

LOAN BILL 2015

Second Reading

Resumed from an earlier stage of the sitting.

MR J.R. QUIGLEY (Butler) [8.00 pm]: Due to the standing orders of this chamber, I am resuming my remarks on this Loan Bill some three hours after I was interrupted to allow private members' business to be taken.

Dr K.D. Hames: Four hours.

Mr J.R. QUIGLEY: How time flies! It was four hours ago.

I would like to take this opportunity to reiterate one or two of the remarks I opened with so that anyone reading *Hansard* will have some sort of continuum thread.

I was saying that it was not the Labor opposition that first stood firm against the Premier in his dereliction of duty in driving this state into debt. As I said before, it was none other than two former Liberal Premiers, Sir Charles Court and Hon Richard Court, who invited Hon Julie Bishop to lunch at the Weld Club where they asked her to give up her seat in federal Parliament and come back to Western Australia to become the leader of the Western Australian Liberal Party to protect all Western Australians from Colin Barnett, the now Premier, so that he would never become Premier. That was the motive and strategy of Sir Charles and Richard Court. As I said before, they knew what was coming because Hon Richard Court had been not only Premier but also Treasurer. He had seen it in black and white from the then under secretary of Treasury, John Langoulant, who had written to the then Premier, Hon Richard Court, to highlight the fiscal irresponsibility of his then Minister for Education, Hon Colin Barnett. It was not Labor who started all this in identifying Mr Barnett's fiscal irresponsibility; it was first the under secretary of Treasury and, second, none other than Sir Charles Court and Richard Court, both former Premiers of Western Australia.

Some years ago, of course, before the current Treasurer, we had a very competent Treasurer in Christian Porter. Everyone was surprised when, shortly before delivering a budget, Mr Porter announced that he would resign from cabinet and move to the backbench with the ambition of standing for the seat of Pearce. We can see now why he resigned so shortly before the second budget he was to deliver. That was, of course, because he looked at the out years and saw where the Premier was taking the economy of Western Australia. The current Treasurer does not seem to have any self-respect. To please the Premier, he has done backflip after backflip on the philosophical positions he held and espoused prior to joining this Parliament, and that has resulted in state debt being driven past \$30 billion. Imagine what the Treasurer would say if Labor were in power and he were only a public commentator. He would lash out at Labor for taking state debt from \$3 billion to \$30 billion. I know he is only trying to please the Premier, but he is responsible in no small measure. Are the ideological criticisms of the Premier and the Treasurer just ideological criticisms made by Labor against the Premier and this incompetent Treasurer, or is there more to it? Obviously it is not ideological criticisms. As I said, the first identifiable stiff criticism was from Under Treasurer Mr Langoulant. The second was from Sir Charles and Hon Richard Court who together begged Ms Bishop to return and save Western Australia from the ruination that both of those gentlemen could see a government led by Mr Barnett would take us. Of course that is bookended by more contemporary criticisms from his own party.

There was that excellent and insightful opinion piece, which I have not heard anyone criticise, published by a former cabinet minister, Hon Rob Johnson, the member for Hillarys. He was an integral part of the Liberal Party in opposition in developing policies that Mr Barnett credited with taking it into government. He left the cabinet in unhappy circumstances. I wrongfully assumed that he was driven out of cabinet—I had trouble with this word the last time I pronounced that Italian car the Lamborghini—due to his problems with the confiscation of hoon cars. Members will remember that whole controversy when police seized a doctor's car that had been left in the workshop for serving and the mechanic had driven it. I assumed that was why Rob Johnson left the cabinet. But after looking into his opinion piece—because when these people leave cabinet they do not tell us why—I could see the disharmony, discord and clash he was in with the government that he was a part of.

[Member's time extended.]

Mr J.R. QUIGLEY: This bill will raise the debt level even further. As I said, it is the Liberal Party borrowing and spending. That is what this hopeless government is all about. Sir Charles could see it coming. Hon Richard Court could see it coming. John Langoulant, the then Under Treasurer, could see it coming, and so could a voice inside his cabinet. This Loan Bill will load up generations of our children with debt. That is what this government will be remembered for. If we were to ask young people today who built the Mandurah rail line, they would probably say it was some railway fettleers, because they were not of an age back in 2001, 2002 and 2003 when all of those decisions were made to know which government was responsible. But they will remember for decades who burdened them with this debt. Why can they not build schools in this area? It is

Extract from *Hansard*

[ASSEMBLY — Wednesday, 6 May 2015]

p3226b-3250a

Mr John Quigley; Ms Josie Farrer; Mr Chris Tallentire; Mrs Michelle Roberts; Ms Margaret Quirk; Deputy Speaker; Ms Rita Saffioti; Mr Ben Wyatt; Dr Mike Nahan; Mr Bill Johnston

because they are paying interest on the debt that this Treasurer and this bill will inflict upon our community. It is all very well. At the moment interest rates are at record low levels but it will not always be so. In the future, when our children, and certainly in my case my children's children, are earning money and paying taxes, a fair portion of it will go towards servicing the debt that this chamber will vote to increase tonight. Where is it all going to stop?

I will quote from the insightful piece because it is right on point. Of course, the author, Rob Johnson, entitled his paper "Robbing our Children—All Part of the Bigger Picture?", because we are told that is what this debt is: it is all part of the Bigger Picture. I want this in *Hansard* because most of my constituents would agree with it 100 per cent. If I may read —

Most responsible parents try and leave a legacy in the shape of a small fund to help their children on their path through life. What would you think of people that were spending money they didn't have and then said, "Don't worry, our children will pay it off after we die?" Our Prime Minister has referred to this process of excessive government borrowing as "intergenerational theft." Our State Government refers to it as "The Bigger Picture."

What my State Government is leaving Western Australian children is the biggest debt in our history. By the time the next election takes place in March 2017, we will be facing a debt of around \$35 billion dollars. That is equivalent to \$14,000 for every man, woman and child. State Treasury estimated in their budget forecast two years ago that in ten years, providing we don't employ any more public servants and wage rises are kept to CPI, then the state debt would be around \$47 billion. If we don't keep strict control of these expenses, then the debt will be around \$86 billion. I previously predicted —

That is Mr Johnson —

that it would be around \$70 billion which is the equivalent of \$28,000 for every man woman and child.

These are frightening statistics and the facts are that we simply don't have enough assets to sell to be able to pay off this amount of debt. And you may well ask why we should have to sell our children's legacy to pay for our financial incompetence.

Every week the state debt increases by around \$100 million. Therefore, every ten weeks the debt increases by around \$1 billion or over the course of a year around \$5 billion. Add to this any deficit in the annual budgets as the bills have to be paid and if the cupboard is bare, you have to borrow —

I interpolate, which we are doing tonight —

and increase the debt yet again. This goes on and on.

I feel sorry for the former Liberal government in Queensland as they inherited a debt from Labor of around \$80 billion. The same applied to the federal Liberal government albeit the debt was horrendously higher. We cannot say the same for our Western Australian Liberal-National Government as we are the ones creating a massive debt which I fear will be left for a Labor government to deal with. To allow the state debt to blow out to these unacceptable levels is sheer financial incompetence. If it was a corporation, you would sack the chairman.

Western Australia has always been a "boom and bust" state and good financial managers would always put funds away during the good times to alleviate pain in the bad times. Conservative governments nearly always are seen as the responsible financial managers. We can't say that about our present government. Instead of really concentrating on ways to fix the debt problem, we have a Premier simply adding to it with grandiose facilities that we don't need and can't afford.

The Liberal membership at large in WA has been made exceedingly uncomfortable by the doublethink that is now expected of them. They are asked to support the tight budget measures federally, which were made necessary following the disastrous Rudd-Gillard ... years, and then they are meant to turn a blind eye to what the State Government is doing on the debt front.

I think people see through the hypocrisy, and it is precisely this type of double standard on both sides that makes people cynical about party politics. Members of Parliament approach me privately and say "Rob, I agree with you, but you shouldn't say it. We need to show loyalty to our leader." I tell them that this is not Germany or the Soviet Union in the 1930s. Loyalty to a leader has to be earned and should never be unconditional. It is now well established that it is not sufficient to plead "I was only following orders."

Where I think my criticism of the debt stands apart from those of many others is that I have been prepared to put my name to the unpopular decisions we need to make in order to stop the haemorrhaging, including a moratorium on Royalties for Regions and shelving the Airport Rail Link.

Mr John Quigley; Ms Josie Farrer; Mr Chris Tallentire; Mrs Michelle Roberts; Ms Margaret Quirk; Deputy Speaker; Ms Rita Saffioti; Mr Ben Wyatt; Dr Mike Nahan; Mr Bill Johnston

These things are all nice to have, just like the extra holiday we want, but is the associated debt the legacy we want to leave our children?

The Liberal Party has given me —

That is, Mr Johnson —

many opportunities, including serving as a minister in two governments, and I will always be very grateful for that. How should I show my loyalty in return? Certainly not by supporting a continued racking up of State debt with no plan to pay it back. That goes against what Liberals believe in, and I know almost every party member in the state agrees with my view. Several former State Liberal leaders also share this view. At what point does sprouting the leader's line become more important than the future of our children? At what point do we say, "Yes, this is intergenerational theft and we are going to show some courage at the State level to deal with this."

You can create a debt in five minutes but it can take fifty years to pay it off. The government would need to sell \$1 billion of our assets every ten weeks simply to tread water in the oceans of debt that it has created.

Unfortunately, those responsible for causing this financial crisis won't be around to pay the debt off. That so-called honour will fall to our children, who may well look back and accuse our generation of stealing their inheritance.

That opinion piece was written by Hon Rob Johnson, a former government minister in both Hon Richard Court's Liberal government and the Barnett government, and the current member for Hillarys. That precisely encapsulates what the member for Riverton, the Treasurer of Western Australia, is doing. I repeat a line from that opinion piece. This is the question for the Treasurer —

At what point does sprouting the leader's line become more important than the future of our children?

The Treasurer has answered that. He wants to be the Treasurer so he will keep on spouting the leader's line and blow our children's future. They are the ones who will be saddled with this debt. We should not forget what the Treasurer said. He said that if there is no increase in wages and no increase in government debt, by 2017, there will be a debt of \$35 billion. As the member for Hillarys said —

... providing we don't employ any more public servants and wage rises are kept to CPI, then the state debt would be around \$47 billion. If we don't keep strict control of these expenses, —

That is, keeping public sector wages down —

then the debt will be around \$86 billion.

The Treasurer, the member for Riverton, has the weight of numbers in this chamber. He can stand in this place and pronounce whatever he likes but history will not be kind to him. In years to come, members will still be citing the financial incompetence of the Premier and the member for Riverton. In decades to come, they will still be in this chamber saying, "No-one can afford to do what Hon Mike Nahan, the member for Riverton, did in this Parliament in 2015." It is scandalous. He is just loading up the future of Western Australia in a mountain of debt.

However, the government has the numbers, so it is going to go straight through. During the course of this debate, we heard the backbench members say, "Look at the facilities we're building. We're building the airport rail link, and that will cut travel time to Forrestfield." But that will leave my grandchildren carrying a debt burden that no government is ever going to be able to pay back.

As I have said, this is not just ideological criticisms from the Labor Party. I am merely giving voice to the criticisms of Premier Barnett and his flunkey, the Treasurer, from Sir Charles Court, who begged Julie Bishop to come back and save Western Australia from this terrible fate, and by Hon Richard Court, who joined them at lunch and said, "You've got to do it, Julie. You've got to come back and save Western Australia from Colin Barnett." It is also the criticisms from the then Under Treasurer, John Langoulant, who wrote to the Premier and Treasurer of the day, warning them, and of course now also from Hon Rob Johnson, whose opinion piece I have read into *Hansard*.

MS J. FARRER (Kimberley) [8.21 pm]: I also rise to speak on the Loan Bill 2015. This government is seeking authority through this bill to significantly increase the state debt. But, for what? Surely not to help the people in my electorate. No. This government has abandoned the constituents of my electorate. That is how I feel. This government must recognise the urgency to address matters that affect residents in towns and communities in our regions. The Kimberley continues to struggle, while my pleas for assistance from this government remain ignored.

Mr John Quigley; Ms Josie Farrer; Mr Chris Tallentire; Mrs Michelle Roberts; Ms Margaret Quirk; Deputy Speaker; Ms Rita Saffioti; Mr Ben Wyatt; Dr Mike Nahan; Mr Bill Johnston

Funding must be provided for urban renewal projects in my electorate. I have recently written again to the Minister for Police regarding antisocial behaviour in my electorate and asking for help to improve the situation. Attention to the old Broome area, to address the lighting to reduce crime, for example, is a major issue for residents.

In September last year, I tabled the report of the Kimberley Alternative Juvenile Justice Strategy Working Group, yet this government has not provided funding, nor has it implemented one single recommendation from that report. Youth justice services need more resourcing to break the cycle of reoffending and criminalisation of our young people. Prevention, diversion and intervention programs are all urgently needed in Kimberley towns and communities. There is an urgent need for more youth bail house facilities across the Kimberley.

Several members interjected.

The ACTING SPEAKER (Ms J.M. Freeman): Members! Treasurer! Thank you.

Ms J. FARRER: Towns need more facilities to give young people more options for healthy living. Housing designed to meet the needs of families in rural areas, swimming pools, safe houses, and community gardens to encourage a healthy diet and self-sufficiency, are all options that could be invested in to raise the standard of living and build community in the region. The Kimberley region has four major towns and two smaller ones in between. These are the pleas that I have raised in this chamber with regard to the support that we need up there.

More health facilities for the Kimberley are urgently needed, with diabetes sufferers having to travel hundreds of miles from communities for dialysis treatment. Breast screening facilities are needed to bring the Kimberley up to anywhere near the expected standards of screening for women in cities. I have mentioned previously that sometimes women never get the chance to have a breast screen, because they have to ring to make sure they have an appointment—that is how it is done—so, most of the time, people miss out. Mental health facilities and programs are not meeting the needs of people in remote towns and communities, where victims of childhood trauma due to ongoing unresolved dispossession and welfare dependency, especially in the remote Kimberley, go unsupported and ignored.

Kununurra, Fitzroy Crossing and Halls Creek all need better temporary and long-term facilities to address mental health issues. Patients have been sent away from their towns and families to Perth and Broome with minimal follow-up care and causing huge stress on the relatives of patients. I have written to the Minister for Health on a number of occasions about the lack of emergency services along Gibb River Road, with too few emergency vehicles and personnel to respond effectively to road accidents. Home and community care buildings for larger communities, such as Balgo that has a large number of Indigenous people, are essential so that elderly residents can remain in their communities and be near their families.

Coming back to the towns, what about funding for the Broome boating facility? It is a broken promise, as we know. This government is meant to provide support—support for our regions, support for tourism and support for businesses. Instead, this government is leading us all to the slaughterhouse. That is how a lot of our people feel, more especially since talk about the closure of communities. People are so depressed, and they do feel depressed—even the kids are feeling very depressed—and we need to uplift their spirits.

We must address the issues of housing, health, poverty and lack of education. The education we look at is a two-way education program. It should not be just a one-way education program that comes from the mainstream, because a lot of our kids have English as their seventh language. This is the reason that people say we need a two-way education program in place that caters for the needs of our children. There is also a lack of education to build sustainable societies. People in the Kimberley have a strong voice and they demand to be heard by this government. As their dedicated spokesperson in this, I will continue to voice their concerns.

I was very interested to learn that the minister who has the portfolio in sport came to the Kimberley. I did not know that the minister was up there, but we have a whole team of kids who are coming down to Perth. This is through the Clontarf program that has been set up in the schools in the Kimberley. Three of these young people from each team have been selected to come to Perth and play here on Saturday as the curtain-raiser for the Fremantle Dockers game—and there has been no talk about it. We are Kimberley people, but it seems as though we are on another planet because a lot of issues I bring to Parliament go unheard of and are never responded to. Sometimes when I sit in the chamber and listen to all the little fights that go on here, it seems as though I am isolated and on my own. It really gives me that feeling of people who live as Kimberley people; we feel like we are isolated. Sometimes, as the member for the Kimberley, I feel very isolated especially when we have ministers who come up to the Kimberley to talk about issues and I do not even know they are there. That is all; thank you.

MR C.J. TALLENTIRE (Gosnells) [8.27 pm]: I rise to speak to this Loan Bill 2015. I hear those comments from the member for Kimberley about at times feeling isolated and wondering whether the words that we research, craft and present in this chamber are heard and considered. It is clear that a government that is seeking authorisation for a loan bill must be causing, at least in some way, a degree of financial mismanagement, but it is not the first time

Mr John Quigley; Ms Josie Farrer; Mr Chris Tallentire; Mrs Michelle Roberts; Ms Margaret Quirk; Deputy Speaker; Ms Rita Saffioti; Mr Ben Wyatt; Dr Mike Nahan; Mr Bill Johnston

this government has had to seek authorisation for a loan bill. I note that the first time was in Loan Bill 2009 when authorisation was sought to borrow \$8.3 billion. Then the second occasion was in Loan Bill 2012 when authorisation was sought to borrow \$5 billion. Now we have before us this Loan Bill seeking authorisation to borrow \$8 billion, of which the duration for the planned expenditure is up until 30 June 2017. This indicates that the government does not know how to manage the state's finances. Even in one of the most exceptionally prosperous times in the state's history, we have found it necessary to bring bills before the Parliament to authorise these massive loans. The current government does not know how to manage the revenues.

I was not a member of this Parliament before 2008, but I was able to observe how the Gallop and Carpenter governments were able to manage the revenues. I will not shy away from the fact that at the time Eric Ripper was Treasurer, a strong stream of stamp duty revenue was coming from a property sector that was doing very well. It was perhaps an unanticipated revenue stream. The strength of that stamp duty revenue was helpful to the Gallop and Carpenter governments. There was strength in the management of the finances by those governments. When I talk to ministers from that time, they refer to their commitment to managing the state finances and the strictness with which they considered their budgets. Sometimes they were strict to the point that they became unpopular. Backbench colleagues from that era tell me of their desire to elicit funds for very worthy programs only to find that their requests would fall on deaf ears, dashing their hopes for an exciting project because it was beyond the bounds of the state budget at the time.

Contrast that with the situation under the Barnett government. We are in serious debt, although we have had incredible revenues from royalties until fairly recent times. We have had the opportunity to fund very worthy programs, but instead we prioritise certain capital works projects such as Elizabeth Quay, the Burswood stadium, and the underground bus station. These projects would probably rate fairly low on the list of priorities of most Western Australians. How urgently needed were some of these major expenditure items? That is the question we have to ask ourselves in order to understand how incompetent the management of the state's finances has been.

The nature of our economy is that it has experienced booms and busts. It is a responsibility of the current government and all future governments of this state to make sure our economy is sufficiently diversified so that we do not suffer the booms and busts that inevitably go with the resources sector. That job needs to be done in the future. It is not just about the booms and the busts, and the ups and downs of the commodity cycle, it is about recognising that in the resources sector there are periods when there is exceptional capital expenditure, such as when LNG plants are being constructed, and there is huge demand for skilled and unskilled labour, with incredible employment opportunities. We have had to bring people from outside the state to carry out much of the construction work. We have heard about record employment in places like Barrow Island. The workforce there was once projected to be in the order of 4 000, but I think it has now gone well over 6 000 at different times, and that project is still in its capital works phase. It has not become operational; there is still a lot of construction work going on there, but that project will be nearing completion very soon, and what happens when those people no longer have that employment on Barrow Island? They will be coming back to Perth and looking to transfer into other sectors because the reality is that they will not have another major project to go to. That is the nature of the resources cycle; it goes through long periods in which there are no major construction projects. I think I heard murmuring from another member that people will perhaps go back to their states of origin. That might be the case for some; they might even go back to their country of origin, because I know that there are many people working on Barrow Island who are probably not even permanent residents in Australia. But the fact remains that we have had this incredible phase of economic activity whose requirement for a workforce is coming to an end. I mentioned the Barrow Island Gorgon projects, but there are many other projects as well. Many of the mining projects are moving on from their capital expenditure phase to their operating expenditure phase and it is important to note that when they get to the opex phase, that is when the company starts to really make its money. That is when their business is operating and when they will have those massive revenues coming through, but they will not provide the same employment opportunities they were when they were in the capital expenditure phase.

That is why we have to ask ourselves why we have let go of taxation mechanisms such as the minerals resource rent tax that were an opportunity for us to retain some of the wealth that will be generated by those projects into the future. With commodity prices as they are, perhaps that is not such an issue for the foreseeable future, but we nevertheless have to note that massive tonnages of iron ore will still be going out of our Pilbara ports at Dampier and Port Hedland. Huge, huge tonnages will still be going out, but the rest of Western Australia will be worrying about the problem of our state finances. There is something wrong when we have such wealth going out of the state, even if it is iron ore wealth that is no longer attracting the same global market prices it once was but is still a very valuable commodity. We have to ask the questions: Have we paced ourselves correctly? Are we actually accessing the wealth that is associated with that product? Why is there a need for us to have before us things like the Loan Bill 2015? We have to ask ourselves: how can it have come to this?

Mr John Quigley; Ms Josie Farrer; Mr Chris Tallentire; Mrs Michelle Roberts; Ms Margaret Quirk; Deputy Speaker; Ms Rita Saffioti; Mr Ben Wyatt; Dr Mike Nahan; Mr Bill Johnston

When I talk to people in my electorate of Gosnells, I ask them about what projects they would like to have seen had they been given the opportunity to list and rank major projects for the whole of Western Australia. One of the projects that they would have put at the top of the list is a traffic decongestor—a means of clearing traffic flows, which is an issue that impacts on people in my electorate, morning and evening, when they go to work and come home. They would love to have seen funding for a bridge over the railway line at Nicholson Road. I think, in fact, that it is more than likely that in our upcoming state budget we will get some good news on this front; I am beginning to see signs that there will be the grade separation on Nicholson Road in the Canning Vale area that I have been arguing for for so long. I think it is going to happen because there has been an offer of some federal funding for the project, but it had to be matched by state funding. It would be crazy if the state funding were to evaporate such that we were unable to access the federal funds. I expect to see capital funds allocated, so that at least the commonwealth's offer of a 50 per cent contribution towards the construction of this bridge over the freight line that runs through Canning Vale can be taken up and that construction work can be done. That would make a big difference to traffic flows in my area. Last time I was travelling through this area, I again noticed that people were so frustrated that they would go up onto the bike path—generally people who had four-wheel drives; I think if they did not have a four-wheel drive, the kerbing would be a bit risky for an ordinary sedan. Certainly my Holden Cruze would probably struggle and I would end up damaging the differential or something under the vehicle and it would not be worth the risk. But people in four-wheel drives who have that bit of extra height could go up onto the bike path, and then go along to gain access to the slip-road that gets them onto Roe Highway, if they are travelling along Nicholson Road, or they manage to leapfrog ahead of other vehicles. This is the sort of problem that people are seeing, and it suggests a degree of lawlessness as well that people find particularly offensive when some people do that and others are respecting the law to the letter and just silently waiting their turn for the next lot of traffic lights to allow them to go through. But they have no alternative; they would love to catch public transport and take the train to work if there was one. We have been talking about the need for the train line from Thornlie to be extended through to the Mandurah line so that we would have a station at Nicholson Road. So we would not just have this bridge at Nicholson Road over the freight line; there would also be a bridge over the passenger line, and then we could have a station, and there is some government-owned land that would provide a very adequate supply of parking. There is lots of potential there, and it would be reducing the number of vehicles on the road in a very dramatic way. That is something we desperately need. But I do not hear the government realising that wish of the people in my electorate. It is not a ridiculous budget that is attached to this particular project either; it is said to be in the order of \$300 million to extend the line from Thornlie train station through to the Mandurah line. That is not unreasonable—not beyond the realms of possibility—but with the current state budget and current finances, it seems highly unlikely.

Another indication of the mismanagement of the state's finances is impacting on people in my area. We saw the metering of the traffic lights that control the flow of traffic onto the Nicholson Road–Yale Road–Garden Street roundabout cancelled, and that is a further indication of the mismanagement and desperation going on inside government. It was a project that was going to cost only \$400 000. I know the member for Southern River argued very strongly for this as well; in fact, just before the 2013 election he said to the *Gosnells Examiner* that he would hate to see the queue sensors and traffic lights part of the project scrapped. He was fearful that that could have happened and he said how much he would hate to see that, but unfortunately his worst fear has been realised. It is a disgraceful broken promise because at the time the suggestion was that a vote for the Liberals would have seen the delivery of the traffic metering, and the suggestion was that a vote for Labor somehow would not enable the traffic metering to proceed. So, it is a betrayal as well as a broken promise, as well as a grave source of disappointment for people in my area.

I note the presence of the Minister for Environment in the chamber, and I will take the opportunity just to flag with him a portfolio area I am getting many complaints about, and that is illegal shooting. We know that that issue has been discussed in the other place, and I know that the minister is perhaps about to make a response to the upper house inquiry into recreational shooting on public lands. However, I am hearing about the amount of illegal shooting that is already taking place. Before we even contemplate allowing people to engage in recreational shooting, should we not be reining in the amount of illegal shooting that is going on? I will point out one thing to the minister. I was looking at Gumtree this afternoon.

[Member's time extended.]

Mr C.J. TALLENTIRE: Interestingly, a chap by the name of Pigzy has put an advert on Gumtree. Pigzy lives in Secret Harbour and he will take people pig hunting. I will read his advert —

Hi there! Who wants to go pig hunting???? A lot of people that live in Perth love the sport but don't have the know how or the knowledge of where to go, I have 20years expcperience —

There is some unusual spelling —

Mr John Quigley; Ms Josie Farrer; Mr Chris Tallentire; Mrs Michelle Roberts; Ms Margaret Quirk; Deputy Speaker; Ms Rita Saffioti; Mr Ben Wyatt; Dr Mike Nahan; Mr Bill Johnston

in the sport and rarely come home empty handed.

He means rarely —

il take you and your mates hunting \$100 per head and if you want to bring your dog for training or hunting porpoises —

I think he means purposes —

that will be another \$100 per dog. The hunt will go for 8hours night or day you choose, sit on ay ass with a beer in hand waiting for the dogs to pick up! And it's on!! Call pigzy on ...

And his number is available. This guy is taking people pig hunting in state forests. We are so cash strapped that we have to introduce a loan bill, so I am not optimistic that the minister will manage to get his hands on the necessary bit of that loan bill money to enable his very good Department of Parks and Wildlife officers to investigate these matters and make sure that this problem is reined in. When people phone through with complaints and say that illegal shooting is happening next to their property—many of them are farmers and property owners in the south of the state—no action is taken. It is true that it is not going to be a cheap exercise to investigate these sorts of matters. I imagine that people would have to go out at night and investigate and it would involve a bit of overtime. It would require a carefully coordinated approach to rein them in. It has to be done. We cannot have this sort of lawlessness going on, with people roaming around out there with the attitude that they can shoot wherever they want on state lands. Of course, there is just no way that the minister should allow recreational shooting to take place in our state forests and national parks and on public lands. If he wants to know the sorts of people who are involved, he need look no further than the mates of Pigzy, who have the attitude that they will do this with a beer in hand while they wait for the dogs to sniff out a pig and then it is on. That is the approach. It is highly dangerous and illegal, but this government is turning a blind eye to it. It is terrible.

I want to return to issues in my electorate and talk a bit more about some of the other broken promises that I see in my area. These are things that were mentioned as activities or projects that the government would fund. I know there was talk of closed-circuit television cameras to control hooning and illegal trail bike use, but we have not seen any of that; there has been nothing of the sort. There was talk of extra CCTV cameras at the Thornlie and Gosnells train stations to cover the bus area. There is CCTV in the station and there are also guards there at night, but there is no good monitoring of the bus area, so people feel unsafe when they are waiting for their connecting buses. That is terrible, because it means that people feel the need to drive more than ever. Then there is the problem of people saying that there are not enough parking bays at the train station. People have to feel safe when they go to those connecting buses.

I want to mention some of the crime problems we have. People feel like they have a crime spree in their neighbourhood. They are very thankful for the efforts our police service puts in, but they are really of the impression that we do not have enough police. I use the example of a taxidriver who lives in my electorate. He drives a maxi taxi and his taxi has been attacked on multiple occasions. As he puts it, the louts and hooligans probably think there is some money left in the vehicle. This taxidriver, Mr Musa Patel, is smart enough to know not to leave cash or coins in his taxi; he does not do that. But they still break into his taxi, and in fact it has happened four times recently. The last time it was broken into he asked, “What do I do? Do I build a fortress around my maxi taxi so people cannot break into it? What more can I do?” He would love to feel that we had a police service that was adequate and that could patrol. We know from the statistics gathered when these crimes are likely to occur, we just do not seem to have the on-ground capacity to deal with the issue.

I turn to education in my electorate. This is another area in which promises have been broken; people have been disappointed. In the 2013 Liberal Party education policy there was a commitment to making sure that the two high schools in my area, Thornlie Senior High School and Southern River College, as old secondary schools, would be redeveloped. The Liberal policy objective also stated that it would make sure that they can provide the best possible learning environment to cater for students' education and social development needs. That is a very worthy sounding policy objective, but that promise has to be backed up with real money and that has not happened. I have been asking the education minister when the money will come for the major upgrades that have been promised and that are required. I have even seen in documents obtained through freedom of information that the government had the information detailing what was required. Will money be made available to the schools in my electorate through this loan bill process? I fear not.

This is one of my complaints about the loan bill process. I am told that it is not unusual that a loan bill is an incredibly brief document, but how much better it would be if the planned expenditure was detailed? To use the example of the purchase of my Holden Cruze, when I applied for the loan to buy that vehicle, I had to provide a lot of documentation. I had to provide information on the credit cards I hold or of other loans I have; there was quite an extensive amount of information to provide for a \$30 000 loan. I did not complain about that; I accepted that it was perfectly reasonable. In this case, there is an \$8 billion loan being asked for by the state and we know

Mr John Quigley; Ms Josie Farrer; Mr Chris Tallentire; Mrs Michelle Roberts; Ms Margaret Quirk; Deputy Speaker; Ms Rita Saffioti; Mr Ben Wyatt; Dr Mike Nahan; Mr Bill Johnston

that the Treasurer has an agency with a capacity to prepare all kinds of documents. It would not be impossible for this Parliament to receive a strong, well-documented outline of how that \$8 billion will be expended. I do not think it is unreasonable for us to expect that sort of information to be presented when there is such a significant amount of money at stake.

This Loan Bill will cause many people financial hardship over time; that is the other thing to remember. Although there may be a unique situation in our financial and economic history of record low interest rates, the reality is that with the duration over which the repayments of this loan will occur, when we know that state debt is getting out to \$30 billion and that there are those sorts of problems, there will be a huge cost on many in our society. The gap in the weekly incomes of people is an indicator of the gap in wealth levels in our community, and I am really concerned. When the Western Australian Council of Social Service's "2014 Cost of Living Report" compared the weekly income of the typical single parent family with the weekly income of WACOSS's model unemployed single person, it found that it was inadequate for basic living costs. When I see that documented, I can see a growing gap in our society. WACOSS shows that the typical income of people who are on a single parent family benefit is now \$931 a week. The work that WACOSS has done to model people's living costs shows that they need \$966 a week to survive, so their net position has fallen back and is a negative \$35. Likewise, the net income of unemployed single people is \$297 a week, but the expenditure they require, just to survive and to buy the basic necessities of life, is \$358 a week, leaving them in a net negative position of \$60 a week. That shows how many people are falling behind. They are the ones who will feel the flow-through implications of this \$8 billion Loan Bill; they will be hurt the most. I quote from the "2014 Bankwest Curtin Economics Centre Report", which states —

Low-income households are falling behind all others at a faster rate in WA than Australia, which raises concerns about those living in these households and the decreasing standard of living that they are likely to be experiencing relative to the rest of WA's population.

These are worrying trends that mean there is a growing gulf between those who are fortunate to be employed and those who are missing out; they are missing out in an even worse fashion than ever before. Their situation is quite dire, and it will only be exacerbated by this government's mismanagement of our economy and things such as a requirement for an \$8 billion Loan Bill.

MRS M.H. ROBERTS (Midland) [8.57 pm]: I cannot let the opportunity go by without speaking on the Loan Bill 2015. This is a matter of huge import to this state and it really matters to the people of Western Australia. We see a Loan Bill for \$8 billion. It certainly shocked me when I heard that the Treasurer of this state was bringing forward a Loan Bill of that magnitude—\$8 billion! I looked back a few short years to June 2008, when our total state debt stood at just \$3.76 billion. Now I come into the house and see that this government is seeking to pass a Loan Bill for \$8 billion and that it is on a trajectory somewhere in the order of \$35 billion. We have had no clear answer from government about when net debt will peak, when it will start going down and whether it will provide any real detail on how it will ever pay it off. We have had some cogent arguments in this house and elsewhere about the totally shambolic way in which this government has handled the state's finances. I am pleased that the member for Butler took the opportunity this evening to read out the member for Hillary's opinion piece, which is one of the most intelligent and sensible things I have read this year as a proper look at state finances. I know that many people in the Liberal Party, including many senior people, and many Liberal voters agree wholeheartedly with the sentiments expressed by the member for Hillarys. The fact is, as highlighted in that opinion piece, and referred to by the member for Mindarie this evening, people expect Liberal–National coalition governments to be more responsible with state finances than this government has been. It has been the big spender. Those of us who have been here for a little while are not surprised. I was in this house when the Premier received a lot of criticism as a former education minister. His attitude was to tell his director general not to worry about it, to keep spending, that it would be the Treasurer's problem when we went over budget. Every year he has gone over budget. An infamous letter was written about his spending behaviour as Minister for Education. All he was interested in then, as he is now, was his legacy and being able to spend, spend, spend on project after project—all his own pet projects, effectively, selfishly spending money. When ministers overspend their budget, the money has to come from somewhere else, and that means potentially a cut in another area.

Back to the point: this Loan Bill seeks to borrow a phenomenal amount of money; it is unprecedented and is indicative of the poorest management in history of the state's finances. It is not a record to be proud of. The current Treasurer cannot take all the blame for that. I put most of the blame fairly and squarely at the Premier's feet; after all, he is the Premier of the state. He stood by the former Treasurer, the former member for Vasse, for so long when he was in and out of the Treasury job. He clearly had a range of problems that the Premier should have got on top of much earlier, and we should have had some greater consistency. Of course, when someone is in that position, it is very easy for the Premier to take control, and that is what we have seen

Extract from Hansard

[ASSEMBLY — Wednesday, 6 May 2015]

p3226b-3250a

Mr John Quigley; Ms Josie Farrer; Mr Chris Tallentire; Mrs Michelle Roberts; Ms Margaret Quirk; Deputy Speaker; Ms Rita Saffioti; Mr Ben Wyatt; Dr Mike Nahan; Mr Bill Johnston

here. This is a Premier who has been unable to show any financial restraint. As he has seen the books go south and the problems start occurring and has undoubtedly had some very prudent advice from Treasury, he has thumbed his nose at it and said, “I’m sticking to my pet projects; we’ll go ahead with everything.” He made no cuts to what he was spending on Hale House and no cuts to spending on Elizabeth Quay. He has kept up his spend, spend, spend in the face of worsening financial news. People generally should expect better of their government than we are seeing of this government.

The question that arises is: What do we really see from it? If what many of my colleagues have referred to as this absolutely shocking debt legacy, which this government and this Premier are leaving to future generations to pay off, what do we have to show for it? What is the real benefit? We have a huge disbenefit for the next few generations of phenomenal and unprecedented debt. They will have to put up with that. What have they got for it? The answer is, clearly, not much at all. The fact is that in an electorate like mine of Midland, we have seen none of the money. There is a huge amount of extra debt but we have got nothing in Midland—a big fat zero; nothing out of the Barnett government whatsoever. It has tried to turn to two projects, but the only project it could turn to during the last election as having been completed was Governor Stirling Senior High School. I highlight once again that the \$63 million for rebuilding that high school had been two or three years in the making. It had been under discussion and plans had been drawn up in 2005, 2006 and 2007. By May 2008, it was the Carpenter government, with then Treasurer Eric Ripper and then Minister for Education Mark McGowan, that committed the \$63 million for the 2008–09 budget. After several years of planning and the project being fully costed, \$63 million was placed there back in May 2008. What did this government do? It effectively delayed the project by about two years and delivered the project two years too late. It very proudly announced that it had kept the project on budget and that that was an achievement. In February 2013, the Premier crassly and politically—it is the nature of the man unfortunately—came out to Midland in the heat of the election campaign, did the official opening of the school, took Liberal members of Parliament, and in fact the Liberal candidate for Midland, on a tour of the school with the principal, a tour on which I was advised I was not welcome. I had to sit in the auditorium and wait for the official opening. When the Premier was asked by a journalist afterwards what status the Liberal candidate had to go on the tour and participate in the event, the Premier said that he was an interested local resident and, as such, the Premier had invited him to come on the tour. Whether the Premier knew it or not, he was telling a lie. The fact is that the Liberal candidate lives, and lived at the time, in a suburb south of the river somewhere and was not a local interested resident. That was the lie that he told then. Telling lies does not seem to worry the Premier too much. I thought it was rather poor of the Premier to not acknowledge that this was a Labor project, one on which I had been working with the local community for many years, but that is the nature of the man.

The Premier came to the electorate no less than five times during that four-week campaign period and Midland received a lot of platitudes. However, since the election, we have had nothing whatsoever. In fact, I want to talk about the audacity of the man. He went to Midland Gate shopping centre at one point and visited a small office that was being used by the YellowBird Project—a project that assisted older people get in touch with technology so that they could perhaps learn how to use various modern technology, be it computers, laptops, mobile phones, iPads or other devices, so that they could perhaps pay their bills online and access other information on the internet or similar. A relatively small amount of money was involved. The Premier had his photo taken at that office. It was a picture taken during the campaign in which he was happily smiling with a Liberal upper house member and a couple of people from the project and which suggested that this is the kind of thing that Liberal governments do. The fact of the matter is that within a year of the election, the government cut the funding to that project entirely. The rug was pulled out from under the YellowBird Project. What kind of principle is that? How could the Premier have the audacity to come out during the campaign and have a smiling photo taken, which appears to say, “Yay! Look at me. I’m the Premier and I fund this great project”, and then a year later send out the minister, Hon Helen Morton, to say, “Sorry, there is no money for that; we are cutting the money for that”? The theme of my argument is that this government has not only not delivered the things that it promised and indicated would be on its agenda if it were to be elected for another term, but also withdrawn funding for a whole range of things that people in Midland thought were an absolute given.

Another example of one of the things that the people of Midland thought was a given is the legal aid office in Midland. To my knowledge, the legal aid office has been in Midland for decades. What is now happening? The Legal Aid office in Midland is about to close, as is the Legal Aid office in Fremantle. I expect that the Legal Aid office in Fremantle has probably been there for decades too. Both Fremantle and Midland are important and major regional centres. Midland is a centre for people in the valley, in the hills and in the broader region. Midland court is a very busy court. Not only that, to the best of my knowledge Midland still has the highest percentage of Indigenous people of any metropolitan electorate. There is plenty of evidence to indicate that Aboriginal people feature disproportionately in our justice system. A lot of poor people who do not have the money to get high-priced Terrace lawyers and whatever to help them with their problems need to go to

Mr John Quigley; Ms Josie Farrer; Mr Chris Tallentire; Mrs Michelle Roberts; Ms Margaret Quirk; Deputy Speaker; Ms Rita Saffioti; Mr Ben Wyatt; Dr Mike Nahan; Mr Bill Johnston

Legal Aid. People without means—people who may be Indigenous and a whole variety of people from around the region—rely on that Legal Aid service. They rely on it being local and they rely on their representation in the Midland court. We now find that that Legal Aid office is closing.

I am told that the manager of the Midland office is a permanent employee and will be relocated to the city, as I assume will any other permanent employees. The office itself will close. That means that my constituents will have to make their way into the CBD if they want an appointment to see their “local” Legal Aid office. Rather than their local Legal Aid office being opposite the City of Swan, effectively in the Landgate building where it has been for a very long time, that service will now be provided out of the CBD. This runs contrary to everything the Premier said about the regionalisation of government services and departments. Prior to the election the Premier said, “Oh, we want to locate some of our government services and agencies in important metropolitan and regional centres; we’re going to decentralise. This just makes sense because in the suburbs there’s cheaper rent, better parking, and we can avoid traffic congestion by everybody not having to come into the CBD.” In effect, we are seeing the reverse. If my constituents want to persist in seeing Legal Aid, not only they, but also the workers will have to find their way into the CBD and add to the overall congestion. The workforce will have to make its way into the CBD too.

This is typical of the services that are being withdrawn from Midland. Only yesterday, I highlighted in this place that Midland has also lost its small business centre. It is my understanding that the small business centre has been in Midland for about 18 years. This government has now closed it. There was no consultation with me, absolutely none; nor was there any consultation with me as the local member when the government withdrew the YellowBird Project, the Legal Aid office, and offices from the Department of Indigenous Affairs. There have been all these withdrawals of services but there was no consultation with me whatsoever as the local member. We are seeing a massive withdrawal of services from Midland. Rather than any government services being centralised or decentralised to Midland, as occurred under a number of Labor governments—I might highlight the fact that it was Gavin Troy, Kay Hallahan and others who instigated the move of what was then either DOLA or the Department of Lands, the predecessor of Landgate, to Midland. That was the first big department to effectively decentralise out of the CBD, which people had their doubts about. During our term in government we saw a massive movement of police personnel to the old Midland Workshops site. Police communication, police forensics and traffic operations are all based onsite in Midland.

That makes sense. It makes sense to take those things out of the CBD. Forensics used to occupy a whole floor of the police headquarters. Presumably, those employees were either parking or using public transport to get in and out of the CBD every day. There is a big parking area at Midland. It makes sense to get those workers out of the CBD.

[Member’s time extended.]

Mrs M.H. ROBERTS: I continue to ask myself: what have my constituents got for \$8 billion? They say to me that they have massively increased electricity bills, massively increased gas bills and massively increased water bills that they now get every two months. Their cost of living has skyrocketed. Their emergency services levy has gone up. They have seen no respite in state government taxes from this government at all. Payroll tax has not gone down and land tax has not gone down. In fact, land tax has gone up dramatically. Businesses are also complaining to me. If businesses in my electorate happen to own the property on which they operate their businesses, they are paying more land tax. If they are large enough to pay payroll tax, they are paying more in payroll tax largely because of bracket creep with payroll tax. Their water, electricity and gas bills have gone up. Along with those increases, there have been concomitant increases in things such as council rates because local government authorities have to pay more for water, gas and electricity. If there are floodlights on a sporting oval and councils are paying more than double for their electricity, they have to get that money from somewhere too. That extra cost gets passed on.

The biggest feeling I get from my constituents is that this government has taxed the life out of them. Their cost of living has gone up so dramatically and they have nothing in return. In fact, they have mainly experienced a withdrawal of services, a withdrawal of DIA officers and a withdrawal of legal aid. The YellowBird Project has gone and their small business centre has gone. They then ask themselves: did we get any of those things that the Premier promised us at the last election? They keep asking me where the Midland university is. They ask me whether the money for the university is on budget. I have to say to them that not one dollar has been allocated. The Premier has shown no sign whatsoever of delivering that. Even when we borrow this extra \$8 billion to plug up the government’s financial mismanagement, we will still not get the \$20 million that was promised for the Midland university. It is non-existent. It is not in the budget. This government would have to borrow even more money to come up with that. We have to really wonder about that.

Mr C.J. Barnett: Do you support the university?

Mr John Quigley; Ms Josie Farrer; Mr Chris Tallentire; Mrs Michelle Roberts; Ms Margaret Quirk; Deputy Speaker; Ms Rita Saffioti; Mr Ben Wyatt; Dr Mike Nahan; Mr Bill Johnston

Mrs M.H. ROBERTS: Of course I support a university in Midland, but I do not believe that the government will ever deliver it. I think it has always been a con. It is a continual Liberal con. The Liberal Party promised a university for Midland at numerous elections and it has never delivered it.

Mr C.J. Barnett: No, we haven't.

Mrs M.H. ROBERTS: Perhaps the Premier cannot remember 1997. He should look back to his Liberal Party policies from then.

I mentioned Governor Stirling Senior High School, which the government proudly said it delivered on budget at \$63 million. Let me talk briefly about the school oval that I raised in a grievance to the Minister for Finance a few weeks ago. The fact is that effectively the school is still not complete. Over two years after the school opened, students cannot play football, cricket or anything else on the school oval. It is an appalling situation. This is a specialist football school. I have a specialist football school in my electorate—Governor Stirling Senior High School. About six or seven years ago I saw Nic Naitanui graduate from year 12 at Governor Stirling Senior High School. An assorted number of other graduates of Governor Stirling Senior High School have gone on to play with the Western Australian Football League and quite a number of them have gone on to play in the Australian Football League.

Governor Stirling Senior High School has a very proud record as a football school, and students are selected from throughout the metropolitan area to attend Governor Stirling so that they can part of the football program at that school. But what I now have—what the Premier opened for me—is a football school without a football oval. The oval is absolutely unusable. It is up and down and around the place, because it has not been properly levelled. I am told that the bore is saline. There is an argument between the head contractor and the subcontractor and Building Management and Works, and they have been arguing about it for two years, while children have been missing out. The Premier opened the school in 2013. There was not a chance of playing football on that oval in 2013. In 2013, we were told, “Yes, there’s a bit of a problem, but it will probably be ready later in the year.” At the start of 2014, we were told, “It’s still not ready, but it will definitely be ready for 2015.” It is now 2015, and the oval is worse than ever. There is not a snowball’s chance in hell that anyone will be playing football on that oval this year. That is how bad it is. So three years, and three football seasons later, not one single child has been able to play football on that oval. It is not just playing a match there; they cannot even kick a ball on that oval.

An artificial cricket pitch has been put in the middle of the oval. I was out there a couple of months to show it to Oliver Peterson. He is a bit of a cricket fan. I said, “Look at the cricket pitch. You can see that it’s pristine. It’s not being used”, and he said, “Really? Are the kids really not using that?” I am not very technical when it comes to cricket, but he looked at the little box that the stumps go in—there is a little aluminium cut-out that people are supposed to put the stumps in when they are playing cricket—and that normally has sand in it. There were a few granules of what I think was lawn fertiliser in the bottom of it, but there was no sand in it, and he said “You’re right about that. This pitch has never been used.” What a disgrace. That is the kind of mismanagement that we are seeing from this government. This is the kind of callous disregard that this government has for the people of Midland and for the kids in my electorate ever since the day this Barnett government was re-elected. It is absolutely disgraceful.

During that campaign, the Premier also went to Centrepont Shopping centre in Midland and had his smiling photo taken with people from the YellowBird Project—from which the government withdraw the funding within the year. It was also suggested to the Premier that he walk across the road and look at Midland Train Station. The fact of the matter is that at the 2008 election, courtesy of the support of Hon Alannah MacTiernan and the then Treasurer, Eric Ripper, money was put on budget for a replacement of Midland Train Station. Basically, the plan was to move it to the east of Midland, which would put it more proximate to the hospital site, and we would have a new train station. I am more than happy to acknowledge that that amount of money would certainly no longer be sufficient to do what is required there. However, the Barnett government took that money off budget in 2009. It removed that money in 2009. That is why nothing has happened at Midland Train Station. In 2009, the Barnett government took the money that the previous Labor government had put on budget in 2008, and removed it, and it did not put it back in the budget in 2010, 2011, 2012, 2013 or 2014. That money has not been replaced. It has not been added to. It does not currently exist.

The Premier had the gall to come out to Midland and say, “Yes, I’ve had a look at this train station, and it certainly does need improvement.” So, there was a big headline in the local paper, “Premier sees need for refurbishment”—replacement, whatever—“of Midland train station.” Some of my constituents said to me, “That’s really good, isn’t it, Michelle! The Premier agrees that our train station is unsuitable”—let us just say; they might have used a more colourful term—and the Premier has recognised that. Do you think we’ll get a new train station?”, and I said, “Well, I hope so. But, personally, I don’t believe a word he says. Have a look at

Mr John Quigley; Ms Josie Farrer; Mr Chris Tallentire; Mrs Michelle Roberts; Ms Margaret Quirk; Deputy Speaker; Ms Rita Saffioti; Mr Ben Wyatt; Dr Mike Nahan; Mr Bill Johnston

his record.” Then they said, “Do you think we will get the university?” and I said, “Well, I don’t think so. I support it but I don’t think we’re going to get it.”

The fact of the matter is that in 2013 there was no money for Midland train station. In 2014 there was no money for Midland train station. I am going to be looking at the budget very closely when it comes down next week, and I will expect to see the money for Midland train station. It will be a disgrace if it is not moved to an easterly direction, as has been planned now since about 2007. About eight years later, the very least the government could do is put the money in the budget and have a plan. It may not all be able to be done this year, but given the borrowings by government to spend money in the CBD or perhaps in members’ electorates, the very least that Midland deserves is a new train station located more proximate to Midland Public Hospital. I might just briefly conclude on the Midland hospital.

Midland hospital was the recipient of significant federal funding when Jim McGinty was the health minister. Again, that announcement was made by Jim McGinty and me. I would have to look back now, but I think it was in about 2006; it was a couple of years before the 2008 election. That hospital was due to be completed by 2013. That was the announcement that the former Labor government made. This government has done two things to that project. First, it delayed it. It had a bit of a talkfest and a delay process for about two years while it got on and did Perth Children’s Hospital and other projects that the Premier thought were a higher priority. The government talked for two years about how it would deliver the hospital and so forth, and after about two and a half years it announced that it would have a public–private partnership and that it would advertise and so forth. The upshot is that it has effectively delayed the hospital by several years and what we will get will not be a full public hospital. It will not provide the full range of services that Swan District Hospital currently provides. The government will therefore deliver a hospital that will be years late and will be inferior to the hospital the former Labor government offered; there is no doubt about that. In saying that, I make no criticism whatsoever of St John of God hospitals. I think they are excellent hospitals and are capable of delivering a good service. However, Midland hospital will not provide the comprehensive, full public service that was promised by our government and the former federal Labor government.

MS M.M. QUIRK (Girrawheen) [9.27 pm]: I was reading recently an observation by US Treasury Secretary, Jack Lew, who said that the budget is not just a collection of numbers but an expression of our values and aspirations. So it is with this Loan Bill 2015, about which the same sentiment could be expressed. This bill reflects the true colours of this government. Under the stewardship of the Premier, the WA Liberals have irresponsibly increased total public sector net debt from \$3.9 billion in 2008 to in excess of \$30 billion over the forward estimates. The Liberals are unremorseful about delivering WA’s first operating deficit in 15 years, and estimates suggest that this will be a record \$1.3 billion for the 2014–15 financial year. This is despite a record 40 per cent growth in revenue from 2008 to 2014.

However, with an imprudent 50 per cent increase in spending over the same period, the inevitable has happened. Money spent on public works under the WA Liberals has often been spent inefficiently. Although processes are in place within government designed to ensure that projects are selected and built on the basis of delivering optimal net economic benefits for the state, the Liberals have developed a habit of ignoring them. Public–private partnerships pitched as an efficient means to harness private sector capital and efficiencies for the delivery of public assets have not been subjected to adequate public scrutiny, and in fact cost comparators between public and private are not readily available.

The poor financial performance of the Western Australian Liberal government will limit the options available to future Western Australian governments responding to uncertain economic circumstances. As we have heard from a number of speakers in the course of the past two days, it will rob future generations. The central issue facing governments in the sphere of financial management is the issue of opportunity cost; that is, the reality that governments have limited financial resources and must set their priorities. We can spend each dollar only once. Commentary at the time of the state government’s loss of the AAA credit rating emphasises that the capacity for the state to simply take on ever-increasing amounts of debt is no longer an option. Indeed, the Barnett government, despite having a range of unmet debt targets, is unable to tell us when the state’s net debt will peak. Any talk of debt reduction is simply impossible without first bringing the growth of net debt under control.

Competent financial management is not an end in itself, but is the means by which the state can sustain its capacity to fund essential services for the community in the present, while driving economic growth and prosperity in the future. To be competent, a state government must ensure that its commitments to the community can be funded sustainably. If those commitments cannot be funded, it is irresponsible to even promise them. For example, the reason Eric Ripper, as Treasurer in the previous Labor government, insisted on strong surpluses was to ensure that when the commodities cycle turned against us, as it has done, we would have a buffer to continue to provide stable services to the community. This is in contrast to the desperate and back-of-

Mr John Quigley; Ms Josie Farrer; Mr Chris Tallentire; Mrs Michelle Roberts; Ms Margaret Quirk; Deputy Speaker; Ms Rita Saffioti; Mr Ben Wyatt; Dr Mike Nahan; Mr Bill Johnston

the-envelope responses that we are now seeing from the Barnett government. In August 2014, the credit rating decision of Moody's noted —

The challenges related to narrowing the budget gaps include greater volatility in the state's revenue base, reflecting its increasing reliance on royalty income, expenditure pressures related to the rapid expansion in the state's economy and population, and —

This is what I want to emphasise —

a weak policy response to the deteriorating financial and debt position.

Standard and Poor's was subsequently equally scathing of the government, citing its limited political willingness to either cut expenditure or raise revenues. In November 2013 and again in April 2015, Standard and Poor's predicted that the government would experience slippage in the pursuit of its savings and debt reduction targets. Its report goes on to state —

This potential slippage reflects, in our view, limited political will to make difficult decisions.

In the absence of implementing significant policy changes, it appears that Western Australia will not achieve these targets and its budgetary performance will substantially weaken.

I find it offensive that this government is happy to blame anyone but itself. It is not prepared to take responsibility—it is everyone's fault but its own. The rationalisations and excuses for the series of rash decisions and warped priorities is highly reminiscent of the dead parrot skit from *Monty Python's Flying Circus*. Members will recall that the owner of a recently purchased Norwegian blue parrot returns to the shop from which he purchased it to complain that the parrot is dead. The shop owner vehemently disagrees, saying at first that the parrot is resting. When challenged further, he is told that the parrot is stunned. Still not believed by the customer, it is suggested that the parrot is “pining for the fjord”. Asked why the parrot is lying on its back, the shop owner suggests that the Norwegian blue “likes kipping on its back”. The shopkeeper persists, even after it is pointed out to him that the dead bird has been nailed to its perch. At this point the customer, in frustration, makes his point unequivocally —

‘E’s not pinin’! ‘E’s passed on! This parrot is no more! He has ceased to be! ‘E’s expired and gone to meet ‘is maker! This is a late parrot! E’s a stiff! Bereft of life, ‘e rests in peace! If you hadn’t nailed ‘im to the perch, ‘e’d be pushing up the daisies!

In the same way, this government is in denial, trying to reinforce its untenable position by spin and “Bigger Picture” ads. Some might say—I possibly could not—that the Premier sees everything through rosé coloured glasses.

Mr C.J. Barnett: Rose coloured.

Ms M.M. QUIRK: Rosé coloured—in the Premier's case.

I want to refer extensively to an insightful article by former Pilbara MLA Larry Graham that was syndicated throughout Australia and published on 13 April 2015 titled, “Colin Barnett's GST whinge doesn't hold water — and he knows it”.

Mr C.J. Barnett: Who wrote this speech? Did you write it?

Ms M.M. QUIRK: This is a newspaper article which I am quoting from.

Mr C.J. Barnett: The whole speech. You've read it for the last 10 minutes. Did you write it?

Ms M.M. QUIRK: I suggest the Premier go back to the bar and let me get on with this speech.

Withdrawal of Remark

The DEPUTY SPEAKER: Order! Member for Girrawheen, withdraw that, please.

Ms M.M. QUIRK: I withdraw that.

Debate Resumed

Ms M.M. QUIRK: I quote —

Past performances give us some context within which to evaluate people in public life and assess their current behaviour.

In a Parliamentary debate way back on November 10, 2004, the then-leader of the opposition Colin Barnett belted Labor treasurer Eric Ripper over his budget projections.

Barnett said: “The ability to forecast accurately the financial revenues of this state has been extraordinarily poor. The Treasury should not be as far out as it has been over the past two or

Mr John Quigley; Ms Josie Farrer; Mr Chris Tallentire; Mrs Michelle Roberts; Ms Margaret Quirk; Deputy Speaker; Ms Rita Saffioti; Mr Ben Wyatt; Dr Mike Nahan; Mr Bill Johnston

three budgets. It has been a most inconsistent approach. It is not good government. It is not fair and reasonable to householders or businesses to increase tax rates and then reduce them dramatically.”

Ripper’s crime was estimating a budget surplus of \$80 million and ending up with \$800 million and then reducing some taxes.

Now the Premier, Mr Barnett has presided over most of the biggest boom in the state’s history and budgets containing some of the most inaccurate budget forecasts in the state’s history.

The article continues, further along —

Debt has also defied Treasury estimates and is projected to increase to \$30.8 billion in 2017/18, and their projected slim budget surplus has turned into a deficit of around \$1.3 billion.

By the 2004 Barnett standards, that is clearly “not good government”.

The government thought this big boom would go on forever but they were wrong, and now they are lashing out and blaming everyone but themselves for their budgetary difficulties.

The Premier and Treasurer are constantly complaining that WA does not get back all its citizens pay in GST, and while it is excellent parochial politics, it is a fallacious argument—and they know it.

Mr C.J. Barnett: So you don’t support a fair share for WA.

Ms M.M. QUIRK: Of course I do, Premier.

Mr C.J. Barnett: Well, why are you arguing the opposite?

Ms M.M. QUIRK: I am quoting from this article —

Point of Order

Ms R. SAFFIOTI: The Premier is interjecting on the member for Girrawheen, and the member for Girrawheen —

The DEPUTY SPEAKER: Thank you, member for West Swan. The member for Girrawheen responded.

Debate Resumed

Ms M.M. QUIRK: I certainly endorse this article, which I think is very thoughtful. It continues —

How anyone could think we get others onside by rubbing their noses in the proverbial is beyond me.

It all smells of political panic and I reiterate: the GST is not, has never been and never will be distributed on the basis of getting back what the citizens of a jurisdiction pay in.

His past comments demonstrate that the Premier really understands the system better than most.

On May 6, 2005, the then-federal treasurer Peter Costello was threatening to alter the GST funding arrangements because the states were dragging their feet over removing taxes and, as WA leader of the opposition, Colin Barnett said: “For the past two and a half years the government has continually tried to blame the previous government or the Commonwealth Government for what it portrays as the financial challenge it faces.”

And further on in the same speech, he said: “If two sides make a deal, even a bad deal, they must keep to it unless both sides mutually agree to change it. The GST was a good deal, Western Australia should honour it and the Commonwealth should equally honour its commitment to keep the GST repayment exclusively for the states and not play around with it.”

Clearly, Barnett did not support blaming Canberra and considered the GST arrangements a “good deal” that should be honoured.

As an economist, Barnett must know that the state’s biggest budgetary problems do not stem from falling GST revenue; he must know that big spending, big debt and big budgetary blunders cause them.

The current state budget grossly misjudged and overestimated iron ore prices. Falling prices were inevitable and the scale was hard to forecast—but only the state government predicted rises.

If the state had adopted the federal figure of \$60 and spent accordingly, the budget would be in significantly better shape, but the Barnett Government chose not to adopt that more realistic option.

This was a serious mistake for which the government should be held accountable.

...

Mr John Quigley; Ms Josie Farrer; Mr Chris Tallentire; Mrs Michelle Roberts; Ms Margaret Quirk; Deputy Speaker; Ms Rita Saffioti; Mr Ben Wyatt; Dr Mike Nahan; Mr Bill Johnston

Of course they could change that by calling another election and contesting it with a new and significantly more honest slogan, something like: We stuffed it—give us a chance to fix it.

That was a quote from the writing of Mr Larry Graham.

Like ancient Rome, the Western Australian government is showing signs of decline. Like the Romans, this administration adheres to the theory of bread and circuses. That term was first used in 100 AD by the satirist Juvenal to describe the generation of public approval not through exemplary or excellent public service or public policy, but through diversion, distraction or the mere satisfaction of the immediate shallow requirements of a populace as an offered palliative. Shallow forms of distractions, like vast stadiums where Christians were thrown to the lions, were offered, hence the term “circuses”; and grain was doled out, hence the term “bread”. There are some definite parallels.

I want to move to a related issue that the member for Midland raised—the issue of cost shifting to local government. Attempts are consistently made, I believe, to temper the cost blowouts by the state government by shifting responsibility in a number of areas to local government. The hypocrisy of this government knows no bounds. This is the very level of government that has been so publicly held in contempt and criticised during the botched council amalgamation saga. To conclude, I will give some tangible examples of how this kind of cost shifting has affected one of the councils in my electorate. I, in fact, have three, but the largest proportion of my electorate is in the City of Wanneroo. Overall, this cost shifting is done by decisions being made at a state government level, with little regard paid to the impact it will have on the finances of local governments; often it is done without adequate consultation, and it certainly does affect the bottom line of local governments. In the case of the City of Wanneroo, which is a very fast growing local government, it is really impacted by a range of cost-shifting decisions.

The first one I want to mention is financial counselling services. They are provided by local government, with grant funding from both state and federal governments. They are being cut back steadily; however, the demand for these services is very much increasing due to the economic environment and the huge imposts, taxes and charges imposed by this government. But local government is expected to continue this service, and with increased demand.

The second area is library funding. Book collections are under threat. Libraries are community hubs; they are available for all to use. Local government is expected to continue to run libraries with the appropriate resources available, and these days that also implies a lot of electronic and information technology equipment, but again with little assistance. Major sport facilities are also difficult for local governments to fund alone, especially those that are expected to be of a regional standard.

[Member’s time extended.]

Ms M.M. QUIRK: Any cuts to community sport and recreation fund programs will mean that an area such as Wanneroo, which has high growth and a young population, will be greatly impacted.

The waste levy was recently increased, and that has meant significant additional cost to local government, with no visible return. In addition, there is no incentive for local governments to reduce their landfill usage, as the cost is not varied. I understand that the City of Wanneroo has worked very hard to reduce its waste going to landfill, yet the levy remains high.

Another issue that is very live in my electorate is the level of hooning, and I think it also applies to a number of members in this chamber. There is limited policing on local roads and that leads to unchecked traffic issues such as speeding and hooning. Without the appropriate enforcement and compliance measures, the alternative for the community is to expect that local government will install expensive engineering solutions and traffic calming to slow traffic. Again, that shifts the cost for behaviour that the state government prides itself on being able to enforce and control.

The next live issue, which was raised by the Minister for Transport recently, relates to the possibility of cyclists using footpaths. That will mean that the footpath stock will have to be reassessed for dual usage, and that will mean more cost for local government for asset renewal and new path development and potentially more compliance work. As the shadow spokesperson for seniors, I think that the suggestion is not welcomed by seniors. We are encouraging seniors to get out and about in the community, and the idea of speeding bikes going past on footpaths not designed for such a purpose will certainly be a deterrent to that happening.

Wanneroo collects approximately \$17 million through the emergency services levy each year. This year to date, approximately \$8 million has been available to the city. The balance, of course, is provided to fund general operations and other communities that do not generate as much revenue. Some of it is now going to administration, which of course was not the intention of the levy, and that is something that we will explore

Mr John Quigley; Ms Josie Farrer; Mr Chris Tallentire; Mrs Michelle Roberts; Ms Margaret Quirk; Deputy Speaker; Ms Rita Saffioti; Mr Ben Wyatt; Dr Mike Nahan; Mr Bill Johnston

during estimates. In addition, there are recovery costs for an emergency, which are generally covered by a local government, unless there is a substantial impact on infrastructure such as a road or a bridge, in which case emergency funding would come into play. For example, it looks as though the City of Wanneroo will have assisted in the recovery after the fires in Wanneroo this year to the tune of about \$100 000. Of course, those expenses are not met because there was no damage to major infrastructure.

In the member for Butler's electorate, there has been the issue of coastal erosion. The city has spent over \$2.5 million to save Quinns Rock Beach, with only a minor contribution from the state. Coastal issues in general appear to be left with the various governments having to look after jetties, beaches, river walls and, as the member for Ocean Reef knows, beached whales.

Then of course there are the changes to the senior and pensioner concession charges that have been leaked. I think that will put added pressure on council rates, because the flow-on effect of making these changes may well be that local government will be pressured to give concessions to make up for the increase in people's home budgets.

There are two other matters I want to mention. The first is building compliance changes. I am instructed that this has led to reduced revenue to the private certification, but continued compliance without the control of licensing processes. Again, there is less revenue, but the cost in relation to compliance remains.

The last issue, which we will probably debate in a couple of weeks, relates to the new public health legislation. The move towards local area health plans will mean more pressure on local governments to provide for local health education and related services. Local governments have agreed to this legislation because it has been such a long time coming, so they are aware of the impact, but they are keen for some new legislation. However, they anticipate that they will wear costs. The provision of services to our community is jointly provided by state and local government. It is unfortunate, however, when the change in one sector, namely the state government, impacts on local government and these changes are made without consultation, or with limited consultation, and without consideration of the consequences of these changes. Inevitably, they result in cost shifting. I am the last speaker, which I am sure the Treasurer will be very pleased about. I reiterate what the member for Gosnells said: it is quite extraordinary to front this Parliament a week or so before the budget is handed down with such little detail and documentation when the financial situation was known at the end of last year, present this as an urgent bill and expect that the opposition would not want to comment at length on what is the outcome of irresponsible financial management and wrong priorities over a number of years.

Question put and passed.

Bill read a second time.

Leave denied to proceed forthwith to third reading.

Consideration in Detail

Clause 1: Short title —

Mr B.S. WYATT: I quickly want to make a point about the surprise, and indeed disappointment, of the opposition that the Treasurer did not see fit to make some comment in reply to the second reading debate.

Ms M.M. Quirk interjected.

The DEPUTY SPEAKER: Order, member for Girrawheen.

Mr B.S. WYATT: It is surprising bearing in mind that there was a matter of public interest, significant debate and an amendment in respect of the issue of long-term debt. I would have thought that the Treasurer, in light of the fact that he is seeking authority to borrow another \$8 billion, might take the opportunity to treat the significant requests, effectively from the Western Australian taxpayer, with more respect than he has shown in this Parliament.

Mrs M.H. ROBERTS: I have to say that I was highly surprised too. This clause is about the title of the bill and maybe the bill should really be entitled the "Major Blowout Bill" or the "Barnett Blowout Bill". I mean, \$8 billion? The Premier interjected complaining about how long people had spoken about this. This is not something the opposition takes lightly. This is something the government sprung on us. There has been an enormous number of really important points made in this debate. One of my colleagues interjected that perhaps the reason the Treasurer did not respond was that he agreed with everything opposition members said and he thought the criticisms we made were pretty darn fair. What have people got for the \$8 billion? They have got huge increases in the cost of living. Phenomenal increases in the cost of living clearly indicate that under this government and this Premier debt is totally and completely out of control. This is a colossal, huge blowout of mammoth proportions.

Mr John Quigley; Ms Josie Farrer; Mr Chris Tallentire; Mrs Michelle Roberts; Ms Margaret Quirk; Deputy Speaker; Ms Rita Saffioti; Mr Ben Wyatt; Dr Mike Nahan; Mr Bill Johnston

The DEPUTY SPEAKER: Member for Midland, can you address yourself to the clause, please, which is the short title of the bill.

Mrs M.H. ROBERTS: I think if Madam Deputy Speaker had been listening, she would realise that is exactly what I am doing.

The DEPUTY SPEAKER: I am listening.

Mrs M.H. ROBERTS: This is about the most major, the biggest blowout that we have ever seen. This is no ordinary Loan Bill. I do not think it is proper to call it a loan bill and have people believe that this is the normal business of government—it is not. Never before in the history of this state have we had to borrow \$8 billion! This is a disgrace. This is something that every person on the opposite side of the chamber should be embarrassed and ashamed about. This is no ordinary Loan Bill. The bill's title is a misnomer, because people might believe, in reading this title, that the bill is in some way similar to any other loan bill that has ever been brought to this house—it is not! It is on a magnitude so much greater than any other government has ever borrowed in a loan bill that it should not be called the Loan Bill 2015. It should be called the "Major Blowout Bill 2015". There needs to be something in the title of this bill that signifies to the people of Western Australia that this is no ordinary Loan Bill and it should not be called just the Loan Bill 2015; it should be called the "Major Blowout Bill" or the Major Blowout and Loan Bill", because that is what it is about. I can only assume that the Treasurer was either too embarrassed to call this bill what it actually is, or he has some dignity and he was too embarrassed to respond to debate on the second reading of the bill. I thought that was unprecedented. This is a bill that is very serious. I think there are only two choices, either the Treasurer was incredibly embarrassed or he is incredibly arrogant and he does not think it deigns a response; he does not think he needs to respond. The Treasurer is sitting back there saying, "I've got the numbers. I don't have to worry about those people opposite. They're irrelevant. I can add up. We have more numbers on our side of the house than they have on their side!" Maybe he is just thumbing his nose at the opposition. The Treasurer may be thumbing his nose at us, but in doing that he is thumbing his nose at all of our constituents and a great many Western Australians. If we had a little honesty from the government, it would not be called the Loan Bill 2015, because this is not business as usual. It is not like the Loan Bill of any other year, this century or last; it is dramatically different.

I have been appalled by some of the speeches from members opposite who seem to want to justify the huge debt blowout by trying to pretend that their constituents are completely happy. They are not happy at all. Anyone I talk to who has any comprehension of what this government has done to the state's finances is absolutely gobsmacked. This is no ordinary Loan Bill. The title should not be Loan Bill 2015; it should be something like the "Major Blowout Bill" or the "Major Blowout and Loan Bill" or the "Major Public Embarrassment and Loan Bill". That might give people some indication as to the real truth of the budgetary situation that the Barnett government has put us in.

Clause put and passed.

Clause 2: Commencement —

Mr B.S. WYATT: Regarding the day this Loan Bill will come into operation, the government has declared this as an urgent bill. In his second reading speech the Treasurer made the point that there is still, effectively, \$1.6 billion in borrowing capacity.

Dr M.D. Nahan: At the end of this fiscal year.

Mr B.S. WYATT: As at 30 June this year, the government is expecting a \$1.6 billion borrowing capacity from the 2012 Loan Bill. Why was it necessary to declare this bill urgent? Firstly, the house will sit in June; it will sit next week and again later in May, from memory. After 30 June there will be \$1.6 billion in capacity under current authority that the Parliament gave the government back in 2012. Secondly, what is the latest point at which this legislation can come into operation? The government is expecting \$1.6 billion post 30 June 2015. What is the expected drawdown, if you like, of that \$1.6 billion? Will it be done by the end of July? Will the government need all that money straightaway or by the end of December, for example?

Dr M.D. NAHAN: I will get some advice from my advisor as to the drawdown time. We have a budget next week and in June there are the estimates.

Mr B.S. Wyatt: For one week.

Dr M.D. NAHAN: It will consume most of that time, and it was considered advisable to get this done now when we have the legislative time to do it.

Mr B.S. WYATT: While the Treasurer has sat down, I will get to my feet.

Mr John Quigley; Ms Josie Farrer; Mr Chris Tallentire; Mrs Michelle Roberts; Ms Margaret Quirk; Deputy Speaker; Ms Rita Saffioti; Mr Ben Wyatt; Dr Mike Nahan; Mr Bill Johnston

Dr M.D. Nahan: I'll answer your last question.

Mr B.S. WYATT: There are two points. While the Treasurer is seeking advice on the likely drawdown of the \$1.6 billion he has authority to borrow from the previous Loan Bill, I make the point that I think it is crystal clear to all members and, I would like to think, even my Liberal colleagues when they go home and crawl under their doonas, that there is no need whatsoever to have this bill declared as urgent. Hopefully, the Treasurer is now ready to answer the second part of that question.

Dr M.D. NAHAN: I am advised that there was a risk that we would use up the \$1.6 billion, which is residual as at 30 June, ahead of the parliamentary sitting in August 2015 or later.

Mr B.S. WYATT: Is there a risk the government could use the \$1.6 billion prior to the August sitting?

Dr M.D. Nahan: Yes.

Mr B.S. WYATT: What is that risk based on? Is it based on revenue projections or the requirement for money for the capital works program? What is the nature of that risk that would require the \$1.6 billion perhaps earlier than expected?

Dr M.D. NAHAN: It is both. There is a recurrent deficit and substantial capital expenditure from the consolidated account. It is both. It is the drawdown for both capital and recurrent purposes.

Ms R. SAFFIOTI: We are drawing on the existing loan facility and the proposed loan facility to fund recurrent expenditure. At what rate per week are we funding recurrent expenditure? How much recurrent expenditure are we using debt for on a weekly basis?

Dr M.D. NAHAN: Right now we are operating on a cash basis; we are not drawing down for recurrent purposes. We are covering our recurrent requirements on a cash basis, but after 1 July when the budget comes into effect, we will start using borrowing to meet recurrent purposes.

Ms R. SAFFIOTI: I seek a further explanation about that. I am not sure why 1 July triggers that change. Surely the ongoing deficit is significant?

Dr M.D. NAHAN: That was on the basis of the midyear review. Things have deteriorated since the midyear review, and that is when the budget will elucidate the drawdown. Right now, according to the midyear review, we have enough cash to cover our recurrent purposes, and I am not clear if we have gone into drawing down, using debt for recurrent purposes, since the midyear review. The adviser is not aware of that.

Ms R. SAFFIOTI: So we can anticipate that from about 1 July we will be drawing from the Loan Bill to fund the recurrent account. At what rate will we be drawing down per week, in the first month for example?

Dr M.D. NAHAN: I cannot answer that, although I reiterate that there is a risk. The estimate is that as at 30 June we have \$1.6 billion left out of the 2012 Loan Bill and there is a risk before we come back in mid-August that we will have consumed that both for capital and recurrent purposes. That is the best I can answer that question.

Ms R. SAFFIOTI: In light of the \$500 million payment that the federal government is giving the state government in 2014–15, will that give the state government another two or three weeks' breathing space?

Dr M.D. NAHAN: As indicated, that was decided this week, and that \$500 million is not brought into our consideration. We did not know it was coming. It has come in since then, so, yes, it will give us \$500 million additional cash to deal with.

Mr B.S. Wyatt: For this financial year?

Dr M.D. NAHAN: That is right. It is coming in in 2014–15.

Ms R. Saffioti: But it will reduce your call on the loans?

Dr M.D. NAHAN: Yes, it will go into the consolidated fund—into an account, I suppose, allocated for projects when needed. Some of those projects have started and some have not. For a period of time it will give us \$500 million in an additional cash balance to deal with.

Ms R. SAFFIOTI: Is that \$500 million being treated as operating revenue or capital revenue in the finances?

Dr M.D. NAHAN: As the member would know, generally, when the commonwealth government gives a payment, it is treated as recurrent income, and then it is displaced, or spent, on capital. All of those moneys are going to existing arrangements with the commonwealth and, therefore, all but the extension of the Mitchell Freeway have commonwealth moneys already attached to them. What we are doing in most of those cases is increasing the commonwealth support to 80 per cent of the total funding and, therefore, the additional money is going through existing arrangements—coming in as revenue and expended as capital.

Mr John Quigley; Ms Josie Farrer; Mr Chris Tallentire; Mrs Michelle Roberts; Ms Margaret Quirk; Deputy Speaker; Ms Rita Saffioti; Mr Ben Wyatt; Dr Mike Nahan; Mr Bill Johnston

Mr W.J. JOHNSTON: That was one of the issues I want to clarify. These are ones that are perhaps 50 per cent funded by the commonwealth and are now moving to 80 per cent.

Dr M.D. Nahan: Yes.

Mr W.J. JOHNSTON: I understand that with national roads, so long as the state government does the roads program on the schedule of the commonwealth government, the state government would ordinarily get that 80 per cent, and it would get the 50 per cent if the state government was not doing it on the ordinary program of the commonwealth government. I understand that from an example that someone drew my attention to of a road in Queensland. So the Treasurer is saying that the airport roads and Great Eastern Highway are all funded 80 per cent by the commonwealth, generally speaking, when the state government does it within the time line of the commonwealth? That is the first part of my question. The second part of my question is: I understand that the Treasurer is saying that all these projects are current projects that are already in the budget, or forward estimates, for Western Australia; they are not new projects that the government would not have otherwise done. Obviously, if they were new projects, the state government would be making our debt position worse because the state government would have to contribute its 20 per cent. Could the Treasurer confirm that second element as well?

Dr M.D. NAHAN: I cannot answer the question about the 80 per cent if they are on the commonwealth budget time schedule. I am advised there is some flexibility in those arrangements. They vary from project to project. There has been no request from the commonwealth to expedite the expenditure. To my knowledge most of those projects were on an agreed schedule already. Yes, they —

Mr B.S. Wyatt: None of those schedules have to change as a result?

Dr M.D. NAHAN: No. The funds are being allocated to existing projects that we were committed to. The money displays our expenditure; there is no additional. It reduces our capital spend in recurrent.

Clause put and passed.

Clause 3: Power to borrow for public purposes —

Mr B.S. WYATT: Effectively this is the key clause of the bill, giving authority to the Treasurer to borrow for public purposes, from the Western Australian Treasury Corporation or elsewhere, sums of money not exceeding \$8 billion in aggregate. My first question, Treasurer, is: why \$8 billion? The Treasurer has \$1.6 billion and he is seeking a further \$8 billion to get us through to 30 June 2017. Perhaps the Treasurer can tell us how much excess has been factored into that \$8 billion from the actual current scheduled capital works program plus expected deficits et cetera. As it stands, if indeed that expires at or before 30 June, one of the first acts of the new government post the 2017 election is it will probably have to come in here with another loan bill. Was any consideration given to seeking authority for a larger figure, bearing in mind the electoral cycle as well?

Dr M.D. NAHAN: As the member can imagine, I took Treasury's advice on this and it recommended \$8 billion. That has a substantial margin in it to cover all possible contingencies.

Mr B.S. Wyatt: What sort of margin?

Dr M.D. NAHAN: I will get that advice in a minute. I am answering all the member's questions on this one. We did not factor in any possible asset sales, for instance, that would recoup revenue because, as the member knows, the government has not earned them yet. We will not book them until we do. We took a conservative estimate.

Mr B.S. WYATT: I think the Treasurer was going to come back on how much excess.

Dr M.D. NAHAN: All-up, a \$1.5 billion buffer is a conservative estimate

Mr B.S. WYATT: The Treasurer may have a list there. When we previously had this discussion during debate on the Loan Bill 2009, the then Treasurer Troy Buswell—it looks as though it is something similar to that—gave us a breakdown of what makes up the figure; in this case \$8 billion. The Treasurer just said there is effectively about \$1.5 billion in excess. We previously had a conversation with Mr Buswell that broke it down. Obviously some of it may be to cover the general deficit, so it might be hard to break down, but I would have thought it would be fairly easy for the Treasurer to break down for the house the capital side of that \$8 billion.

Dr M.D. NAHAN: I have had some discussion with Treasury on this and I might seek some advice before I say too much. This is a notional allocation of consolidated account. It is a notional allocation because it is a big pool of money; you do not necessarily put it. This includes existing debt levels. The largest one of course, not surprisingly, is Health at \$5.4 billion. That is the expected borrowings at 30 June 2017. Some of that is already expended of course. This is the accumulated levels of debt estimated at 30 June 2016 for which other funds and this loan bill is used for.

Mr John Quigley; Ms Josie Farrer; Mr Chris Tallentire; Mrs Michelle Roberts; Ms Margaret Quirk; Deputy Speaker; Ms Rita Saffioti; Mr Ben Wyatt; Dr Mike Nahan; Mr Bill Johnston

Mr B.S. WYATT: Can I just clarify: the \$5.4 billion figure that the Treasurer just mentioned for Health—that will be as at 30 June 2017?

Dr M.D. Nahan: Yes.

Mr B.S. WYATT: The accumulated borrowings for Health.

Dr M.D. Nahan: Yes.

Mr B.S. WYATT: Does that include all borrowings for Health at that point?

Dr M.D. Nahan: Yes, outstanding borrowings.

Mr B.S. WYATT: Can the Treasurer go through all the figures? Will the Treasurer provide us with that or did he want to list them? It might be easier to table it rather than standing up and reading it.

Dr M.D. Nahan: I have just seen this.

Mr B.S. WYATT: While the Treasurer is looking through that list, it might be worth moving on to the next obvious question of the drawdown rate for a two-year period. How much is the Treasurer expecting to draw down in the 2015–16 financial year and how much is he expecting to draw down in the 2016–17 financial year?

Dr M.D. NAHAN: To reiterate, we chose to do this for two years because it was appropriate going through to the next election. We could have come back with another Loan Bill with a bit more surety of the picture going forward. Treasury's advice was to go through to 30 June 2017. We could have easily accommodated a \$3 billion Loan Bill for the next year but Treasury chose to go for two years and an \$8 billion Loan Bill.

Mr B.S. Wyatt: The way I read that answer to my question is that you expect to draw down \$3 billion of this in 2015–16, allowing for \$1.5 billion.

Dr M.D. NAHAN: Take the buffer down to \$3.5 billion. Again, those are conservative estimates.

I wish to make a comment about the list. They are Treasury's allocations.

Mr B.S. Wyatt: I understand that.

Dr M.D. NAHAN: Some judgement is required when looking at them. Treasury has held us back from referring to them regularly because of the difficulty of being precise. As members will notice in some of these items, multiple departments would be accumulated. I will table this paper rather than read it out. Just as a caveat, they are notional allocations.

[See paper 2885.]

Ms R. SAFFIOTI: I want to ask a question relating to the timing. I do not want to be too pessimistic. Let us assume that things take a turn for the worse and the Treasurer runs through his \$1.5 billion capacity at the end of 2016. During the next election period, let us assume that Parliament will finish sitting by mid-November 2016. If the election is not until March 2017, Parliament will not come back until April or May. I understand that there is some fat in the numbers—\$1.5 billion—but it strikes me that it is a little tight. If things did take a turn for the worse, the state could be pretty exposed with no Parliament sitting for about five months and we would possibly run into the end of the loan facility. What would happen if that scenario occurred?

Dr M.D. NAHAN: Treasury is confident that this will cover the expenditure of the state through to 30 June. We would have a better picture a year from now and be able to make a judgement if we had to if things got worse than we expected. We would have to make a judgement at next year's budget, around this time. We are confident that this will be the extent of the borrowings or the Loan Bill.

Ms R. SAFFIOTI: I am sure this would happen. Would the drawdown on the existing loan facility be reported as part of the *Pre-election Financial Projections Statement* at the end of 2016? Hypothetically, if the government were to run out of cash, would it be a matter of trying to adjust cash flows on the capital projects and having to fund the recurrent, because I assume that the government would want to keep the nurses in the hospitals, but it could try to renegotiate some of the payments for major contracts?

Dr M.D. NAHAN: I am advised that up to date for the pre-election report, Treasury does not give a statement about the residual in the loan account. Treasury says that it manages cash all the time, and this is a cash flow management issue, and, if a crisis did hit, it runs the balances up and down. It does this all the time. It depends on the stock of debt and the flow of debt, as the member knows. So, to answer the member's question, traditionally Treasury does not report in the pre-election report on the cash balances.

Ms R. SAFFIOTI: Sure, and I can understand that that would have been the case were the government not funding recurrent from the loan facility. But things have changed. These are extraordinary circumstances, and

Mr John Quigley; Ms Josie Farrer; Mr Chris Tallentire; Mrs Michelle Roberts; Ms Margaret Quirk; Deputy Speaker; Ms Rita Saffioti; Mr Ben Wyatt; Dr Mike Nahan; Mr Bill Johnston

with capital items, the government can be a bit more selective in the time of repayments and it can renegotiate contracts. In relation to recurrent, the government basically has to sack people if it cannot pay them. So can I make a formal request that the balance of that loan facility be reflected in the pre-election financial statement, given the extraordinary circumstances that we are in?

Dr M.D. NAHAN: The actual and forecast drawdowns will be reflected in the estimates in the pre-election forecast.

Mr W.J. JOHNSTON: Treasurer, I understand that this is a notional allocation. So I am not saying this is what is going to happen. But I notice that Western Power, Synergy and Horizon Power are all listed in the table of notional allocations of indicative consolidated borrowings as at 30 June 2017. Clearly these are not the full amount of borrowings.

Dr M.D. Nahan: This is the indicative consolidated account borrowings.

Mr W.J. JOHNSTON: Yes, I know, and that is what I am getting to. To take Western Power, and I do not have the exact figures in front of me, but it is approximately \$6 billion —

Dr M.D. Nahan: Yes, \$6.5 million.

Mr W.J. JOHNSTON: This document has Western Power at \$305.148 million. I am just wondering what would be the consolidated account borrowings, understanding that they are off budget. Is there some part of their borrowings —

Dr M.D. NAHAN: This is again a problem with the notional allocation. It goes through various areas of spend. We think it is related to the subsidies. This is one of the distortions in the notional allocation. It is rather mechanical.

Ms R. SAFFIOTI: I understand that this is basically looking at all the percentages of these expenditure items against the full budget, and then applying those percentages against the \$8 billion. So, for example, the CSO would be —

Mr W.J. Johnston interjected.

The SPEAKER: Please speak clearly so that Hansard can pick it up.

Ms R. SAFFIOTI: As I see it, agencies do not borrow individually. They borrow from the consolidated account. So all the agencies —

Dr M.D. NAHAN: I just want to get some clarification on this, because I do not want to mislead the member. My adviser is trying to clarify what those notional allocations for Synergy and Horizon are. The initial thought was that they were in fact mechanical notional allocations of CSOs. There might have been equity injections for some reason in the past, but I cannot answer that. So I will try to get an answer from Treasury for the member.

Ms R. SAFFIOTI: Can I get those comments clarified? I actually think that the CSO is an expenditure item.

The SPEAKER: Member for West Swan, can we just have clarity because Hansard has to pick it up and the minister has to answer the question and sit down.

Dr M.D. NAHAN: We believe they are equity injections. We do not know the timing and purpose. There have not been any equity injections for the last couple of years under my watch.

Mr W.J. JOHNSTON: It makes sense if they are equity injections. Of course, tomorrow I will bowl up with questions to the minister in question time about what the equity injections are for, but we will leave that aside for tonight. I just wondered about the \$676 million allocation for sport and recreation. It is near the top of the page under “Housing Authority”. I make an assumption that a significant part of that \$676 million notional allocation is in fact for Perth Stadium, because I imagine that is the biggest item of spending in that portfolio area. I am just wondering about the finance facility with the construction consortium. I understand that the \$500 million it has had to borrow is not included in this debt allocation. This is a part-private finance arrangement. My figure might be wrong but I think the construction consortium is putting about \$500 million into that project. Then the Treasurer will make a capital allocation payment—capital availability or whatever—to the consortium over the life of the project, and then a balloon at the end. I think that is the way that \$500 million is being financed. I am just trying to clarify that it is in fact in addition to the borrowings that we are being asked to authorise. It is not part of this, is it?

Dr M.D. NAHAN: I do not have the advisers to provide me with accurate advice on how these were calculated and what is included up to 30 June 2017 for projects such as the stadium and others. I do not want to mislead the member, but I was not prepared for a detailed discussion on notional allocation. I think the member is right, but I cannot confirm that. However, there was a range of other sport and recreational items such as the beautiful

Mr John Quigley; Ms Josie Farrer; Mr Chris Tallentire; Mrs Michelle Roberts; Ms Margaret Quirk; Deputy Speaker; Ms Rita Saffioti; Mr Ben Wyatt; Dr Mike Nahan; Mr Bill Johnston

basketball and track field facility and others. I imagine the largest one is in fact the stadium, but I do not have the data in front of me and neither does my adviser.

Mr B.S. WYATT: Although we have moved on, I want to take the Treasurer back to a question that the member for West Swan asked of the previous clause. It is about the assumed interest rates or assumed cost of funds. By way of example, again bearing in mind this was back in 2012, I put this question to the then Treasurer, Troy Buswell. He made the point that the projections at that time for the cost of funds were 4.6 per cent in 2012–13; 4.6 per cent in 2013–14; 4.9 per cent in 2014–15; and 4.9 per cent in 2015–16. I am asking for the purposes of this Loan Bill: what is the assumed cost of funds? I see the minister's Treasury official frantically looking at his iPad and documents. It may also be worth asking how much of the current Loan Bill will be used for the repayment of borrowing to the Western Australian Treasury Corporation.

Dr M.D. NAHAN: What was the second question?

Mr B.S. WYATT: How much of the \$8 billion will be used for repayment of borrowings to the Treasury Corporation? In 2012, I asked a similar question of the then Treasurer—I cannot find it now but I have it here somewhere—and there was a figure effectively for the repayment of borrowings. I have had only a quick look at the notional allocation document. It may be in there but there may be a figure out of that \$8 billion that is effectively repayment of borrowings to the Treasury Corporation.

Dr M.D. NAHAN: Just to clarify the question, the member asked what interest would be paid.

Mr B.S. Wyatt: What is the true cost of the borrowing over those two years? The example I gave you the previous time was obviously for a longer period, so this is for those two years.

Dr M.D. NAHAN: The total interest payment for the consolidated account in 2015–16 is \$559 million, and \$706 million total interest payments for all stock of debt, not just that \$8 billion, in 2016–17.

Mr B.S. Wyatt: And just while you are there, what is the assumed interest rate over the next two years?

Dr M.D. NAHAN: That is around four per cent. We will come back to it again.

Mr B.S. WYATT: This is a little related to the questions about the worst-case scenario that was put to the Treasurer by the member for West Swan. I will read a small part of the Western Australian Treasury Corporation's annual report for 2014. I have had some discussion over the past few years with previous Treasurers about the move by the Western Australian Treasury Corporation from short-term debt to long-term debt. I will read one paragraph of the Treasury Corporation's annual report, which states —

Dependence on short-term debt, which has interest cost benefits but carries re-funding risk, was reduced in a relatively short period of time. Debt maturing within 12 months was reduced from 39 per cent last year (near where it had been for 20 years) to 19.8 per cent at 30 June 2014, consistent with a 20 per cent target set by the WATC board. This was accomplished by the issuance of approximately \$10 billion in long-term debt (both fixed and floating rate), replacing a proportion of short-term debt. WATC's liquidity portfolios now cover over 85 per cent of debt maturing within 12 months, providing increased buffer if market conditions were to deteriorate.

As an aside, I am assuming that that was what the Treasurer was referring to in his answer to the member for West Swan. I am assuming that is what the Treasury Corporation would be able to do. The report continues —

An additional benefit is that WATC's annual call on the markets will fall from an average of approximately \$17 billion per annum over the past three years to an average of less than \$9 billion per annum over the next three.

Will the \$8 billion that we are seeking authority for here be reflected in that commentary; that is, about 20 per cent short and 80 per cent long? Will we still see, with the approval of this extra borrowing, the call on the markets continue at around that \$9 billion per annum, or will it increase over the next two years?

Dr M.D. NAHAN: As the member knows, the issues of the mix of debt—long or short-term duration—and the source of the debt, either overseas or domestic, is left up to the WATC and its board. I get periodic advice from the board, as does the member.

Mr B.S. Wyatt: When I see the annual report, that is the advice I get.

Dr M.D. NAHAN: The report is showing that when there is a move from short to long-term, the loans do not have to be turned over. The turnover of loans, and therefore the volume being dealt with in moving from short to long-term, and the volume of transactions decreases. We could, depending on the duration of the loan, see no change or we could, by putting more money in there, see a slight change. I assume, from what I have been advised, that this borrowing is going to go to the same mix of long and short-term. Everything else held constant, one would see a slight increase in the volume of transactions.

Mr John Quigley; Ms Josie Farrer; Mr Chris Tallentire; Mrs Michelle Roberts; Ms Margaret Quirk; Deputy Speaker; Ms Rita Saffioti; Mr Ben Wyatt; Dr Mike Nahan; Mr Bill Johnston

Mr B.S. Wyatt: Sorry, Treasurer, I am not sure whether your adviser found the two figures.

Dr M.D. NAHAN: He is still looking. He does not have them; I can get them for the member.

Mr W.J. JOHNSTON: I have a couple of questions. Given that the Treasurer is asking us today to authorise an additional \$8 billion in borrowings, does he have any idea of the total amount the government expects state debt to reach at its peak? Has the Treasurer calculated that? Has he received advice from Treasury on that expectation?

Dr M.D. NAHAN: We will discuss that in the budget debate next week.

Mr W.J. JOHNSTON: It is a bit extraordinary for the Treasurer to come here and ask us to borrow another \$8 billion over two years. To quote from the Treasurer's second reading speech —

Consequently, further loan act authorisation is required. The \$8 billion sought in this bill aims to cover the two-year period until 30 June 2017 ...

Further along, the Treasurer stated again —

Consequently, further loan act authorisation is required. The \$8 billion sought in this bill aims to cover the two-year period until 30 June 2017.

It is pretty serious to ask the Parliament of Western Australia to authorise that \$8 billion in additional money. I point out that on the notional allocation—I understand that it is a notional allocation—the Treasurer is saying that in the 150 years of Western Australia's history we have gone from zero borrowings to \$13.7 billion in borrowings. Over the next two years, we are going to add another \$8 billion on top of that, and that of course is only the consolidated account borrowings; we are not talking about the GTE borrowings on top of that. In asking us for this extraordinary amount of money for just two years, I would imagine that the Treasurer or someone in Treasury has calculated what the government expects state debt to peak at. Given that I imagine the Treasurer has done that work, I am asking him to share it with us and at the same time to please let us know when he expects that peak debt figure to be reached. Again, I am sure he has this information available: In asking us to approve this extraordinary, unprecedented amount of \$8 billion in borrowings for just two years, perhaps the Treasurer would also like to provide us with a projection for state debt for the next 10 years. I do not think any of those issues are unreasonable to share with this chamber and, through us, the people of Western Australia, when he is asking us to agree to this unprecedented task of taking the amount of debt accumulated over 150 years and increase it by 60 per cent over two years. We have taken 150 years to get to today's debt level, and the Treasurer wants us to increase that by 60 per cent over two years. That is extraordinary, and it is not unreasonable for the Treasurer to firstly let us know whether he has that information, and secondly, to share it with us and the people of Western Australia.

Dr M.D. NAHAN: As the member knows, this is a loan bill and next Thursday we bring down the budget and we will have extensive discussions about all aspects of the fiscal policy of this state, including debt levels and other policies. That is the appropriate venue for discussing debt levels, their composition and trajectory. That is the budget, and as the member knows, it is the tradition to keep budget information of that nature confidential until the budget is released next Thursday.

Ms R. SAFFIOTI: In relation to the notional allocation of the borrowings against each agency, does then each agency also have the interest payments allocated against each agency?

Dr M.D. NAHAN: No. There are some: take Education, or Health which is the largest one. No; that is why it is a notional allocation. The consolidated account borrows through the Loan Act on behalf of the consolidated, and then uses that debt and other funds to fund capital. Each agency is not required to recoup it. The general government agencies are not required to recoup, out of their appropriations, the interest payment for the capital they receive.

Mr W.J. JOHNSTON: I am interested in that answer. I could understand why the government would not do it for an agency like Health or Education because it would just be a notional transfer. The government would give them the cash, and then expense it back and it would be a zero-sum activity. The Department of Sport and Recreation is the one that sticks out because it is the first one where we would not expect that. The government is building these facilities and the facilities are charging users. If the government is not charging the interest costs to those agencies, it does seem a bit unreasonable because Sport and Recreation, the Western Australian Sports Centre Trust, Culture and the Arts to a certain extent, and Port Hedland Port Authority are organisations that are actually charging others for the use of their services; there is also Dampier Port Authority. As I say, I understand Education and Health because that would just be completely notional, but for the agencies I mentioned—there are probably a couple of others—would the government not be getting them to cover their own interest costs?

Mr John Quigley; Ms Josie Farrer; Mr Chris Tallentire; Mrs Michelle Roberts; Ms Margaret Quirk; Deputy Speaker; Ms Rita Saffioti; Mr Ben Wyatt; Dr Mike Nahan; Mr Bill Johnston

Dr M.D. NAHAN: Just to clarify, there are some agencies, as we have discussed before, that are oddities here—Western Power, Horizon and Synergy—and borrow on their own right. This is a notional allocation relating to equity injection. They are notional, and they do not have interest repayments associated with these. They probably did not even borrow for them; these are notional allocations. Some of these agencies, like the Metropolitan Redevelopment Authority, borrow in their own right in addition to the consolidated fund. They would be responsible for recouping that debt themselves for those payments. Again, this applies to organisations like the port authorities that have a notional debt allocation, but again the advice I get is that it is probably more in the nature of an equity injection—for instance, a gifted asset of some sort, which we did recently for one of the ports. So it is notional, it is not really borrowing on their behalf, and there are not any interest payments for it. But generally if there is a consolidated account borrowing for one of these general government agencies, the general government agencies are not billed for or repay the interest through their appropriations.

Mr B.S. WYATT: Treasurer, I am not sure whether the Treasurer’s adviser next to him is from Treasury or Treasury Corporation.

Dr M.D. Nahan: No, Treasury; he is the Deputy Under Treasurer.

Mr B.S. WYATT: I apologise. Hopefully, the Treasurer might be able to answer this question. When is the government next going to market to borrow? The Treasurer’s adviser may provide him with some advice on that—he may or may not know. Secondly, can the Treasurer give us any indication of who is buying our debt, and whether there has been any change in the interest for Western Australian debt over the last couple of years?

Dr M.D. NAHAN: I cannot advise the member when it is going out to borrow. Because the Western Australian Treasury Corporation is particularly going to the longer term, it is looking at more diversity. It has told me that it has been working with China for a while. To my knowledge, China entities so far have not bought any paper. It invests mainly in the United States, Europe and the United Kingdom. It is exploring it, but so far there has not been a substantial change in the source of borrowings.

Mr B.S. Wyatt: Are the Japanese still —

Dr M.D. NAHAN: My understanding is that the banks are, but it is usually in US transactions in Australia.

Mr B.S. WYATT: So there has not been any particular change in the pattern of that over the last couple of years.

Dr M.D. NAHAN: No. I have had discussions with it about diversity, particularly out of China, and it is slightly pessimistic about the interest there.

Mr B.S. Wyatt: Why is that?

Dr M.D. NAHAN: I do not know.

Mr B.S. WYATT: I put a question to Troy Buswell twice about the term “or elsewhere” in clause 3. In 2012, Mr Buswell made the point that he had never been sure why that term was there. He was not anticipating a particular bagman heading off to do the funding for the WA government, but it is kind of curious why that term keeps appearing. Both times that I put the specific question to the previous Treasurer about whether there was an intent for the government to use anyone other than the Treasury Corporation to borrow, he said no. Can the Treasurer confirm that it is not the intent of the government to use anyone other than the Treasury Corporation and perhaps enlighten us about why the term “or elsewhere” continues to appear in these bills?

Dr M.D. NAHAN: No, we are not going to approach a Khemlani.

Mr B.S. Wyatt: But why is that still there?

Dr M.D. NAHAN: This is an interesting one. For a long time, the commonwealth did all the borrowings on behalf of the state.

Mr B.S. Wyatt: That was a while ago.

Dr M.D. NAHAN: There is still the Loan Council out there. The Treasurers meet and have a five-second discussion about the Loan Council, but way back then, particularly after the 1930s and into the 1940s and 1950s, the commonwealth did most of the collective borrowing on behalf of the states and then allocated it through the Loan Council, so this is probably a residual of that.

Mr W.J. JOHNSTON: I just want to explore that briefly. I understand that that arose out of the Premier’s plan, which led to Jack Lang being sacked. As I have said in this place before, I always like to note that Jack Lang, Gough Whitlam and Rob Johnson are the three people sacked by reserve powers. Sadly, the political journalists in Western Australia do not have that sense of history to have reported that fact in more detail.

Mr John Quigley; Ms Josie Farrer; Mr Chris Tallentire; Mrs Michelle Roberts; Ms Margaret Quirk; Deputy Speaker; Ms Rita Saffioti; Mr Ben Wyatt; Dr Mike Nahan; Mr Bill Johnston

Mr I.C. Blayney: What would you say they have in common, member?

Mr W.J. JOHNSTON: I would not want to speculate. We are getting away from the bill and Mr Speaker will rouse on me.

I am following up on this issue. The WA Treasury Corporation is doing these borrowings. The Treasurer is not quite sure about when it might do them, which is understandable. I would not necessarily ask the Treasury Corporation to do it before it does the fundraising. Sometimes when a corporate fundraising is complete, a little note will be put in *The Australian Financial Review* by some ABN AMRO, or whatever the bank might be, stating that it has completed the transaction. I am not asking the Treasury Corporation to stick an ad in *The Australian Financial Review*, but perhaps it could just let us know when a particular fundraising is finished so that we can keep an eye on the use of this authority. Obviously as we get towards the next election we will be looking at things very carefully when we are concerned about how the government is going against what is described as “the buffer”, because the buffer will be very important when we get to the 2017 election. Is there some way for us to continue to monitor the use of the Treasury Corporation’s authorities under this legislation?

Dr M.D. NAHAN: I am not sure whether all the short-term transactions are disclosed, but the major ones are disclosed on the website, in annual reports and also in the professional media. They are transparent—duration, debt, denomination and others.

Clause put and passed.

Clause 4 put and passed.

Clause 5: Principal, interest and expenses payable out of Consolidated Account —

Mr B.S. WYATT: I want to clarify something about the figures that the Treasurer will get for me. Will the Treasurer come back to me tomorrow with those figures? I just want to clarify that.

Dr M.D. Nahan: I will give them to you tomorrow.

Clause put and passed.

Title put and passed.

House adjourned at 10.52 pm
