunity, and I just ask you to keep quiet or I will call you to order.

Mr C.J. Barnett: Yes; okay. Fine.

Mr M. McGOWAN: What has gone on here deserves further explanation, as does whether or not the Treasurer; Attorney General was forced from his position because of his decision to run for a federal electorate.

Mr C.J. Barnett: The answer is no—no!

Mr M. McGOWAN: Did the Premier tell him he had to leave?

Mr C.J. Barnett: The answer is no; it was his decision.

Mr M. McGOWAN: Yes, but did the Premier tell him he should do it?

Mr C.J. Barnett: The answer is no.

Mr M. McGOWAN: The Premier is not answering the question.

Mr C.J. Barnett: I have. No; he was not forced from his position.

Mr M. McGOWAN: Did the Premier tell him he should leave the position?

Mr C.J. Barnett: No.

Mr M. McGOWAN: Is the Premier saying that he did not tell him to leave his position?

Mr C.J. Barnett: But he’s done the right thing. He’s done the proper thing.

Mr M. McGOWAN: Okay. It comes on top of the other turmoil in the government that has been overlooked, which is that the former Leader of the National Party, one of the longest serving members in this place, has resigned—some further explanation might be needed as to whether he has been expelled or has resigned—from the National Party as a consequence of what happened with his preselection. There is a lot of turmoil and unhappiness in the government ranks.

Point of Order

Mr C.J. BARNETT: This is the third reading on the budget. We should be confined to the budget. If the Leader of the Opposition wants a debate on parliamentary standards, I suggest he put a motion on the notice paper and deal with it in private member’s business.

The ACTING SPEAKER (Mr P.B. Watson): Premier, when you make a point of order, it is not an opportunity to make a speech.

Mr C.J. BARNETT: It is a point of order.

The ACTING SPEAKER: It is not a point of order.

Debate Resumed

Mr M. McGOWAN: The broader point about the fact that the Treasurer —

Point of Order

Mr J.M. FRANCIS: My point of order is about relevance. What happens with National Party preselection has absolutely nothing to do —

The ACTING SPEAKER: I ask the member to sit down. That is not a point of order.

Debate Resumed

Mr M. McGOWAN: I think that the turmoil in government ranks needs to be discussed. We have two examples of it here. We have the former Treasurer leaving while the budget is in play and the former Leader of the National Party being treated with great disrespect by the National Party. A former leader of the party, a servant of the Parliament for 25 years, being treated in the way he has been treated by the National Party is disgraceful. As far as I can tell, he has never done anything wrong. He has been treated with great disrespect by the National Party.

Coming back to the budget, we had the analysis of the budget. The central features of the budget are as follows. The government has dramatically increased the cost of living for ordinary families yet again. In the out years there will be further dramatic increases in the cost of living for ordinary families after the election. The government has placed a massive focus on central business district projects. The two things we can say about the budget are that the government is focused on the central business district and it is focused on ensuring that the lives of ordinary families and the cost of living pressures will go up. They are the two things that we object to on this side of the house. If we want to make life better for people, we have to improve their financial capacity individually. The government has continued to put cost of living pressures on ordinary families in this budget with those pathetically small assistance packages known as cost of living allowance payments. I think the government misled people by saying that it was a \$200 payment, which it was not; it is an increase of \$53 for an existing payment for some people. At the same time, the government was putting cost of living pressures on everyone across the state very significantly. I think that was quite misleading.

Mr C.J. Barnett: The Labor Party did it with its carbon tax. That's the biggest impact on cost of living, Labor's carbon tax.

Mr M. McGOWAN: We have seen a 62 per cent increase in the cost of electricity on ordinary families in the four budgets handled by four Treasurers, as I recall, in this government. In the out years we will have another 25 per cent increase. That is a 90 per cent cumulative increase in the cost of electricity.

Mr C.J. Barnett: So you do support the carbon tax, do you?

The ACTING SPEAKER: Premier, I call you to order for the second time.

Mr C.J. Barnett: I've never seen such a weak leader.

Mr M. McGOWAN: The Premier is a rude and nasty man. He needs to hand this portfolio to someone else so he can calm down a little. Running around this Parliament like he does, storming in and out of the chamber and waving at people crazily is unbecoming of a Premier. He should not be doing it and his colleagues should be embarrassed by the way he acts in this place.

Mr J.M. Francis: We're proud of him.

Mr M. McGOWAN: The Premier should not be proud of the member for Jandakot after some of the things he has had to say about the people in my constituency. He has attacked ordinary folk in my constituency, the member for Cockburn's constituency and the member for Kwinana's constituency.

The ACTING SPEAKER: Leader of the Opposition, could you get back to the bill please.

Mr M. McGOWAN: The Premier should be ashamed of that behaviour.

Coming back to the cost of living increases, the cost of electricity has increased 90 per cent. The cost of gas, as approved by the government in recent months, has increased another 8.3 per cent, taking the total to 57 per cent. The cost of water has increased, taking it to 47 per cent. We have seen massive increases in fees and charges on ordinary families in Western Australia. On top of that, we have this extraordinary focus on central business district projects. I wander around this state talking to lots of people about different priorities. Labor has priorities in the suburbs and towns of Western Australia. We want to provide those suburbs and towns with police stations and better roads and public transport. They are our priorities. The Premier and his government are very heavily focused on CBD projects. We have the riverside project, costed at \$90 million, the waterfront project, costed at \$500 million and the sinking of the railway, originally budgeted at \$200 million and now budgeted at \$700 million. We had the museum project in the budget. Museums are nice but my priority is those people living in suburbs and towns around Western Australia. We will preserve the funds from those sorts of infrastructure projects, and where we can defer those projects or come up with a better deal, particularly in relation to the museum and the stadium, with the aim of providing a world-class stadium, we will ensure that suburbs and towns around Western Australia get a better deal.

Mr C.J. Barnett: Does that mean you're not proceeding with the Burswood stadium? I think it does.

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Mr M. McGOWAN: The Premier knows our position on the stadium. The government deferred it when it came to office. If we can provide a world-class stadium at Subiaco, we will.

Mr C.J. Barnett: Subiaco, is it?

Mr M. McGOWAN: Yes; the Premier has heard that before. A world-class stadium at Subiaco is a fantastic initiative. It would save hundreds of millions of dollars on the government's proposal. If we can give that money back to families and provide police stations around the community, fix some of those dangerous country roads, ensure that rail carriages are provided to meet the congestion crisis and provide car parks at train stations where people currently cannot get a park on their way to work, that is what we will do. They are our priorities for the people of Western Australia. The government can focus on its big city CBD projects. Our focus is where people live in their communities and where they are struggling and where people are being killed on dangerous country roads. They are our priorities for people around Western Australia. That is what we will do in our alternative vision to the government's vision. The CBD has already had enough spent on it. If we defer the building of a new museum, that is a fair thing to do. That is our priority versus the government's priorities. As we know, the government has already deferred the museum project. It has no legs to stand on in that regard.

Mr J.H.D. Day: It's in the forward estimates.

Mr M. McGOWAN: The minister is deliberately misinterpreting what I am saying. The museum has already been deferred. We reserve the right to do exactly the same as the government did. We will focus on where people live. That is what we care about.

This government needs to get a new Treasurer and an Attorney General as soon as possible. It is very important that the state's finances have a steady hand at the till. The sooner the government achieves that outcome and we get a good pair of hands who understands the state's finances, the better.

MS R. SAFFIOTI (West Swan) [7.29 pm]: I would like to talk about the state budget, in particular some of the issues relating to infrastructure in the suburbs. As the Leader of the Opposition has outlined, there is a lack of new infrastructure in the suburbs in this budget. The government is focused on the city. All those projects mentioned may be worthy projects in isolation but if we do them all together at the expense of infrastructure in the suburbs, that is when people in the suburbs miss out.

Mr J.H.D. Day: They don't even live in the CBD.

Ms R. SAFFIOTI: They cannot catch a train there.

I will go through some of the issues. We have heard ridiculous statements by the Premier about the stadium. Every day we have heard of the new things that this football stadium is going to have, such as a water park for kiddies and barbecue facilities. We will be able to sit in our seats and order food. They can get closer to the players. There will be a movie theatre. That is absolutely ridiculous. The Premier is out of touch with modern families. Let us think about the concept of taking our young kiddies to a football game. I now have three kids and eventually I want to take them all to the football. I took my daughter for the second time a few weeks ago. The Premier's concept is for us to pack our barbecue and head to the stadium, and before going to the football, go to a water park and have a barbecue—in the middle of winter!

Mr C.J. Barnett: You might go there in summer too!

Ms R. SAFFIOTI: They will get absolutely saturated before going in to watch over two and a half hours of football. That is the Premier's idea of what will happen. Who would take their kids in the middle of winter to a water park on their way to the football, so they would get saturated and have to sit for the entire football game like that?

Mr C.J. Barnett: Gee, you're bright. You're the cleverest person in this chamber!

The ACTING SPEAKER (Mr P.B. Watson): Order! Premier, I will not warn you again.

Ms R. SAFFIOTI: The Premier is over there making personal attacks! We will see this happening quite a bit tonight, I suspect. The Premier is in that particular mood. We all know what mood the Premier is in! He is in that mood, because today he lost his Treasurer and Attorney General and he did not even have a plan to replace him. The Premier knew last Friday and here he is running around today; he did not plan to replace him. He knew last Friday.

Mr C.J. Barnett interjected.

Ms R. SAFFIOTI: When did the Premier know? I do not know, as the story keeps changing. He was running around at one o'clock today trying to get these new acting arrangements in place. That is absolutely ridiculous.

Mr R.F. Johnson: Tell us why?

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Ms R. SAFFIOTI: When did the Minister for Police find out?

Mr R.F. Johnson: That is for me to know and you to find out.

The ACTING SPEAKER: Members, let us get back to the bill, please.

Ms R. SAFFIOTI: We have the Premier making commitments that the stadium will be all things to everybody—how absolutely ridiculous—and without the funding to pay for it.

Mr F.A. Alban: Is there anything that is not ridiculous?

Ms R. SAFFIOTI: Member for Swan Hills —

The ACTING SPEAKER: There are people talking all across the chamber. If they want to talk, they should go outside; and if they have something to say on this bill, they should get up and speak on the bill.

Ms R. SAFFIOTI: As I said, the Premier makes it up as he goes along. Every day we hear that the stadium will have something new. The former Treasurer said the stadium will cost \$700 million, and if all those additional things cost more than \$700 million, we will not do them. That is the reality, but the Premier is claiming that the stadium will be all things to everybody, and it will not—it will be a football stadium. It will be a basic stadium, because \$700 million will not buy what the Premier has promised. Today we were told we could park in East Perth and cross the footbridge, but we do not even know where the footbridge will be, let alone where the car park will be. Then we were told that 70 per cent of the stadium's patrons will take public transport. The story keeps changing according to whom the Premier is talking to and what press conference he has called. It is absolutely ridiculous. The former Treasurer pretty much said that during the estimates process, when he smiled and said that the budget for the stadium is \$700 million and he was not going to fund all those extra things because, basically, those things were over the top. That is pretty much what he said.

Mr R.F. Johnson: Is that what he said? Are you sure you are not misleading the Parliament?

Ms R. SAFFIOTI: That is pretty much what he said.

Mr R.F. Johnson: I don't think that is what he said.

Ms R. SAFFIOTI: It is a pity he is no longer Treasurer, because he could stand up and tell us exactly what he said.

I want to talk about policing in the suburbs. The Minister for Police has been walking around saying that we do not need police stations in the suburbs.

Mr R.F. Johnson: Where did I say that?

Ms R. SAFFIOTI: The police minister said that hubs deliver a better service. He said that police cars are mobile police stations.

Mr R.F. Johnson: Yes, I have said that.

Ms R. SAFFIOTI: He said they are mobile police stations. He basically said that cars are mobile police stations and the old idea of police stations in the suburbs is all wrong. He said that we need big hubs, and we have these little cars that go out and act as mobile police stations, and that is where policing is heading. So I was quite surprised to read about the member for Morley boasting in his electorate about an upgrade to his police station. When the Minister for Police closed the police station in Ballajura, he said that would provide a better service for the people in Ballajura. It has not! Now government members are saying in their newsletters that because they have an upgrade to a police station, there is better service. The minister cannot have it both ways: police stations either deliver a better service or they do not. How does an upgrade to a police station in Morley mean there will be a better service, and how does the closure of a police station in Ballajura also mean there will be a better service?

Mr R.F. Johnson: Because you let that police station get into a disgraceful state of repair; there was squalor!

Ms R. SAFFIOTI: The minister closed the police station! I am very happy that the Leader of the Opposition understands the importance of policing the suburbs, with the commitment from the Labor Party to open a new police station in Ballajura, which has been much welcomed by the people of Ballajura.

Mr P. Papalia: Where's the bridge for the stadium going to go?

Mr C.J. Barnett: Across the river.

Ms R. SAFFIOTI: Where is it going to start?

Mr C.J. Barnett: Next to the rail station.

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Ms R. SAFFIOTI: Where is the start of the footbridge?

The ACTING SPEAKER: Members! There is one person talking on this. Member for West Swan, if you call for interjections—do not!

Ms R. SAFFIOTI: On the one hand, the government says that police stations are good—that is when it is trying to save a member’s seat. Then, in other seats, it says that police stations are bad and will be closed, and as a result people will have a better service. That is absolutely ridiculous! As I said, I am glad our leader and our party recognise the importance of policing the suburbs. We are not about closing police stations, but about opening police stations to service local communities.

Members opposite have interjected a bit about the rail line. I was quite surprised and shocked during the estimates process to learn from the Minister for Transport about the progress of the big Ellenbrook transit way. The government had promised the transit way after it broke an election promise to deliver a rail line, and we had been expecting the details of when it would be delivered in the first half of this year. It is now the middle of June and we have no details of the proposed transit way. The government broke an election promise, but then said, “Don’t you worry; we’ll have a bus transit way and we will provide those details to you in the first part of 2012.” As I said, it is the middle of June and we have no details. When I asked the Minister for Transport about his plans for the transit way, he said that the government was doing some studies and that those studies will be released in 12 to 18 months. We had a broken election promise from the government to deliver a rail line, a commitment to deliver a transit way and a commitment last year to release all the details of that transit way in the first part of this year. But now we have no details, no funding, no route—nothing! We now have a claim that the details will be released in 12 to 18 months. The government has broken another commitment to the people of Ellenbrook on public transport. Again and again this government has shown it cannot be trusted to deliver on public transport.

As the opposition has said, this minister comes up with a lot of plans and strategies, but he is not delivering in the suburbs. The minister is creating enormous traffic congestion in our suburbs. We know that most families are faced with this congestion and that they want the government to be proactive on this, but it is doing nothing. It is developing plans but it is not investing in transport infrastructure.

This budget focuses on the city centre and other pet projects. I was surprised to learn that over \$70 million is being spent over the next four years just on the Claremont north project.

Mr R.H. Cook: What!

Ms R. SAFFIOTI: Yes.

Mr C.J. Barnett: It will be profitable.

Ms R. SAFFIOTI: Is it going to be profitable? That was not the Premier’s answer in estimates. When the Premier answered, he did not say there would be any profit; he said there would be a net contribution. Revenue is being forecast over the next four years, but the net impact of the Claremont north project is \$25 million over the forward estimates. That is the information we obtained from Landgate. Again and again priority is given to the Premier’s pet projects, while infrastructure in the suburbs is severely lacking. As I said, there is no Ellenbrook rail line and no transit way, and the roads in the area, which require significant upgrades, are not getting the attention they deserve. For example, there are issues to do with the full duplication of Gngangara Road and with Reid Highway. There was a commitment to the Perth–Darwin highway, which I understand the Liberal Party made its number one priority, but no final route has yet been defined and there is no funding for it. There is a lack of commitment in the suburbs.

As I have said, some of the commitments and claims made about some of these major projects cannot be believed, and the stadium is a clear example of that. Every day there is a commitment about a new facility or about new bells and whistles connected to the stadium, without even full funding being allocated in the estimates. As we understand it, the full cost of the stadium will be released by Christmas time. That will be a clear indication of the extra facilities that will be included in the cost of the stadium. As I said, the idea that families will be catching public transport to the football or barbecuing, walking across a footbridge and going to water parks in the middle of winter is absolutely ridiculous. The government is just making it up as it goes along.

We hope that the government announces a new Treasurer very soon. We cannot have a situation in which the state’s finances are completely disregarded, as this Premier and Treasurer has done. He does not believe in the forward estimates. He does not believe that the government should be held to account for a budget that it presents. When we ask questions about power prices over the forward estimates, the Premier and Treasurer disowns them. How can a government that presents a budget to the Parliament completely disown its contents? It is absolutely ridiculous. This is particularly important in the lead-up to the next election, whereby both sides

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have to present their financial plan to the public. How can the government include just some of its spending commitments but not others? Yet the opposition will be asked to, and I suspect we will, present all our spending commitments. It is absolutely false and dishonest to be operating in this manner.

As the shadow Treasurer has outlined, the government has parked over a billion dollars in the forward estimates; that is, it has accounted for the revenue and it has allocated the funding but it has not earmarked the spending. That may not seem significant to a lot of people, but that basically means that over a billion dollars of spending is hidden in the forward estimates. That has a significant impact on the true level of net debt for the state. The government has parked billions of dollars of expenditure in the forward estimates, and that is something that I have not seen to this degree in previous budgets. That means that the net debt figures in the forward estimates are not true and correct. How can the government account for the revenue and the activity, but not account for the expenditure? Frankly, the Treasurer and Premier was not aware of this during question time. Again, that raises the question: exactly who runs the state's finances? How can the Premier sit on the Economic and Expenditure Reform Committee and not realise that over a billion dollars of debt is hidden?

MR R.H. COOK (Kwinana — Deputy Leader of the Opposition) [7.43 pm]: Mr Acting Speaker, thank you very much for the opportunity to speak on the third reading of the Appropriation (Consolidated Account) Recurrent 2012–13 Bill 2012. This legislative process is unfolding like a slow-motion train wreck. We have an extraordinary situation whereby we are completing the debate under an entirely different Treasurer from the one that presented the budget. Quite frankly, we have been confronted with an extraordinary state of affairs today with the news that the member for Bateman reluctantly—as we hear in some quarters—had to part with the responsibility for the portfolio. It may well have been reluctantly. Why would the member for Bateman walk away from a budget that he was clearly very proud of? It is an extraordinary state of affairs. That is probably why many journalists around Perth were reporting last night that the ministers they were speaking to not only knew nothing of this extraordinary development, but also dismissed it as ridiculous. They said that of course that is a scenario that would never take place. We have a budget that has been brought down, partly spruiked and partly legislated for, yet it is now without its author to finish off the legislation. I am fairly new to this place, but perhaps others who have more experience than I can explain when this has happened in the past.

Tonight I want to talk about a range of issues associated with the health budget. Indeed, in the second reading debate and over the course of the estimates hearings, we have seen that a range of issues impact on the health budget. It can be characterised only as a health budget that fails to address the fundamental problem of the ever-growing queues at hospitals and health services. Over the past four months, we have seen reports on the continued decline of health services relative to demand. We now have elective surgery waiting lists of about 17 000 people. Of those people, almost 2 000 are over boundary. An estimated 24 000 patients are on the waiting-to-wait elective surgery waitlist. This waitlist was specifically addressed in the five to eight-page document that was the Liberal Party's manifesto for delivering better health services; that is, it would publish on a regular basis the waiting-to-wait list to create what it described as transparency in the elective surgery statistics. Yet here we are, three and a half years into its term of office, and still we have not seen one report on this issue. In May we also saw ambulance ramping of over 700 hours across Perth metropolitan hospitals. I will provide members with some sort of context for those 700 hours. That is more than the ambulance ramping hours of May 2010 and May 2011 combined. The Minister for Health, in his previous role as the shadow minister, would rail against the previous government for days on end about the crisis that was impacting upon our health system. Yet today he describes this as simply an operational issue that needs to be addressed and is of some concern.

Are they the Minister for Health's normal glasses or has he borrowed someone's glasses tonight?

Dr K.D. Hames: I borrowed them.

The ACTING SPEAKER (Mr P.B. Watson): The minister is talking while in the wrong seat—or has he been demoted?

Mr R.H. COOK: Also, tellingly, we know that there are now more than 24 000 people on the dental services waiting list in Western Australia. More than 24 000 people in Western Australia with painful conditions associated with their oral health are waiting. We now know that some of those people are waiting up to 35 months to be seen by our public dental services. That is a more than two-year wait to have a cavity, extraction or pain-relieving procedure at our public health services. Today 24 000 people are waiting for these services, yet the government seems helpless and unable or unwilling to respond to that particular need. In fact, the minister stated explicitly that there was no new money for dental health because he believes that the commonwealth government is responsible for these matters and he does not hold any responsibility for the dental health of the most disadvantaged Western Australians. He is sitting back and waiting for the federal Labor Party to save the day and provide resources to a government that simply does not care about public dental waiting lists.

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We have a budget that will grow marginally and a demand for health services that will grow exponentially. The government was keen to find something—anything—that would give it a glimmer of hope and a positive news story for the health budget. It was, of course, the \$58 million that it said it would provide to fix the child health nurse problem. To refresh members' memories, currently we need an extra 150 community health nurses to address the shortfall in services in early childhood health. It is not surprising that the government came forward with an allocation to resolve this problem. The minister proudly announced that the government had input resources into this budget that would allow for about 100 child health nurses to be employed to address the shortfall of 150 community child health nurses. We were able to find out through the estimates process, and as the days moved on, that all was not rosy in this most positive of health announcements. The community health nurse allocation is also an allocation for school health nurses. The Education and Health Standing Committee reported a further shortfall of 120 school health nurses. The 100 community health nurses that the government was hoping to employ will actually only go part of the way towards addressing a shortage that is approaching 300 early childhood nurses. Worse than that, \$40 million of the \$58 million will be pushed into the non-government sector—that is, the government is going to devolve more government responsibility for delivering these services to the non-government sector. When we asked how many child health nurses that money would buy in the non-government sector, the minister and his assembled advisers could not tell us. They could not tell us how many child health nurses this money would buy. Essentially, they are hoping that it will deliver 100, but they really have no basis for that calculation. The government is hoping that it will deliver 100 because that looks better on a media release than simply stating, "Here is some money to throw at the problem. We have no idea whether it will actually solve the problem."

The crisis in early childhood health continues. That is not surprising when the government is increasing the budget across the health portfolio by only 7.4 per cent. That has to be measured against a health service inflation rate of about 4.9 per cent. In actual fact, what we are looking at is a real percentage growth in the health budget of about 2.4 per cent benchmarked against anticipated growth of inpatient services of 4.6 per cent, emergency department of 8.9 per cent and outpatients of 7.3 per cent. As members can see, under this budget, the queues in our public health system will grow, and that situation will be further exacerbated by the efficiency dividend, which will pull over \$100 million out of the budget in 2012–13 and many millions more in the forward estimates. One would think that in bringing forward such substantial cuts to the health budget, the government would understand where the impact of those savings will occur and how they will be implemented. But the government gave its stock-standard answer, which was to wait and see because it really does not know where those savings are going to occur. Is that a savings measure that it has already earmarked? What is that savings measure? It is a \$7.5 million saving across the health portfolio in 2012–13. That had already been factored into the budget. One would think that the government would have an inkling of that. Of that, \$6.3 million has yet to be allocated. Even though health representatives knew about savings they had to find, they still have not sorted them out. Further, they said that they did not have a clue about the savings that they claim were sprung on them by the member for Bateman just prior to announcing the budget. This is a con. The health budget will not resolve the pressures on our health system. Under the Barnett government's health budget, the queues will continue to grow, the pressure on our health system will continue to grow and the system will continue to struggle to cope.

There was a call from the Australian Medical Association for an increase in the health budget of state-funded medical research to the tune of \$40 million. That is the sort of research money that the medical fraternity believes is necessary to ensure that we continue to attract and retain the best medical specialists. There are two reasons for that. First, members of our community will be part of bigger and better clinical services; and, second, because we know that that will improve the specialist skills that are available. But this government has responded by marginally increasing the 2011–12 budget by about \$1 million.

I will conclude by looking at the situation with the Midland health campus. During questions in estimates, the government revealed that some 250 services at the new Midland hospital will not be provided to the public of Midland and the catchment area of that hospital by the private operator that it is currently negotiating with. That is 250 health services that will never be provided by that hospital—not now and not into the future. They will be provided by a specialist public health clinic that will be put off to the side and built specially to provide those services that are so unpalatable to the private operator. The cost of this duplicated clinic, which will be cohabited in the location of the Midland health campus, will come out of the same budget that has been put together by the federal and state governments to provide the new Midland hospital. Why the duplication, waste and overly complicated arrangements? It is to simply match the privatisation policies of the Barnett government and to provide excuses for the private operator to not provide services. Those services should be provided. It may be a point of conjecture about who should provide them and whether they are in-hospital services or whether they should be operated by the private sector or elsewhere. However, the principle remains the same: it is

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inappropriate for a private operator to dictate to a government what that government will provide at its public hospital.

This budget fails to cut the queues in our hospital system. It fails to provide health services where we live and where we need them, such as Midland, which deserves a proper public health system. It also fails to provide the research funding that would continue to nurture a health workforce that is desperately needed to make sure that our hospital system copes with an increased level of demand into the future.

MR F.M. LOGAN (Cockburn) [7.59 pm]: I rise to add my comments to the third reading of the Appropriation (Consolidated Account) Recurrent 2012–13 Bill 2012. I will refer to some of the things that came out of the budget estimates. The general public of Western Australia would be astounded if they read about some of the issues that we debated in Parliament. Unfortunately, the media picked up on only some of the more critical things that arose from the budget estimates committees. Obviously, the media cannot report on all things that come out of the examination of the ministers' portfolios.

It is a pity that the work done here in Parliament is not examined in more detail, particularly in regard to the issue of water and some of the answers I received from the Minister for Water about the changes to be made as a result of the 2012–13 budget. First of all, there is the increase in water prices as laid out in budget paper No 3. It is indicated that there will be a six per cent overall increase in water charges—not water prices, but water charges. Water charges means the price of water itself, plus sewerage and drainage, plus the cost of water services. If all three are added together and then divided by three, there is a six per cent average increase. That is the same way that water charge increases were expressed last year. When the charges for the current financial year up to 30 June are broken down to see exactly how much is paid for water, it is completely different. People will be getting this increase in their bills from 1 July this year. As of January this year, people who consume the average amount of water, which I think is about 240 kilolitres as estimated by budget paper No 3 —

Mr J.C. Kobelke: It is 270 kilolitres, down from 300 kilolitres.

Mr F.M. LOGAN: It is 270 kilolitres; I thank the member for Balcatta. For those people who consume 270 kilolitres, as does the average family, as calculated in budget paper No 3, the cost for water alone will increase by 24 per cent as of July this year. When a person receives the next water bill, opens it and sees a significant jump in the price of water to their home, the reason for that is that there was a 24 per cent increase for the water they consumed between 1 January this year and 30 June this year; that is what people will have in their bills. Most people will come to members' electorate offices saying, "Oh my God, look, my water prices have gone through the roof." That is because the minister failed to tell us that when those three elements of water charges are broken down, water itself, as one of those three water service charges, would go up for the average household by 24 per cent on 1 January this year. He would not face that, and in fact, when I put it to him through the media that that is exactly what was going to happen—I did not make it up; it is on the Water Corporation's website—the minister denied it. He said, "No, that is not true. The member for Cockburn is making it up." The price going up like that is indicated on Water Corp's website, and members of this house will find out about it when they get their water bills. They will see that the price of water will have jumped by 24 per cent and people will probably come into their electorate offices complaining about it. We do not know exactly what the breakdown of the actual price of water is—of the overall six per cent increase in water charges—but we will find out soon enough, because Water Corp has to put it on its website because it has to tell consumers how much they are actually paying for water. I presume that it will again be quite significant. Even if it is not broken down into individual components of the three water charges, nevertheless, compounded over the nearly four years of the current Liberal–National government, water prices have gone up by 47 per cent. There has been a corresponding increase in the number of people who have been unable to pay their bills and who have been pursued legally by Water Corp for nonpayment of their bills, and there has been a massive jump in the number of people who have sought extra time to pay their bills because they are struggling to pay the increase in those water bills.

It is a very similar experience for those who are struggling to pay their electricity bills. I think the pain people out there are feeling with electricity price increases may well have been recognised by the Liberal–National government. Hence the relatively small increase in electricity prices this year. Nevertheless, with water price increases that pain continues. There is an average increase of six per cent—well above inflation—in the price of water for the next financial year. If those prices could be justified, there would be an argument for the government. The problem is that we can never get to the bottom of why we are continually paying increased prices for water. I do not know how many times I have stood in this chamber at question time and asked at least two water ministers to explain how much the real cost of water is—that is, how much it costs to deliver it to our taps—and when we will get to the real cost of delivering water. Both the current minister and his predecessor have been either unable or unwilling to give the house a correct answer or even an answer. Both of them ducked the question. Therefore, we continue to pay increases in the price of water, but there is no justification for it. There is no explanation for it and therefore there is no justification for it. That pain is compounded by the fact

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that the Water Corporation continues to make monster profits. Massive profits are set out in these budget papers. For the next financial year, the Water Corporation estimates it will make a profit of \$590 million. It is the most profitable government trading enterprise of the government. It is the most profitable government trading enterprise in the whole of Australia. It is probably the most profitable government trading enterprise in the Southern Hemisphere, if the truth be known.

As you may well know, Madam Acting Speaker (Ms A.R. Mitchell), because you have heard me put questions to the minister in this house about why such a large profit is made and what the justification for that profit is—obviously, I relate that back to the increases in the price of water—the minister says that we need to make such large profits because of tariff equalisation. That money comes into government and goes out again to pay for the cost of delivering water services to the people of rural and regional Western Australia. Page 307 of budget paper No 3 does not quite say that. It states —

\$291 million paid to the Water Corporation for the provision of household water and wastewater services in country areas at prices set by the Government, to match metropolitan water prices.

That is tariff equalisation—\$291 million out of what will be this year a \$590 million profit. As advised by Treasury and as advised by government, the rest of the money is then cut up by the Water Corporation into a whole series of different subsidies. When we looked at the breakdown of those subsidies, we saw that some of those have royalties for regions attached to them. A lot of the money coming from the Water Corporation was going into Treasury. It was then going back into the Water Corporation as a subsidy for a whole series of things such as desalination plants in Karratha, and attached to it was royalties for regions. There are three cases of royalties for regions and one of the Department of State Development. When I pointed out to the minister and the Water Corporation that the government takes money from the Water Corporation and the profit and dividends go back into Treasury, and Treasury then hands that money back to the Water Corporation for it to do not only tariff equalisation, but all these other programs that are subsidies the government brands royalties for regions, the representative from the Water Corporation said, “You’re absolutely right; there’s a mistake.” Have the budget papers been fixed? Have the budget papers been amended to fix the mistake that is in there? No. Did the minister acknowledge that the budget papers were incorrect, as admitted to by his own advisers and the Water Corporation? No; the government just sailed straight through trying to pretend that the profits coming in from Water Corp are fully justified because they go back out again for supposed subsidies that are absolutely needed. Those subsidies are not absolutely needed; they were even branded royalties for regions, which was not true. They are subsidies that are determined by the government. They are not absolutely needed; they do not need to be delivered. Instead, this government states that that profit is justified and the price increases are justified because it continues to argue that we have not reached the real cost of water.

I just keep asking: At what point will we tell the people of Western Australia that the real cost of water has been achieved? At what point is this government going to explain to Western Australians that the price of water does not need to go up again because we actually have cost-reflective pricing? We do not know. We cannot get any answer out of the minister. The minister makes mistakes in his own budget papers, his department admits there are mistakes, and Water Corp carries on its merry way making massive profits. Effectively, it is simply a dividend stream and a water tax to this government.

If that was not bad enough, let us look at how Water Corp acts and behaves as a corporation. It has privatised, by way of the back door, its operation of dams, waste water treatment plants, water extraction plants and desalination plants, and piping and maintenance across all of its operations to two companies—namely, Programmed Facility Management for piping and maintenance and Transfield–Degrémont–Suez for its operations. It has privatised the lot, and the CEO of the Water Corporation could not guarantee that Water Corp employees who left their employment would be replaced with a Water Corp employee. The Water Corporation could not guarantee that at all. In fact, it said it will be a competitive process; that is, the job will go to a contractor. That is exactly what is going to happen.

When I asked the minister what cost benefits the government is getting from the contracting out of all these services, he could not answer the question. Neither Water Corp through its CEO nor the minister could put any dollar figure on the benefit we get from privatising and contracting out all the operations and maintenance of Water Corp. I just think that is an unbelievable disgrace, which the general public does not know about. All the general public is getting from Water Corp and the minister is massive water price increases. As I said, those increases are not justified and Water Corp continues on its merry way making ginormous profits. It is a scandal that I hope will be exposed and that the general public can see what it is getting.

MR P. PAPALIA (Warnbro) [8.14 pm]: As much as the Minister for Education’s behaviour during the estimates committee hearings was disappointing from the way she chose to personalise her inability to answer

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questions through a personal attack, it was more disappointing elsewhere in the way she handled estimates, as has been alluded to by the member for West Swan. The Minister for Education appears to assume that it is inappropriate for the opposition to ask questions about money during estimates. Whenever she was confronted with a question regarding the budget that she had delivered—her budget—her response was to say that she was not able to answer the question. So, when we asked a fundamental question about the minister's budget, which will deliver, according to her budget papers, a \$30 million cut to education in the coming financial year, which will commence in two and a half weeks, the minister was unable to say what services would be impacted upon by that cut. That is a fundamental question. It is not something that would have been unexpected, I would have thought. It is not something that any competent minister would not have foreseen an opposition might ask about. It is a crucial, singularly obvious question for an opposition to ask. The people of Western Australia, those with children in the schools of this state, those employed in the education department, and anyone with an interest in education—that should really be all of us—would want to know, in the event that a government chooses to cut one per cent of the education budget, what services will be impacted upon by that cut.

We were told the last time a so-called efficiency dividend was applied to education that the Department of Education was incapable of cutting any more fat, and that is why it did not meet the target on that occasion. The reason the department gave for failing to meet its own target for the efficiency dividend—for cuts to the education budget—the last time that this blunt instrument was applied to education was that the services that were being provided did not have adequate fat in them to enable any of them to be removed. But we are now told, a couple of years later, that it is okay; the department has accumulated \$30 million worth of fat this year, and it has also accumulated another \$62 million next year, and then, subsequently, it has accumulated \$95 million, going up to \$130 million, so that over the forward estimates there is, apparently, accumulated additional fat in the education department of over \$300 million that can just be cut out—that can be removed. That is not coming from buildings. It is not capital works. It is coming from services. So, the department is going to take that money from services. It will take it from programs that are currently being provided, or that should be provided, and from services that are being delivered. That is where it will be coming from.

It is, therefore, a natural question to ask the responsible minister what services she envisages will be cut as a result of the \$30 million cut this year. What was the minister's response? It took a while, as the member for West Swan indicated. It took the minister a long while to confirm that actually she could not tell us. The reason was, apparently, according to the minister, that she had been given the demand to make cuts only a couple of weeks ago. The budget papers that we are assessing had gone to the printer well over a month, at least, before this estimates debate. At that time, the minister had been told that one per cent, or \$30 million, had to be taken out of her budget, and yet she had not had enough time to think about that. She was not capable of giving us any indication of which services will be cut to meet that demand. It is extraordinary to think that the minister believes that is an adequate response in estimates. The minister's response at the time was, "We have been asked to do that in recent weeks, and we are looking at how that can be done." The member for West Swan is familiar with these processes, probably more so than anyone else in this Parliament. She probably has more experience with Treasury at the federal and state level than anyone else in this Parliament. She was almost dumbstruck to believe that the minister's response would be to say that she had not had enough time and she was still working through it. This budget will come into force in two and half weeks. The minister is not here, but I wonder whether she has any clue yet as to what services will be cut for that \$30 million to be removed from her budget. It is extraordinary that the minister would suggest that she had no idea that that would be happening. I suspect that the reason the minister offered up that quite transparent, gossamer-thin argument was that when she was asked to make the cut last time, she did not meet the three per cent target that the department had been set, but she did cut services.

It took a long time to extract from the minister during estimates which services were cut last time and to get her assurance that they were attributed to the efficiency dividend, because initially she tried to deny that. We asked about a subject—the 50 per cent cut to the participation directorate—that had been pursued by the opposition for some time in this place and outside Parliament. That cut occurred on the occasion of the last efficiency dividend and resulted inevitably, I suspect, in an 80 per cent increase in the number of students whose whereabouts are unknown to the system. That was the consequence. The minister denies it. She buries her head in the sand and claims it is unrelated. But two years ago she cut out 50 per cent of the officers whose role it is to engage with and try to keep at school years 11 and 12 students who may be at risk of becoming truants. This participation directorate was established under the previous government when the requirement for students to complete year 12 was enacted and it was foreseen that there would be a challenge to that requirement. Some young people who hitherto were not required to stay at school beyond year 10 were to be asked to continue on to years 11 and 12, and it was anticipated that some would find that difficult—they would be tempted to not attend, to skive off and avoid education for years 11 and 12. As a consequence of that forethought or planning, a participation directorate was created and 100 individuals were employed for that role. At the time of the previous efficiency

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dividend, which resulted in cuts to education, the number of participation officers was cut by 50 per cent. Now retrospectively the minister is trying to justify the cut by reverse-engineering the argument to somehow suggest that the participation directorate was not required. If it was not required, why did the number of children whose whereabouts were unknown to the system just explode immediately after the participation directorate was halved?

It would have been bad enough had the minister just accepted and acknowledged that when the efficiency dividend was imposed, she cut 50 per cent of the participation directorate budget, but she did not do that. It took what seemed like decades—although it was probably 10 or 15 minutes—to extract from the minister that, firstly, she came around to accepting that at the time of the previous budget cuts in the form of an efficiency dividend the cuts to the participation directorate were recognised as part of what the education department had achieved in the way of cuts. It took a long time. She at first denied it. We went on for a long period of time trying to bring her round to conceding that surely the cuts were acknowledged as part of the cuts the education department had managed to achieve. There is no doubt they were acknowledged. In the end she said the cuts were recognised as that. I asked, “Were they recognised as part of the efficiency dividend?” She said, “They were recognised as that.”

It then took a lot longer—another period of time—to get the minister to confirm that when she made those cuts, they were actually cuts to front-line services. Much is made by the government of its claim that it will not cut front-line services. It will cut tens of millions of dollars out of essential services such as education but it says that it will not cut front-line services. We were able eventually to drag the minister kicking and screaming to the realisation and acceptance that participation officers are part of front-line services and that the government cut them by 50 per cent the last time the efficiency dividend cuts came in. It was extraordinary that it took so long for her to acknowledge that. I understand that she is ashamed, I understand that she is embarrassed, but she should at least be honest. That is not too big an ask, particularly in light of the background of this minister who spent 17 years pontificating about integrity from the government side of the chamber or from the other side of the chamber, depending on where she was sitting at the time. This is someone who demonstrates zero integrity when it comes to her own role as a minister. She failed to be honest and accept that she cut front-line services during the last budget efficiency dividend cuts, and that she will no doubt do the same again. Eventually she was forced to and did accept under prolonged, persistent and tiring questioning that last time she cut front-line services by 50 per cent. That is true. She acknowledged that. It is in *Hansard*.

The minister is now telling us that she cannot possibly say what will be cut this time around. The government is going to take \$30 million this year, \$62 million the year after, \$95 million the year after that and \$130 million after that—a total of \$316.8 million over four years—but she has no idea what services will suffer as a result. That is because she is embarrassed and ashamed. There is no other reason. By now she should be prepared to answer the question: what services will be cut? The amount of \$30 million is not insignificant. I know that the education budget is large but \$30 million funds a lot of people, including a lot of participation officers.

We have tried to extract information from the minister in a lot of other areas over a long period. It was very, very difficult and ultimately not successful. For instance, with the year 7 move to high school, the minister suggested that there is adequate funding in the budget to train primary school teachers to teach in high school. She referred to the budget, which says that \$22 million has been allocated to train year 7 teachers who might choose to go on to teach in a high school. The problem with that is that equates to 525 teachers. I am told by the Western Australian Primary Principals' Association that 700-plus primary school teachers are largely associated with year 7 teaching. When I asked whether they would be trained if greater numbers were interested in transferring over to high school, the director general assured me that they would, but there is no money in the budget for it. In fact, the government is taking money out of the budget and it cannot even tell us where it is coming from. I do not know how anybody who gives us that assurance, even a respected public servant, can be taken seriously.

Also of concern in the budget and the year 7 move to high school was the minister's response in the budget papers to the challenge of the massive demand for high school teachers in 2015. We will go from a surplus of teachers in the two preceding years of high school of 819 in 2013 and 382 in 2014 to a massive deficit of 2 586. The budget papers say that strategies are being developed, including the recruitment of teachers from interstate and overseas. That is part of the plan. We are seeing an incredible disconnect. Massive numbers of additional teachers will be looking for work in Western Australia in the next couple of years and then there will be a massive demand in 2015, yet the government's plan is to try to recruit expensively and with great difficulty from interstate and overseas. I would rather see the minister concentrate on trying to reduce our attrition rate amongst teachers. It is high. I will go through the actual losses of secondary teachers through resignation. In 2009, it was 347; in 2010, it was 270; and in 2011, it was 288. That is an average of 300. If we took that out over the six years of the Barnett government, we would have 1 800 teachers that we could have retained if we had looked after them better, treated them more personally and tried to reduce that attrition rate. Rather than searching overseas

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and interstate for new teachers, we could be employing our own. Clearly, there is no focus on Western Australian workers and providing Western Australians with jobs. The government would rather immediately search for teachers interstate and overseas. It is in the budget papers as the strategy for dealing with the challenge in 2015. That is extraordinary. I am not surprised because the minister's performance was appalling and pathetic, and this was just consistent with it. Her inability to answer any questions about personnel is consistent.

Debate adjourned, on motion by **Mr C.J. Barnett (Treasurer)**.

House adjourned at 8.29 pm
