

ESTIMATES OF REVENUE AND EXPENDITURE

Consideration of Tabled Papers

Resumed from 12 June on the following motion moved by Hon Simon O'Brien (Minister for Finance) —

That pursuant to standing order 68(1), the Legislative Council takes note of tabled papers 4536A–F (budget papers 2012–13) laid upon the table of the house on Thursday, 17 May 2012.

HON COL HOLT (South West) [7.32 pm]: The after dinner session is always a tough gig, is it not? I thank members for coming back!

Several members interjected.

Hon COL HOLT: Yes, thank you, mate.

I want to talk a bit about some of the policy implementation from this budget and previous budgets and what this government has achieved. I listened to Hon Robin Chapple last night talking in part about how he saw some of the policies unfolding. I note at one stage he talked about the Pilbara Cities and SuperTowns projects and programs, and it seemed to me that he did not quite understand what those policies were about. I guess he was talking about the fact that we do not want to create towns to make them ghost towns in the future. He cited Goldsworthy and, I think, Shay Gap as a couple of examples in which some regional investment and development is done and then, what happens to the towns? I guess he is talking about the sustainability of those communities based on economic drivers. I think he saw the SuperTowns concept as something that was actually contributing to ghost towns in those circumstances. I just want to take the opportunity to point out that SuperTowns are actually the opposite of what he thinks they are. The program is actually all about delivering sustainable communities in regional Western Australia, and investment into those sorts of communities can go a long way to maintaining them.

The driving factor behind this is that we all know the Western Australian population is growing, with some predictions that it will double in the next 40 years, and we need to understand that not all of those people will live in Perth. In fact, we do not want all those people to live in Perth; we want them to go and live out in the regional communities, be a part of those communities and to help drive the economic sustainability and independence in those communities. We also know that part of the economic driver in a lot of communities is actually people. If we think about Perth, what is the economy of Perth, and what sustains Perth? Without doubt, one of the things is actually the number of people who live here. If there are people and there are services, and there is investment, there is sustainability. What we are saying is, if we are going to have an increase in population, let us get people into regional centres, because that will drive some of the sustainability, just based on people living in them. It will also drive some of the services that will be delivered there from a commercial point of view. There will be more customers and they will be more sustainable. The SuperTowns program is really about preparing some of those communities that are important drivers in the regions. Those towns are ready to be the focus of expenditure and investment to make them into SuperTowns that will be growing and vibrant communities into the future. It is about people making lifestyle choices about where they want to live, business opportunities and where they want to invest, and also employment opportunities. Once we have those three ingredients, we will have vibrancy and sustainability.

I would like to talk about the nine SuperTowns that have been chosen. There is a mixture of what those towns represent. Some have very clear economic drivers and an underlying industry that supports the community. I am thinking of places such as Collie, which has coal deposits, Worsley Alumina and potentially Perdaman Industries that underlie the industries in those communities. Other communities might not have that type of clearly underlying industry but are considered to be great places to live. Margaret River is another SuperTown that people obviously see as a very desirable place to visit, live in and potentially retire to. We have a real mixture in the SuperTowns setting and I want to talk about all of them.

In my view, Collie is set up to build on the great economic base it has to make it a greater place for people to want to live and raise their family. The turn-off to Worsley Alumina is two-thirds of the way up the hill from Bunbury to Collie. Every evening at about five o'clock or knock-off time, people drive off that turn-off, hit the Coalfields highway, and they have to make a decision to either turn right and go down the hill to live in the Bunbury hinterland along the coast or turn left and head to Collie to live and raise their family. I would say that there is a pretty clear indication that over two-thirds of people—I do not have any specific figures—turn right and head down to the Bunbury hinterland because they would prefer to live there. That is where they believe their lifestyle needs will be met. As I said earlier, the SuperTowns initiative is about trying to lift the amenity and services in those towns so that people choose to live in Collie because of its lifestyle. Collie is a very good example of exactly what we are trying to achieve with the SuperTowns program. To pick up on what Hon Robin Chapple said, if we took away the drivers of Shay Gap and Goldsworthy, which is exactly what happened to the

underlying economic industry in those towns, they will close because there is no other reason to be there. If in the past the coal or alumina industry in Collie had been shut down, that could have happened to Collie. We are saying that we should turn that around and try to get people living there because that helps drive investment and sustainability. We must identify new opportunities for Collie to diversify its industries and keep it sustainable. Bunbury is making the most of the economic drivers of Collie and sees itself as benefiting from the industries in Collie. People go and work in Collie, turn around and drive home to Bunbury where they use all the services and amenities that it has to offer. In a way, Collie is driving what is happening in Bunbury. I am sure that the people of Collie would like to turn that around and say, “This is our economic base. Let’s build on it and attract people into our town, based on what we can bring to them through employment and economics.”

I see that as a bit of an extension of what is happening in Western Australia generally compared with the rest of Australia. We know about some of the debates that are taking place about the minerals resource rent tax and about how that policy is really about driving the economic benefits of the eastern states from what Western Australia is bringing to the table. The Western Australian underlying economy is driving what is happening in the eastern states, and that is a way of distributing the benefits of what is happening in Western Australia. I am sure everyone in this chamber feels some angst about our resources continually going over east while our communities are missing out. That is a really good example, and so too is how the goods and services tax distribution is continually being adjusted to help eastern states communities and economies to drive forward, potentially at the expense of Western Australia. I think the people of Collie may see that happening on a bit of a smaller scale in their own community.

What is Collie doing as part of the SuperTowns process? Collie has gone through a process in which everyone in the community has had an opportunity to be involved and come up with ideas about what they would like to see in their town and the issues that they would like to address to attract more people to live in the town. The first lot of funding will go to the town centre revitalisation. Collie has a railway line straight through the middle of the town. It is a bit of a dividing force in the community. The Collie SuperTowns committee, under the leadership of the Shire of Collie, has identified that they want to try to connect the two halves of the central business district. So they are going about a plan to revitalise the central business district so that the families that live there now, and the families that want to come and live there, can experience a vibrant community centre that can compete potentially with what is happening down the hill in Bunbury, or even in Perth if they are drive in, drive out from anywhere from Perth to Mandurah.

The other part of the initial funding for the SuperTowns program is for environmental works on the Collie River. The Collie River is a very important part of the Collie community. The Collie community wants some of the money to be invested into the Collie River to bring it back environmentally so that it will be a great place for the community to have a focus for recreation and social amenity. The community has identified that it wants some money to be put into that project, to appeal to people who are coming out of the Worsley alumina refinery and who might get to that end point, that T-junction, and go, “Hang on a minute; the Collie community has revitalised their city centre, and the Collie River is looking great, and there is some real amenity there”, and they might make the decision to turn left and not right. That is what we are trying to achieve in Collie.

I notice that apart from the funding that has come through the SuperTowns program, a lot is happening in Collie anyway. All of the regional investment by this government is driving to that end point of having sustainable communities based on lifestyle, economics and employment. Just to talk about some of the money that has already gone into Collie, just over \$3 million has gone into Collie Senior High School for some infrastructure improvements at that school. There is also some money for Collie airport, which is timely. I remember that I was there about a year ago, just after the budget, for a budget breakfast, and I was going to get picked up by plane from Collie and be taken to Albany. But at that point in time, the Collie airstrip was made out of gravel, so when the plane came to pick me up and take me to Albany, it could not land because we had had a whole heap of rain that day, and they said, “No, we’re not landing on that; we’ll get bogged and we’ll never take off again.” I got stranded in Collie and had to turn around and drive home. Interestingly, the runway has been sealed since then. It is now an all-weather strip.

I drove to Collie at the end of May for the SuperTowns announcement. The Premier and the Minister for Regional Development flew to Esperance to talk about the Esperance SuperTowns announcement. On their way back, they flew to Collie to make the announcement in Collie. The Collie airstrip is on a bit of a hill. When they arrived, the cloud was pretty low, there was torrential rain and they were getting tossed around. We were waiting for them to land and make the announcement. I finally got a text message from the Minister for Regional Development saying, “We’re turning upside down up here so we’re not going to land.” I think the Premier was pretty happy that a decision was made to head home. It would have been pretty rough because there was a fair bit of stormy weather around. As I said, the airstrip is located close to a hill, so the cloud was pretty low. They made the decision not to land that day. We went ahead with the announcement anyway.

Some other things have been happening in Collie around this idea of making it sustainable. The shire has already gone ahead with a heap of projects through the country local government fund, including upgrading the swimming pool. Under the southern inland health initiative, a great deal of money has been spent on the hospital, in infrastructure improvements and also services. I am sure that members are aware that about a month ago an announcement was made to bring 24/7 emergency care to many regional areas. Under the southern inland health initiative, a joint announcement was made by the Minister for Health and the Minister for Regional Development about addressing those underlying needs of communities. When people make decisions about where they are going to live, they want a good lifestyle but they also want good education and access to emergency and medical facilities. That is what this program is doing. It is useful to note that Esperance, Northam, Merredin and Narrogin hospitals now have 24/7 on-call cover and a close on-call doctor who is available 24/7. If something goes wrong in those communities, there is medical help 24/7. Manjimup and Bridgetown hospitals act like a joint hospital, and Collie and Katanning now have a close on-call doctor who is only 10 minutes away and, again, that doctor is available around the clock—24 hours a day, seven days a week. That helps underpin the sustainability that those communities are looking for. When those workers come out of the Worsley refinery, they start thinking about turning left because they can still get a good medical service and a good education for their children, and that is what we want and are driving towards.

As well as that, the Collie community is also looking at broadening its industry base—broadening what it is reliant upon for employment. At the moment it is very clear about what that is; it is the coalmine and Worsley Alumina, with the potential of Perdaman down the track. The Collie community sees tourism in its town. Most people would not think of Collie as a tourist destination, but it has a lot to offer. Part of its plan is to promote exactly what it has to offer, including places such as Lake Kepwari, which we hope will come online very, very soon. The Collie motorplex is a national racing circuit that is used almost every weekend of the year and is a real showpiece for the Collie community. I am not into motor racing at all; in fact, I think it is as boring as the proverbial. However, some people love it. Events are held there just about every weekend. Between 3 000 and 5 000 people go there because they want to see cars racing around the track or see drag-racing. It has real potential. While it is being tapped to a degree, there is a real potential to build on it. Through the SuperTowns plan, the Shire of Collie is looking at expanding caravan park access and short-stay accommodation for people. What I am trying to say about the SuperTowns program is that it is the opposite of what Hon Robin Chapple talked about. It is not about leaving towns to live and die by their underlying natural economics; it is about looking at alternatives and trying to build on their natural assets so that they are maintained and are sustainable, as ultimately I am sure we do not want everyone living in the city of Perth.

Another town is Manjimup, which has around 5 000 people living there now. The aim is to have 9 000 people living there in 20 years. If members think about the state doubling its population, it is about right for Manjimup to go for that goal. We have seen the ups and downs that the town of Manjimup has had, mainly because of the changing nature of its underlying industries. One that immediately comes to mind is the timber industry, which has been through a great deal of change in probably the last 15 years and is likely to go through more change when the new forest management plan comes out in a couple of years. In fact, there has been a quite stable population in Manjimup through all that time. People actually love living there. People tend to go there and stay and try to find ways of finding employment and engaging in industries. Another thing about Manjimup is that it is recognised as one of the food bowls of the south west; it has a thriving horticultural industry. Again, one of the natural advantages of the Manjimup community is that people want to work on the SuperTowns project. When people there talk about what they will invest in with the initial amount of money they will get through the SuperTowns project, they talk about working on some of those natural advantages. The number one project for people there is the expansion of the agricultural sector. They know that they grow great vegies and products like truffles, wine and other boutique gourmet products. They basically want to use the natural advantage of where they have come from to keep expanding and building on that agricultural industry so that it continues as the main industry of Manjimup. The forecasts of what agriculture will do and the important position it will play in the future of the world indicate that there is no doubt that if people can grow good spuds, they are in a good position to take advantage of the need to feed the world. Manjimup itself is looking at ways of increasing its food production and of playing a major role in that industry into the future.

The second part of the SuperTowns project is about the revitalisation of towns. Again, this is about building the amenity and vibrancy that people want to be a part of when they choose to live that lifestyle there. If another 4 000 people are coming to the town, we should be looking at ways to entertain them, keep them in town and have them contribute to the community as often as they can. In actual fact, if we think about it, Manjimup is quite an isolated community in south west terms. It is kind of like halfway between Bunbury and Albany. There is really no other way to get there except by driving. It is almost a three-and-a-half-hour drive from anywhere really; so when people are attracted there, they stay there.

Hon Robyn McSweeney: There's a few good back roads!

Hon COL HOLT: Yes, there are plenty of those.

Manjimup also looked into the future at things such as relocating the airstrip. It is in the middle of town and is probably not big enough to cater for an increase in the number of planes. Manjimup is looking at relocating the airstrip so that it can take up opportunities to tap into the fly in, fly out market. If it can have bigger planes fly in there, people can potentially fly in there from some of those isolated mine sites where really a town will never be built. And if those people are going to fly in and fly out of anywhere, why not fly in and fly out of Manjimup and bring some of those dollars back into the town? There has already been government investment in the Manjimup amenity through a number of other programs. Again, it is all about trying to prepare that community to make the most of the opportunities that are just around the corner, and one of those opportunities is through the increased population. Manjimup is going along pretty well. Its plan is to do some research into future niche technologies. It is looking at things such as biochar and renewable energies to be part of its mix of industries into the future.

Am I keeping members awake in the session after 7.30 pm?

Several members interjected.

Hon COL HOLT: I will move on to Margaret River. Its population is about 6 000 now and it is looking to go up to about 11 000 people in 20 years. We all know of Margaret River's national and international reputation as a brand. It has some really good opportunities through what it already stands for. People want to live, visit and holiday there. Margaret River wants to build on that marketing opportunity to drag people down there to work. I have spent a bit of time in Margaret River. It has quite a two-paced economy. There are a lot of nice holiday homes where people spend weekends, and some people have retired there with a fairly useful super or retirement fund, but there are a lot of people there who are not doing so well. I know people in Margaret River who have slept in their cars. They choose to do that; they want to be in Margaret River because of what it has to offer with the surf or whatever it might be. People really want to go there, but they do not have employment. I see a real two-paced economy there. The amenity in Margaret River is fine, but some improvements to the main street need to be done. But, gee, it has a lot to offer people as a lifestyle. I guess that is why people go there. The challenge for people who go there is to get employment. Tourism will offer one degree of employment, but tourism is a fairly brittle industry. When there are issues with financial markets or the economy, the tourism industry tends to feel the brunt of that. Although Margaret River wants people to come and enjoy the amenity, it would like to build and diversify the industry that backs up Margaret River. Everyone would have been to Margaret River at some stage, so they would know that the main road is pretty patchwork. There are bumps and potholes. No-one really cares, because people do not notice how bad the road is as they drive down the beautiful street with beautiful buildings on each side. There is no real alternative to go around the town. Margaret River is looking at creating a perimeter road, which has been on the plans for quite a while, and turning the town centre into a place where people do not have to worry about trucks rambling down the main street, and they can enjoy everything that Margaret River has to offer. I know that part of the SuperTowns plan is to build on its reputation and promote events in Margaret River and the south west. It is very good at it and has a reputation for it. It employs a lot of people and it wants to continue to build on that. There have been some investments in Margaret River through other government programs. Again, it is all about trying to prepare those communities, and all of regional Western Australia, for an increased population as people arrive in town.

I will quickly turn to some of the other towns. In case members are not aware, Boddington is another SuperTown that is aiming to have 7 000 people living there by 2051. It wants to achieve that in 40 years, which is really a pretty lofty goal. But it is now home to Australia's—or it might be the world's—biggest goldmine. Does anyone know? It is definitely Australia's biggest goldmine, anyway. That is a huge economic platform for Boddington to launch itself from. Again, it is about whether they want 2 000 workers driving in and out of Boddington every day of every week. It is about Boddington attracting those people so that they will stay in town and enjoy what Boddington has to offer. With people come services and sustainability, and that benefits the whole community.

Esperance is another SuperTown and currently has a population of about 15 000 people. Its plan is to have about 29 000 people in about 20 years, which is a loftier goal, but it is making a start.

Hon Wendy Duncan interjected.

Hon COL HOLT: It will do it easy. Esperance is implementing projects through the SuperTown program to really prepare for and attract those people.

Jurien Bay is a sleeping giant, if I have ever seen one. Currently, about 1 500 people live in Jurien Bay, and according to its growth plan, it wants 20 000 people in 40 years' time.

Hon Max Trenorden: That is doable.

Hon COL HOLT: That is doable there. If we think about the hidden treasures of Jurien Bay, I do not know why people are not living there now. As one of the satellite communities around Perth, it has pretty easy access to

Perth and other parts of the state. Its goal is well within its reach. Interestingly, the first projects that Jurien Bay's SuperTowns program is funding are things like sewerage, stormwater management and street improvements. Sewerage and stormwater management are not very sexy when we talk about SuperTowns, but it is pretty vital infrastructure to implement through that program. They are the things that set communities up. If towns get their subdivisions and their management of the water and those sorts of things right, they have a really solid base; they do not want to have to try to fix those things as people come in. Jurien Bay has probably made some very wise strategic choices.

Katanning will be another SuperTown. It is probably the most multicultural town in regional Western Australia. Katanning has set itself a goal of having 15 000 people move to Katanning in 20 years' time, and it is working on agriculture as part of its industry drive. As I have said before, agriculture is probably one of the industries that people should be thinking about getting into because everyone is going to need to be fed in this world of ours. Katanning is looking at trying to improve its amenity and town services, and one of its projects is the exploration of the establishment of a new language and cultural centre and support service for migrants and Indigenous people from the area. Katanning is really saying that we are going to have immigration, so why not come to Katanning? It has a long history of accommodating migrants and adding to the community.

Everyone would have heard about the rebuilding of the Katanning saleyards as a major agricultural infrastructure investment. Katanning will be building on those sorts of plans to get 15 000 people to live there. In considering an increase from 4 000 to 15 000 people living in a community, what sort of services will naturally go there? There will be two or three coffee shops, there will be two or three hairdressers, and there will be an extra supermarket. Those basic services will be there because there will be enough people to utilise them. I remember going to Katanning not that long ago, and it used to have a great coffee shop that had closed down, but no replacement had opened. If there were 15 000 people in Katanning, it would have never closed down; in fact, it would probably have had to compete with two or three coffee shops. What we are trying to drive at with the SuperTowns program is preparing those communities to make the most of the opportunities.

The one SuperTown I have not talked about is Morawa. People may be surprised that Morawa is going to be a SuperTown, but given what is happening in that part of the world with the expansion of some of the mining companies, Morawa has a very bright future. It is again about whether we want people flying in and flying out, going over the top, landing, going to work in the mine, and jumping on the plane and flying back over the top and leaving. I think there is more to it than that, and Morawa is looking at ways to try to get those people to stay in town while they work in that industry. I think the life of the mines out there may be 50 years or close to it. A 50-year mine cycle may not seem a long time in an environmental sense, but in the community development sense why would we not make the best opportunity of 50 years? Why not make the most of 50 years of mining in our backyard and try to build some amenity and build a community? They are probably some of the issues that happened at Shay Gap and Goldsworthy. Even though the economic driver was there, nothing happened after it. This is about trying to make the most of the opportunities from natural economics but also bring more to it.

The other SuperTown, I failed to mention, is Northam. I could not find its goal for how many people it would like to move there but it is ideally situated. Being very close to Perth, Northam may well have other opportunities that attract people for lifestyle reasons. They may well work in Perth but drive or catch the train to Northam to make the most of the lifestyle opportunities Northam has to offer. That is all I want to say about that except to back up the government policies. I think most of the regional government policies that have been implemented in the past three and a half years are about supporting and increasing the sustainability of the communities in regional Western Australian. If we think about the expenditure, that is the aim, and that is where we are trying to head to. We know we will get people into the state but we do not want them all living in Perth.

I want to briefly touch on a couple of other budget announcements. Again, it is all about supporting growth. One of the announcements is around communications and the regional mobile communications project, which is really about trying to get highway coverage for mobile phones across our vast state. That is a big challenge. It has already started and towers have been established in Capel, Nullagine, Breton Bay, Walkway, Arrowsmith, Naremben and Woottating? Is that close enough?

Hon Max Trenorden interjected.

Hon COL HOLT: Where is it?

Hon Max Trenorden interjected.

Hon COL HOLT: Woottating. I know where Muntadgin is. This communications project is about trying to increase communications for not only locals but also travellers and emergency services. About a year ago I drove down from Karratha to Onslow and when we got to the Onslow turn-off, we found there had been an accident two hours previously. One of those Wicked vans, carrying backpackers, had rolled. I do not know how long they were there before someone came to help them, but the ambulances had not reached them by the time we got

there. Unfortunately, someone died because the area is so remote. Even after coming across the accident someone would have had to drive for, I would say, an hour and a half to get anywhere near any communications. That was a tragedy. I think the first phase of the regional mobile communications project will place 113 towers across most of the regional highway network. Its aim, I guess, is to try to help people carry on with their daily business and improve emergency communications in those sorts of circumstances. Again, it is a really worthwhile project and government investment will bring that about. Besides emergency services there will be a business pay-off. People will carry on their businesses in the remote areas if they have mobile phone access.

I have talked about some of the investment in airports, especially at Collie. A regional airport upgrade fund of nearly \$9 million in total was recently announced. From the list I have, probably 25 or 30 towns have accessed that fund to improve their airstrips. We all know, especially country members who travel around regional Western Australia, what a big and isolated state Western Australia is, and air travel will become more important. We need upgraded airstrips and airports to cope with that. The thing I talk about often is that where there are people, there are services. The same thing will happen with air travel; as we get more people living in the regions, some of those air services and regular passenger transport services will become more economically viable. Therefore, we should start to build some of the infrastructure now so that they can tap into that. I will not go through the whole list, but again that is another project that this government is investing in to improve the amenity and liveability of regional Western Australia.

The last thing that I really want to talk about is the funding that has been put into fire operations for the Fire and Emergency Services Authority and the Department of Environment and Conservation. In this budget, \$32.9 million has been allocated to improve fire management, fire control and fire suppression in the state, with a particular focus, I think, on the south west, although some of those resources will go to areas north of Perth and within the metropolitan area. However, the focus is really on the south west. We are all very well aware of what has happened in the past two or three years—the Toodyay, Margaret River, Kelmscott and Nannup bushfires immediately spring to mind. I am sure that everyone is familiar with those. Out of the Keelty report came policies to ensure that we put more investment and resources into that very important part of the government service.

I am very pleased that 28 new firefighters will be employed out of that funding. Also, the funds will be used to extend contracts for fire suppression works early in the season and later in the season. If members talk to any bushfire volunteer or just about anyone who lives in the south west, they will hear that people who live in the forested areas of the south west see prescribed burning as very important for their safety. I do not think that they would ever like to give that up, but we need resources to do it. I think there has probably been a bit of a drift of some expertise out of the Department of Environment and Conservation, especially when it moved from being the Department of Conservation and Land Management in which it had not only the conservation side, but also the land management side. I think that there was a bit of natural attrition when the department moved to environment and conservation in that the land management aspect of its work dropped off or moved to the Forest Products Commission or wherever, which did not have that particular focus perhaps. Therefore, putting some investment back into that and extending the contracts so that more prescribed burning can continue is a really good outcome. I want to see some of those firefighters based in Nannup, if possible. Nannup is a community where the underlying economic drivers are really only the timber industry and a bit of tourism. There is not a lot of other stuff. I know that the Department of Environment and Conservation has always been an integral part of the community in other parts of the state. DEC had a presence in Nannup that has tended to be moved away. I want to see some of those new fire crews located in Nannup to, I guess, play a dual role. Obviously, Nannup has been the centre of a fair bit of fire activity and there is a lot of work to do around that, but also it could start to build a government presence in that community as another industry to come into town to help out with the economics.

The last bit of that money will also go to the Department of Environment and Conservation, which has to look after 353 bridges throughout the state. I was staggered by that. Although a lot of those bridges might be very isolated and not used very often, I would say there are a lot of strategic bridges that have to be maintained and protected because —

Hon Donna Faragher: And roads.

Hon COL HOLT: Yes, and roads. When in a fire someone heads down a track knowing that they just have to get across the bridge and they will be out, if the bridge is not much good, it will not be much good for them. Therefore, it is good to see investment in the bridges program as well.

With all that, I simply say that I am very pleased with some of the government programs and policies that are being implemented through the budget process because it is really about preparing and sustaining the people who live in the communities of regional Western Australia.

National Party members: Hear, hear!

Debate adjourned, on motion by **Hon Ken Baston**.