

APPROPRIATION (CONSOLIDATED ACCOUNT) RECURRENT 2009-10 BILL 2009
APPROPRIATION (CONSOLIDATED ACCOUNT) CAPITAL 2009-10 BILL 2009

Second Reading — Cognate Debate

Resumed from an earlier stage of the sitting.

MR C.J. TALLENTIRE (Gosnells) [2.48 pm]: I would like to resume from where I was before question time, when I was lamenting the savage cut in staffing numbers in the Environmental Impact Assessment Division of the Department of Environment and Conservation, which services the Environmental Protection Authority. I will make a direct link to a point that was raised yet again in question time, and that is about the so-called loss of Inpex to Darwin. That is absolute rubbish. The fact is that Inpex had a proposal that was environmentally unacceptable. It was not acceptable to go on to the Maret Islands. That company, along with its partner, Total —

The SPEAKER: I want to hear what the member for Gosnells has to say, and I know that other members in this place do. Some members may have some important business that they need to do. If they can do that outside the house, I would prefer that to be the case so that I can hear the member for Gosnells, and other members can also.

Mr C.J. TALLENTIRE: During the process of the environmental impact statement assessment, Inpex and Total realised they had a project that was in the scoping document phase—it was being pored over by those staff who still remained in the Department of Environment and Conservation in the environmental impact assessment area. Those two companies realised that their project was environmentally unacceptable on the Maret Islands, and that therefore they had to look for alternatives. That was what led to the project being moved to Darwin. But I think it is quite feasible that when they realise that the liquefied natural gas hub is a successful endeavour, and one that the Western Australian government is moving on with, they may reconsider and come back to Western Australia. But it is an absolute falsehood to say that we lost Inpex to Darwin through mismanagement of the situation. Those companies realised that their project was a no-goer.

Dr K.D. Hames: You lost it because you took forever and they could not get a decision! That's why you lost it—you took forever!

Mr C.J. TALLENTIRE: The project was with the Environmental Protection Authority at the scoping document phase—I will not take up any more of my time on that point.

Dr K.D. Hames interjected.

The SPEAKER: I call the Minister for Health to order!

Mr C.J. TALLENTIRE: I will now turn to page 889 of the budget papers. This is where we get to see the contradiction in Liberal Party philosophy. On page 889 we find —

- Large numbers of project proposals continue to be submitted for environmental impact assessment and there is continuing strong community focus on monitoring of industrial emissions and health protection in the Perth metropolitan and regional centres. The Department is participating in a review of assessment processes across government, is streamlining internal assessment and monitoring processes, and will allocate available resources on a priority basis to work to ensure that emissions and discharges meet acceptable criteria.

It is all very well to say that in a budget paper. The fact is, though, that that quality of environmental assessment cannot be achieved if staff numbers are cut from 131 to 115—indeed, 131 staff were probably not sufficient. More people are needed in that area to ensure that we only have projects that are environmentally acceptable progressing in Western Australia.

Mr P. Papalia interjected.

The SPEAKER: I call the member for Warnbro to order.

[Member's time extended.]

Mr C.J. TALLENTIRE: Further cuts made to the funding of the Department of Environment and Conservation are obvious in the budget papers—that is, when they can be accessed, bearing in mind that they were left out of the electronic version of the budget papers. When reading the Department of Environment and Conservation papers in hard copy form, it can be seen that the budget of the Office of Climate Change is being slashed as well. Instead of using the good work that was underway, the strategy work such as climate change adaptation and mitigation strategy work that the Carpenter government implemented, there is talk of developing a new climate and adaptation strategy whilst cutting the Office of Climate Change's budget by \$500 000 over four years. There is no doubt that the Liberal Party remains constrained, wracked by the climate change scepticism that exists within its ranks. It just does not seem to get that when we have 387 parts per million carbon dioxide, we have the

highest level of carbon dioxide in the atmosphere over the last 600 000 years, and great urgency is needed to reduce that level by working with other nations. As Western Australians, we should lead the way because we are being disproportionately adversely impacted by climate change. We know that our exceptional dry spell may be partly due to natural climate variation, but there are other factors overlaying our climate patterns at the moment, causing us to suffer what has already been recorded as a 20 per cent decline in annual rainfall. There is an urgent need for Western Australians to be leading the way on climate change, and this budget fails to deliver on that.

Another area where some sort of saving has been made is forest management plan protocols—a cut of \$300 000. Thankfully, we have moved on from the logging of old-growth forests, but it is time to examine the finances of logging native-growth forests. This, in effect, has been a \$300 000 subsidy—as well as other funding that has been allocated—to assess forest management plans. That must be costed when considering the viability of that industry in the future.

I will now turn to the issue of how complaints about pollution, illegal land clearing and other environmentally harmful offences are handled. The budget papers state that it is anticipated that fines of around \$60 000 a year will be collected. That seems like a ridiculously low figure. That is a missed opportunity in terms of the income that could be made for the state, but, worst of all, it means that we are not properly administering the law of the land. I will quote from an article in *The West Australian* dated 13 May, entitled “DEC acts on only seven of 2000 annual complaints” —

The State’s chief environmental regulator is prosecuting an average of seven individuals or companies each year from more than 2000 complaints.

The article continues —

Seven prosecutions were against individuals for illegally clearing native vegetation, with other single prosecutions relating to noise, emissions, discharging waste, oil and slurry and failing to monitor a site.

Bearing in mind that the offence of environmental harm—or indeed illegal land clearing—merits a fine of up to \$250 000 for an individual and \$500 000 for a body corporate, there is clearly a need to properly administer that section of law, but also to ensure that that money goes into the Department of Environment and Conservation budget.

A very worrying aspect of this environment budget relates to the environmental landfill levy. It is a bad idea to plug a black hole in the environment budget by putting a \$39 million cost onto local governments for the collection of waste. That levy would translate to about an extra \$24 to each individual household in the state. That is an incredibly unjust means of gathering additional revenue. It is also a highly ineffective way of reducing landfill. There is a pretence in the budget papers that this is all about reducing the amount of landfill. It would have to be done on an equitable basis to achieve that. A system must be in place—the technology does exist for this—whereby we actually make people pay for the volume of waste they create. By doing that, a household that carefully chooses to buy products that do not generate much waste, or is able to manage its waste in some way, will not be charged at as high a rate. It all links in with the concept of extended producer responsibility advanced by the Carpenter government. The theory is that somebody who profits from a product should be responsible for that product, and its waste, through the whole life cycle of that product.

Another component of extended producer responsibility is the notion of container deposit legislation, something that is urgently needed as it would be a great way of dealing with the huge build-up of waste bottles and cans. It is a system that works very well in South Australia, where people are very attuned to the 5c or 10c a container deposit refund they get when they return a container. That legislation is urgently needed in WA. I would also like to emphasise the need to consider the idea of weighing wheelie bins. When a household puts out its wheelie bin once a week, that bin could be weighed and the household could be billed for the volume of its waste. The electronic capacity for that system exists and it is something that we need to consider in greater detail.

I turn now to talk about the Swan and Canning Rivers, which impact on my electorate. Just this morning members saw a hastily-put-together government media release that related to a \$610 000 boost to research for the Swan River to have environmentally friendly fertilisers. Under the former Labor government, the producers of fertilisers would have been responsible for selling fertilisers that were not readily water soluble. It is disappointing to see that we are giving another subsidy to people who should be producing fertilisers that are acceptable for the environment of the Perth area. The Fertcare program is an optional extra that farmers might be able to fit into their schedule, but the problem is being tackled from the wrong place—the endpoint. It is not for the farmers to make the decision about the sort of fertiliser that they use on a voluntary basis, it should be that the fertiliser companies are required by law to only retail or sell the fertilisers that are acceptable to our environment.

Extract from Hansard

[ASSEMBLY - Wednesday, 20 May 2009]

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Mr Chris Tallentire; Ms Janine Freeman; Mr Tom Stephens

In the short time I have remaining, I would like to mention an initiative of the former government. The TravelSmart initiative helped people choose—I am returning to my transport theme. People who are instructed on the best travel options can switch to those that are more environmentally sustainable. The City of Gosnells has been an excellent practitioner of the TravelSmart program, but unfortunately is not receiving additional funding to continue that program. The City of Gosnells has an excellent TravelSmart officer; a lady called Jillian Woolmer works tirelessly to encourage people to choose more sustainable transport options. She has a great enthusiasm for encouraging people towards cycling, and has generated an active group in the City of Gosnells who meet at The Agonis on Albany Highway every Saturday morning at 8.30 to go for a ride, discover new bike paths, and work out how their cycling practices can best fit in with public transport options that are available. The TravelSmart initiative is an excellent one and deserves to be funded, so it is very disappointing that there is no funding for it in this budget.

Before resuming my seat I would like quickly to comment on the proposal for the stage 8 extension of the Roe Highway. The house should be in no doubt that this would endanger wildlife. Professor Philip Jennings from the Save Beelihar Wetlands Coalition has said how many species are at risk, including Carnaby's black cockatoo, which is already experiencing a rapid decline in its habitat because of the massive amount of land clearing already occurring on the Swan coastal plain. There is no way, from an environmental perspective, that this project should be contemplated; furthermore, from a budgetary viewpoint, it just does not make sense.

In concluding my speech, I would like to say that this budget is exceedingly disappointing. It proliferates the Liberal Party philosophy that we can contemplate uranium mining and the introduction of genetically modified food crops, but people should not worry because they will have in place the regulatory mechanisms to guard against any mishaps. However, the truth is in this budget: there is not enough funding to guard against those mishaps. That is evidenced by the cuts to the Department of Environment and Conservation in this budget.

MS J.M. FREEMAN (Nollamara) [3.03 pm]: This budget has framed itself as protecting jobs. Clearly, this is of utmost importance in the electorate of Nollamara, which had an unemployment rate in the September 2008 quarter of 4.8 per cent, while the average unemployment rate for WA in the September quarter was 3.3 per cent. With forecasts of a 6.75 per cent unemployment rate, what hope is there for the people of Nollamara in this budget? I say there is none.

Dr K.D. Hames: Are you reading?

Ms J.M. FREEMAN: I am, I am sorry. Will I keep going with it?

Dr K.D. Hames: We will not call you on it; we understand.

Ms J.M. FREEMAN: I thank the minister very much.

A recent University of Newcastle study illustrated that each of the suburbs in the electorate of Nollamara is highly vulnerable to job losses. It is not clear to me how this budget will achieve its aim of protecting jobs when the underlying tenet is cutting services, and with unfunded commitments—the budget black hole—not yet allocated, the budget will therefore undermine the economic stability of the state.

In the electorate of Nollamara, I welcome the retention of the previous state Labor government's commitment to the redevelopment of Koondoola and Mirrabooka, but note the commitment to increase funding to ensure a full upgrade of the Mirrabooka bus station has not been met. I also note that the federal government has committed \$2.4 million to the Mirrabooka bus station, and I welcome that. It is extremely important that this upgrade goes ahead. These facilities will provide capacity to address some of the important and difficult issues facing the Mirrabooka area.

It is also very important that the allocation of just less than \$1 million for the Koondoola redevelopment is spent. That money has been available for some time. I recently attended a meeting of the Koondoola Action Group. I am very concerned about the standards in this area, particularly of the Koondoola shopping plaza. I have raised this issue before in the house, and any person who has seen this shopping precinct would know that it is substandard and is not something that anyone would accept in their area—and these residents certainly do not accept it. This money has been held for the upgrade of this area for some time, and I call on the Minister for Planning to assist in finding some resolution and to spend that money.

I also note that while the Alexander Drive-Reid Highway overpass continues to receive funding from the state and commonwealth, the project has been delayed by a year. This is of serious concern for many of the residents in that area. The overpass is a critical black spot and causes many problems in the area. It needs to be progressed. It is an issue that is job-ready and important for employment. It seems to me that all of these commitments could be implemented and progressed much quicker to ensure employment opportunities in an area that has such a high unemployment rate.

Unfortunately, the budget contains no new money for Nollamara. Unfortunately, there is no money for the Mirrabooka-Reid Highway overpass, which is a serious black spot for accidents, and a particular frustration to many of the residents there.

Dr K.D. Hames: There was a very neglectful former member.

Ms J.M. FREEMAN: The Mirrabooka-Reid Highway overpass has been proposed for many years. The overpass should have been part of the Reid Highway roadworks. It is a travesty that people have to stop at an intersection not once but twice. That must cause the residents a high degree of frustration; and, of course, with frustration goes accidents.

Many of the people of Mirrabooka catch public transport. Unfortunately, my electorate will not get a train either, but then there was never any train on offer! It also looks as though we will not get any new buses. I am very concerned about the decline in the bus replacement program that is outlined in the budget. This program is integral to efficient public transport in that area. This area is a corridor of the city whose transport needs are met only by buses and private vehicles. Many of the people in the area, because of their income and status, rely on public transport. They need good, efficient, regular public transport. I am also concerned at the bus fare increase of 4.6 per cent for travel within three zones, which has an impact on areas in the Nollamara electorate.

I now come to the critical items included in this budget, which frames itself as protecting jobs. Will the payroll tax rebate save jobs? I do not think so—or not enough to make up for the jobs being lost through government cuts and services! As I understand it, the payroll tax rebate is targeted at small businesses. I question its relevance if around 90 per cent of small businesses in WA—I understand that the classic definition of a small business is 20 or fewer employees—are exempt because of the threshold. Therefore, this budget has no impact on most small businesses whatsoever. I understand from listening to my colleagues that companies receive maximum benefit if their payroll is \$1.6 million and no benefit at \$3.2 million. I recognise the argument of the member for Bassendean that this may not protect jobs but will cause the loss of jobs as employers manipulate their payrolls to achieve the benefit.

Mrs L.M. Harvey: Under the aggregation laws for payroll tax it will benefit many small businesses.

Ms J.M. FREEMAN: I understand it cuts out with a payroll of \$750 000. One of the reasons put forward in the state tax review for not reducing that level was that a payroll of around \$750 000 would not affect a high percentage of people.

Mrs L.M. Harvey interjected.

Ms J.M. FREEMAN: I understand that the definition of a small business is a business with about 20 employees. From an industrial relations perspective, the government's position is that a small business has about 20 employees.

Mrs L.M. Harvey: It is a very good initiative. It will help small businesses.

Ms J.M. FREEMAN: I am happy that it will, but those small businesses will not be happy with the taxes and charges that are in this budget. While the government is giving something with one hand, it is taking it away with the other. The payroll tax rebate is being given for only one year, which is also an issue, especially when we are going into deficit budgets in the following years. Therefore, the critical times for the economy will not necessarily be this year but in the following years. They will also be critical times for small businesses.

I had the laborious experience, along with the member for Maylands, of being part of the state tax review, which was dominated by lots of men in suits and interest groups vying for benefits for their members. It is sometimes difficult for community voices to be heard in this context. It is worthy to note the findings of that review —

... economists generally agree that reducing payroll tax will generate significantly smaller economic benefits than equivalent dollar cuts in other State taxes.

However, in considering the lobbying for reduction, the state tax review concluded —

A rate reduction is the preferred method of reducing payroll tax.

It also seems incongruous to me that in a debate that seems to centre on loss of employment in large corporations and business, this government's answer is to target small business instead of business as a whole.

Of greatest concern to me as a representative for the people of Nollamara is the large increase in fees and charges, as they will be hard for those people to bear. I note that there is an increase in costs of around nine per cent. I agree with the member for Forrestfield that fees and charges that go beyond cost recovery constitute a tax. In this case, these people are being unduly taxed when there are other ways that the state could recover costs.

It is interesting to note that the WA government is arguing in the state wage case that is being heard yesterday and today that a consumer price index increase is adequate for low-income workers, when it has clearly been

shown that increases in basic costs of living are not represented by the CPI. I note that the current minimum wage is \$557.40 and that the median individual income, taken from a study by the University of Newcastle's Centre of Full Employment and Equity, in my electorate ranges from \$348 to about \$500. CPI increases are not good measures of what is required to maintain a standard of living. Whilst we have seen a decline in the CPI over the past four or five years, this decline was as a result of a decrease in luxury goods, while the cost of basic goods such as food, rent and charges went through the roof. CPI in WA declined by 0.1 per cent in the March 2009 quarter to 2.2 per cent. The decrease was attributed to a decrease in the cost of transport, clothing and footwear. The cost of food, health and housing all increased, with food increasing by around 0.6 percentage points. It is interesting to note the government's submission in the state wage case, which states —

The value of wages, and consequently the standard of living, declines for the lowest paid if there is no mechanism by which wages can be adjusted to keep pace with prevailing economic conditions.

The prevailing economic conditions mean that a far greater increase is required. It is incongruous to argue about CPI increases when it is an accepted practice. We recently did this with the Statutes (Repeals and Miscellaneous Amendments) Bill so that wage-related items, such as the prescribed rate in workers' compensation, could be shifted by the wage price index or the labour price index. I note that the labour price index for WA for the March 2009 quarter was 5.4 per cent. It is therefore a concern that this budget has a wages policy based on the CPI. That policy does not recognise the requirement for workers to meet the costs of everyday living that cannot be met by the CPI. At least the more appropriate figure that should be considered and adopted is the labour price index, or there should be full participation in negotiations to reach an agreed outcome.

This is not a budget about protecting jobs, because the key announcements will be engulfed by costs and charges both through this bill and in other indirect charges such as WorkCover premiums. Indeed, the budget commitment to deliver a rebate of workers' compensation premiums for first-year apprentices will make little dent in the costs that employers will now need to meet with the 9.9 per cent increase in premiums in April this year. This increase needs to be seen for what it is—a burden on employers because of the losses by insurance companies. Insurance companies used the boom time to garner market share in the workers' compensation industry through discounting of up to 24 per cent less than the premium rates, while still profiting from the system. Now that they have fallen on poor times, not due to the workers' compensation system but through their bad investments and the resultant impact of the global financial crisis, they expect the employers of WA to pay with an increased component of the profit share for insurers. With this increase in premiums, this government has allowed insurers to increase the profit share recouped from premium rates from eight to 10 per cent. While claims, medical and other costs remained consistent with past trends that delivered reductions—the claim frequency has actually reduced—this state government has endorsed cost-shifting insurance loss by imposing a 9.9 per cent increase in premiums on employers. This is the first increase in 10 years, except for a small increase when the legislation was amended. That is the official line on the WorkCover website. This government will take the average premium rate to 1.738 per cent of total wages. That is very difficult at this time. It will certainly gobble up any of the amount that is currently afforded to them for the apprentices.

Workers' compensation is one of the key issues that I raised in my inaugural speech. Now that it has been recognised by the federal government that the standard retirement age is not 65—a multitude of reports pointed that out—it is time that the current section 56 provisions of the Workers' Compensation and Injury Management Act, which cease weekly compensation payments at age 65, be repealed and that people receive weekly compensation payments without discrimination on the basis of age.

These are challenging times. In these times of challenging circumstances, as stated by the Treasurer, the community looked to the government for innovative action, not just business as usual. It is not dissimilar to business. It looks to government to consider its efficiency—not simply cuts but long-term solutions that deliver long-term prosperity. I fail to see that in this budget, which has been aptly named "skinny". The people of the electorate of Nollamara want good government. Part of that is in looking at the relationship between the three tiers of government. The residents of Nollamara are well served by federal and local government. Services to the community are funded directly to on-the-ground services effectively delivered by local government. Nollamara needs these on-the-ground services to address many of the issues that confront that area. The Integrated Services Centre, which was funded from the Department for Communities' Office of Multicultural Interests, has been de-funded. As mentioned before, this is an innovative whole-of-government program that provides on-site assistance with health, social and trauma issues and ensures that they can be quickly addressed to the benefit of children and the community as a whole. It is timely that we see this, given that yesterday the principals' association raised the issue of assistance for parents with children in schooling. The proof really is in the pudding with the Integrated Services Centre having been de-funded from October this year.

Dr K.D. Hames: That's not Ishar?

Ms J.M. FREEMAN: No, it is not, but I will raise Ishar Multicultural Women's Health Centre. The minister might be able to clarify whether there is any funding in the budget for the midwife —

Dr K.D. Hames: You will do a press release, and I will wait for it.

Ms J.M. FREEMAN: I am very happy for the minister and me to do a press release together.

Dr K.D. Hames: I am very impressed with the young woman who works there.

[Member's time extended.]

Ms J.M. FREEMAN: Most of the people who work at Ishar are very impressive. Certainly the midwifery program, a joint program between the Midwives Association of Western Australia and Ishar, was a great program. The funding ceased for that program in January this year. I have looked at the health budget and it clearly does not go to those line items. It is a simple budget.

Dr K.D. Hames: The total budget for that has not gone down. I will do some restructuring of it. In fact the total budget has gone up slightly with inflation. I will do some restructuring within it. I would be pleased to tell you when I have done it.

Ms J.M. FREEMAN: I am sure that that might mean that other services that people think are worthwhile are restructured out of that. I do not want to see that happen. However, I would like the Ishar program, which is an extremely important pre-childhood program for the people in the area, to continue. It assists newly arrived people to Australia in their pregnancy by ensuring that they understand the processes in our community. It is a great program.

Dr K.D. Hames: A lot of people from other countries, particularly African countries, are moving into that area and they need that sort of support.

Ms J.M. FREEMAN: Absolutely. One of the things that need to be recognised about that area is the high level of multiculturalism and the difficulties that brings. I said in my inaugural speech that the government's role is to ensure that diversity in that area is a success so that we can celebrate it. However, it needs services and assistance. Services, such as the Integrated Services Centre in Koondoola —

Dr K.D. Hames: See how much better that was without you reading it.

Ms J.M. FREEMAN: I am sure I can do it, but I have to keep on track.

In keeping on track, it is timely that the Principals' Association of Western Australia raised the issue of assistance for parents to allow them to undertake better teaching. It is funny when I ring the Koondoola Primary School and am put on hold, I hear about the success of the Integrated Services Centre. They talk about how the centre ensures that teachers can devote their time to teaching because the centre is able to address the issues faced by newly arrived people to Australia.

I was going to say that the proof of the pudding is in the eating in relation to truancy figures in the Nollamara electorate. Koondoola Primary School, which has the Integrated Services Centre, has the highest rate of student attendance in the electorate at 94.1 per cent. I do not know what the average rate of attendance in the state is, but Koondoola school has the highest student attendance in the electorate. The figures range from the mid-80s up to the mid-90s. It is a concern when one looks at the attendance figures for some schools, but clearly the Integrated Services Centre is doing its job for Koondoola school, which has such a high rate of student attendance.

An innovative state government would use this opportunity to have a hard look at itself in the context of whether we are overgoverned. I note the member for Riverton's comments about the nature of federal-state funding. It is a reality that is not recognised by this budget, and neither is the impact on state-federal relations.

In modern day Australia we need to consider all the layers and how they operate and whether they deliver the best services to the community. Now is the best time to do that. In examining efficiencies and services, we need to look at how we are governed and ensure that we are governed well. This should occur through the local government review. That review should also go towards ensuring that services can be delivered in the best possible and most effective way with the money that is allocated to them. Indeed, it is imperative that the federal government's initiatives to get us through these challenging times are used efficiently and effectively. It is vital money from the federal government and it is important that it is not wasted in a bureaucratic tunnel of state government. For example, we need to ensure that all the money available to schools goes towards projects. I welcome the funding from the federal government to schools in the electorate of Nollamara, particularly to the Mirrabooka Trade Training Centre at the Mirrabooka Senior High School. I note that the allocations to these projects are not described in the budget papers as money allocated.

An area in which the government needs to be bold is employer relations. I was distressed to read in yesterday's *The Australian Financial Review* that the government has not signed the occupational health and safety

harmonisation agreement. For a government that says it is defending jobs, this is a retrograde step. The article states —

A ministerial meeting yesterday signed off on the long-awaited model for national occupational health and safety (OHS) laws as part of a plan to cut business red tape.

But WA Treasurer Troy Buswell warned the deal could undermine OHS standards in his state ...

He would not sign it. However New South Wales and Queensland, who also oppose key parts of it have signed it. It is a key element to how we go forward. Many businesses operate across the borders of any one state. Unlike the daylight saving issue, I can imagine it is with great difficulty that they have to deal with occupational health and safety laws in different jurisdictions. Harmony would increase the efficiency of how our economy operates and that would increase the efficiency of how businesses are run. We need to do these things in these challenging times to ensure that business can come out of an economic downturn and into an economic growth phase.

The move by the Western Australian government drew condemnation from the Business Council of Australia. It is quoted in the same article as follows —

“If any states decide to opt out of the process, then we won’t have a fully harmonised system of OHS and that’s bad for business.”

I note that the state government has decided not to refer its remaining industrial relations powers to the new national system. Although this is a contentious issue and many people, including me, believe there is a role for the Western Australian Industrial Relations Commission, we must recognise that with the changes made by the Howard government, an overwhelming majority of businesses in Western Australia are now in the federal system. To maintain a system because one is ideologically opposed to the federal government of the day seems to be a retrograde step when, in these times, we should look seriously at how business and government can operate efficiently. To disregard it without investigation and without discussion with the stakeholders, seems to me to be blind to what really needs to occur in the current phase of our economic cycle. To benefit the state, we in this house need to look seriously and realistically at federalism by considering what it does, what it means, what this state’s place is in it and how we operate.

I refer to other areas of concern to the residents of the electorate of Nollamara. Although the seniors rebate is welcome by senior citizens in the community, I again draw the government’s attention to the criteria for a Seniors Card, which is to be over 60 years of age and working 20 hours a week. Someone who earns a considerable income could receive the \$100 rebate but someone who was working full time but was on a low income or was on the minimum wage would not get the \$100 rebate or a security screen or any of the other measures.

The government is pulling money out of Osborne Park Hospital. That is an important facility for the people of Nollamara, especially for the provision of mental health services. Royal Perth Hospital is simply not the answer for the area, as I have said before.

It is disappointing that the government will not build the state netball centre. Today there are an estimated 1.2 million netball players in approximately 50 countries. As an ex-state netballer, I know how much football dominates our culture, but I also know how many women play netball. This is a retrograde step.

The Department for Communities appears to have had some of its funding cut, although the detail is not clear. I again point out the importance to the community of volunteers, and particularly of philanthropy. The Acting Speaker (Mr J.M. Francis) would know that, being a donator to causes. He has ensured that his tax stimulus has gone to a good cause. On a personal note, I recognise my partner, John O’Brien, who has established a scholarship at Deakin University. Why Deakin University? He inherited moneys from his beloved aunt and mother and has used part of that money to establish a scholarship. The scholarship has been funded by the estates of three of the James children—Mary Isabelle Moore; Eileen Marjorie O’Brien, nee Moore; and Jack Moore. The two departed family members both undertook some or all of their training at the Warrnambool and District Base Hospital pre and post the Second World War. The scholarship will assist nursing students at Deakin University. It is important in these difficult times to remember the importance of donations and of being a part of and assisting the community.

It is also very important to understand the role of government. There is no new funding in the budget for Nollamara. The area needs assistance. It is an important area and it is the cultural hub of our community. I invite members to see it. It is vibrant but it also must deal on the ground with the issues of inclusion and difference to make sure that it continues to be a successful and thriving community.

In conclusion, I am concerned that the Treasurer’s budget talks up the recession instead of feeding the green shoots of recovery. It simply relies on being bailed out by the federal Labor government. I would like this

government to think about this budget innovatively and to do something differently to ensure that we will have the wealth that we need.

MR T.G. STEPHENS (Pilbara) [3.33 pm]: I will speak in the budget debate and focus, at least initially, on the regional areas of Western Australia, and specifically the area that I represent—the Pilbara. I will focus on how this budget purports to respond to the challenges there. I will also conduct an analysis of whether the government's claim to focus on that region really does meet the challenges and opportunities in the Pilbara region and more widely across Western Australia.

As I look at the budget, I cannot help but look back over my experience of representing and working in regional and remote Australia. I have watched the various responses that various spheres of government of various political persuasions have produced when trying to respond to the challenges and opportunities of remote and regional Western Australia. Intertwined with that region, of course, is the large Aboriginal population. There are many lessons to be learnt from the failure of government policies and programs in regional and remote Australia and from the failure of the government to focus on Indigenous people who live in regional and remote Australia. There have been many policy attempts and program responses to those shared challenges. However, at the end of the many approaches to respond to the challenges, there has been in remote and regional Western Australia a failure to capture all the opportunities that should be captured. We do not see thriving populations, adequate regional development or sustained economic growth that could benefit the permanent local population. In Western Australia in particular, we have seen something that is underpinned by and large by the resource sector, with its fly in, fly out philosophy that has not adequately created communities where people can live, flourish, thrive and produce families that will be connected to the area. No sphere of government of either persuasion can be proud of the tale as it affects not only the permanent population, which is largely Indigenous, but also the long-term non-Indigenous population.

One of the hallmarks of this budget is that the Liberal and National Parties have joined what is for all intents and purposes a coalition government, although under another name. That coalition is formed on the commitment to the royalties for regions program. Prior to and since the election, the royalties for regions program has been sold to the people in regional and remote Western Australia, and in the Pilbara especially, as a panacea for all the challenges with which they have been faced. Specifically, it was going to be a firm underpinning of the Pilbara region to respond to the many challenges and experiences of neglect that have been the story of the Pilbara for too long.

In the past, I have watched people pinpoint programs that would allegedly solve all the challenges of government failure, whether in the field of regional development or Indigenous affairs. It has occurred to me that there are some lessons to be learnt. In the area of Indigenous affairs specifically, much enthusiasm went into an initiative of the Hawke federal government to create the Aboriginal and Torres Strait Islander Commission. That was set up during the Hawke years and presided over by very enthusiastic ministers. The commission was to build in policies that would position resources for Indigenous people through a representative structure that would be a guaranteed bucket of money from which they could draw for an extended time. However, what happened in the field was that too often almost every other government agency and department simply disappeared from the terrain and the money for everything that was to be dealt with under the heading of Indigenous affairs had to come from that bucket. That bucket was typically constrained by a set figure that was never enough on its own to meet the many challenges with which the Indigenous communities around the nation were faced.

What appears to be happening in Western Australia right now is that regional Western Australia has been given the royalties for regions fund and from that fund, as if it were a magic pudding, the funding for everything that was previously paid for in the normal delivery of government services and programs, whether it was health, education, agriculture or transport, is to come out of that fund. Those arms and agencies of government seem to be walking away from regional Western Australia and saying that if money is needed for the normal delivery of programs of government —

Mr V.A. Catania: That is exactly what the Minister for Health says.

Mr T.G. STEPHENS: It is exactly what the Minister for Health said. I am pleased to hear that he has endorsed my comments.

Regrettably, since the election of the current government, all those important agencies, departments and arms of government that are essential for the delivery of government programs are apparently turning their backs on regional areas. They are telling us not to approach them for programs. They are saying to us that if we need a new school, a hospital or expanded health services, they will have to come out of the royalties for regions program.

Mr V.A. Catania: Is it happening in your electorate, too?

Mr T.G. STEPHENS: It is, and I am sure it is happening in the electorate of the member for North West. Instead of an orderly response through the arms and agencies of government that is needed in these regions to meet not only the current need, but also the grand opportunities that await the regions, the arms and agencies of government are withdrawing their services and capital allocations and are holding back in expectation that somehow or other everything that has to be spent in regional Western Australia must come out of royalties for regions money. It is ultimately a great fraud and trick upon the people of Western Australia. It becomes the pea and thimble trick par excellence. They take from the people of regional Western Australia the usual services of government and give some back under a green and gold thimble, which matches the National Party's colours. When people lift the thimble they find some reduced pickings from which they must do everything to meet the challenges of regional and remote Western Australia. That is a fraud not only upon the people of regional Western Australia, but also on the state and nation. Government investment in those regions, especially the Pilbara region, will ultimately deliver an enormous return for all of us. It will deliver it for not only those connected with the region, but also the whole state and nation by a return that flows from the orderly expansion and creation of great opportunities.

I will give a couple of examples. The Water Corporation expenditure in the budget process being rolled out into the town of Port Hedland to create the opportunity for sewerage headworks in the Acton Street area of Port Hedland would have been about \$7.2 million. We have seen the program delayed. I fear for its delivery. The budget processes have meant that a lot of money needs to be taken away from agencies of government in order to repackage it, paint it green and gold and deliver it under a new guise. The headworks scheme is vital for the intense redevelopment of that part of Port Hedland. It will provide the opportunity for an increased density of housing as well as a new hotel-motel development and units that could be constructed in the area. That development would meet the demands of the town, which is rapidly expanding in response to the opportunities in the iron ore industry specifically. That opportunity is rapidly disappearing. The experience of the Pilbara is not confined to a program such as the headworks scheme.

Another small example is the efficiency dividends in the transport portfolio. They are apparently taking away from that portfolio its capacity to respond to the necessary transport subsidies for operating a bus service in that area. The area is not lucky enough to have a train service, such as that from Perth to Mandurah. However, it has a coach service operating between Port Hedland and Newman, which is operated by a company called Integrity Coach Lines. It has been operating until now with a small subsidy. Because of the constraints that apparently apply to the Department for Planning and Infrastructure, that service will cease at the end of May. There will no longer be a service operating between Port Hedland to Newman and on to Perth, delivering a service needed especially by the residents of the inland towns. Those towns include not only Port Hedland and Newman, but also towns through the Murchison and on to Perth. The loss of that coach service will have a huge impact on people with low budgets who draw upon the opportunities the service delivers. There is no alternative intraregional coach transport system available to them. People in Port Hedland are faced with the huge distance via coastal communities to Perth, and the increased costs associated with it. The people inland have nothing other than an airline. That subsidised transport service will be lost because of constraints in the transport portfolio and the heartstrings of the Minister for Transport not able apparently to be responsive enough to the challenges of the Pilbara region.

I will give examples. We in the Pilbara region fought for an extended period of time to see the expansion of the health and hospital network in the region. We were finally allocated in the budget the opportunity for the orderly expansion of a new hospital in South Hedland for the Pilbara region, which is a grand legacy of Labor administration and is currently being constructed. The fear of people in a region such as the Pilbara is that the hospital, designed for the way Port Hedland and the Pilbara was, needs to be completed right now and orderly plans need to be put in place for the expansion of that hospital into the out years. It could then respond to the growing population as a result of the resource sector, which includes not only the local permanent population, but also the many fly in, fly out people in the Pilbara region. Nothing in the budget papers would see the government planning for the next phase of the orderly expansion of that hospital. The inland towns of Newman, Tom Price and Paraburdoo, and the smaller population centres of Marble Bar and Nullagine, have great population pressure. The pressure comes not only from local residents, but also the huge phenomenon of fly in, fly out that presents in an area where iron ore activity is enormous. Nothing in the budget papers reveals a focus on the challenges that need to be met. There seems to be instead this myth that somehow or other the delivery of a royalties for regions scheme will be sufficient to meet all these many challenges. All the arms and agencies of government seem to be walking rapidly away from responding.

Mr V.A. Catania: I think you could change the word "scheme" to "scam".

Mr T.G. STEPHENS: Scheme or scam, it certainly has a good colour scheme. I think the people of regional Western Australia, especially those in the Pilbara region, will ultimately see it as a fraud and trick upon them, because a fundamental feature of it is robbing Peter to pay Paul. The Department of Education and Training, for

instance, is losing a focus on the challenges of upgrading the many schools in the region. It is not good enough for an education portfolio to simply rely on the federal government for the orderly maintenance of schools in the region.

I will give an example. Nowhere in the budget papers is there any indication that the Minister for Education or the portfolio over which she presides have realised that there is a need to replace the South Hedland Primary School with a state-of-the-art school that meets the demographic challenges of the area and connects it to the ambitions of contemporary education in years 1 to 12. A primary school could be integrated into a high school environment to create many benefits that would flow to a community with a demographic such as South Hedland. South Hedland Primary School has a huge percentage of Aboriginal children, yet it has school buildings that are not adequate to meet the current educational challenges that should be theirs. To find within the budget papers no indication that that portfolio is rising to meet that challenge is bitterly disappointing for the people of South Hedland, and for other people in the Pilbara community. All that those people can see is a lack of focus on their school infrastructure. A focus on school infrastructure should be a hallmark of a government that wishes to grab the opportunities that the Pilbara presents.

[Member's time extended.]

Mr T.G. STEPHENS: It would be bad enough if it were simply the health and education portfolios that are lacking the focus that should be placed on the Pilbara region. I have mentioned the failure of the transport portfolio to respond to the immediate challenge of providing a bus service. Regrettably, this story is repeated across almost every arm, agency and department of government. We are finding that people within this government think that it is good enough to simply rely upon the royalties for regions program. Increasingly, ministers of this government are turning to the advocates for the regions—the community representatives and groups. That means that instead of people being able to go to the portfolios that should be able to respond to the challenges, they are being sent off to the National Party's royalties for region program to extract from that what should be the orderly investment of government to meet the needs of our community. It is the same with power infrastructure. The power infrastructure of a region such as the Pilbara should not be entirely dependent upon the royalties for region program. It should be the orderly investment of government in the power infrastructure—the hardware of the Pilbara—that delivers opportunities for these towns and communities.

It should also be a source of great disappointment to the entire state and nation that missing from this budget is an adequate response to the challenges faced by the ports of the Pilbara. I mention in particular the Port Hedland Port Authority. The Port Hedland port has huge opportunities for growth. The expansion of that port is of vital importance to the iron ore industry—not only BHP Billiton and Fortescue Metals Group, but also Atlas Minerals and the other smaller companies that operate through that port. The challenge of expanding the outer harbour is talked about. However, nowhere within the budget papers is there any indication that funds will be landing to deliver what is needed for that region. This is a story that we will have the opportunity of speaking about in more detail when the matter of public interest comes on for debate later today.

I turn now to another aspect of my work. That is the aspect of collaborating with a team in my office in South Hedland. I have noticed during my work as a parliamentarian representing the Pilbara how important is the role of our electorate officers. I pay tribute to the support team that I have had. That team is working day in and day out in connecting with the community of the Pilbara. Mary Jane Coates is a long-term officer of mine in South Hedland. She is working with the local community, in her role in that electorate office, to make sure that the issues in my community are the issues that I work with day in and day out. She is joined in that team by Belinda Marsden, who came to us from South Australia after the last state election. She is working in that office very keenly and vigorously on behalf of the local community, and on my behalf, to ensure that my colleagues and I are alert to the issues, and in helping us to liaise with government departments. I pay tribute to the work of that team, which helps me to do my job of representing the people of the Pilbara. I have been lucky to have had a very good team in the past. In the previous four years, Tricia Hebbard had been doing that work for me. She has now gone on to work at the Town of Port Hedland. She put great work on display during the four years that she worked with me, and she is now putting great work on display as she works for the Town of Port Hedland. On Friday night, I was pleased to join all three of these people at the "Welcome to Hedland" night. On that night, Tricia, in her role in council, put on a fantastic event in South Hedland. That event gives newcomers to the town the chance to see the services on offer from the local council, community organisations and government departments. A couple of government departments still seem to be able to display that they are available to do some work in the Pilbara region. However, I fear for those departments, because they seem to be diminishing in number. Unless they are coated in green and gold and dressed up in funds from the royalties for region program, I fear that soon they will not have any regional dimension to them.

Over the years I have been very lucky to have had a long-time association with Shelley Eaton. Shelley Eaton has now become Hon Shelley Eaton, a member for the Mining and Pastoral Region in the Legislative Council.

Extract from Hansard

[ASSEMBLY - Wednesday, 20 May 2009]

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Mr Chris Tallentire; Ms Janine Freeman; Mr Tom Stephens

Shelley Eaton has worked for me in various roles. She worked for me first when I was secretary of the State Parliamentary Labor Party. She has also worked in my electorate office. I pay particular tribute to Shelley Eaton, because this week she will be retiring from the Legislative Council after a short term as a member of Parliament. Shelley Eaton has worked in close association with me for nearly 15 years. She has had an association with this Parliament and with the Labor Party since she was a young child. In fact, her mother, Pat Chamberlain, had worked in the same office for someone else in the role. Shelley Eaton will be going to the Northern Territory next week to pursue the next phase of her life. I take this opportunity in this budget debate to pay tribute to the dedicated work and loyalty that Shelley has displayed to me and to the Labor Party generally. She has worked for a number of Labor members. She has worked as a ministerial staffer, and as an electorate officer. She has also worked on various campaigns. In recent times, she has been a councillor in the council of Broome. She has given dedicated service to the extended communities of Broome and the Kimberley, and to the Mining and Pastoral Region. It is with great affection that I pay tribute to Shelley's contribution to politics and to parliamentary life, and to her service as a councillor and as a citizen of Western Australia. Our loss will be the gain of the Northern Territory when she moves there next week to take up employment in that jurisdiction. We are lucky in this life if we get the friendship and dedicated support of a person such as Shelley Eaton. I have been lucky to have had loyalty, friendship and professional support from Shelley for an extended period of time. My wife and I and our children were delighted to join Shelley for a farewell meal last night in the parliamentary dining room to say thanks for her friendship and dedicated service. I often find in this job that I tend not to talk about my personal life. I tend to always strip away any emotional feelings that I might have about a connection and friendship such as that. I tend to try to strip myself of reference to those parts of my life in which warmth and friendships are built up. However, in this particular case I want to pay special tribute to the work of Shelley Eaton.

Mr Acting Speaker, you may tell me in a moment how this works. Will I be required to sit down in a moment and continue my speech at a later stage?

The ACTING SPEAKER (Mr J.M. Francis): The member has 30 seconds left, and he can continue his speech later if he wants.

Mr T.G. STEPHENS: Thank you, Mr Acting Speaker. I will continue later. I will use the remainder of my time now to say that in this budget, missing from the government's response to the challenges of the Pilbara is a realisation that we cannot leave it all to the Minister for Regional Development and his royalties for regions program. The government cannot continue to play a pea and thimble trick upon the people of Western Australia by taking funds away from government departments and agencies, and then letting those funds reappear under another thimble that is coloured green and gold, but that is diminished in the total quantum available to the people of regional Western Australia. That is a fraud that does not become the government of Western Australia.

Debate interrupted until a later stage of the sitting, pursuant to standing orders.

[Continued on page 4343.]