

ESTIMATES OF REVENUE AND EXPENDITURE

Consideration of Tabled Papers

Resumed from 15 May on the following motion moved by Hon Stephen Dawson (Minister for Environment) —

That pursuant to standing order 69(1), the Legislative Council take note of tabled papers 1340A–D (budget papers 2018–19) laid upon the table of the house on Thursday, 10 May 2018.

HON SIMON O'BRIEN (South Metropolitan) [11.39 am]: In contemplating this motion, one might move over just about any aspect of activity in our community. Such is the nature of a budget debate. With that in mind, I shall be touching on a number of issues of interest and importance to members. I thought, however, that I might start, in this sometimes overly political environment, with a bit of good news. I am sure the government would like a bit of good news. I received it by way of a letter on 2 May 2018 from a senior character in the resources sector. He wrote —

Dear Simon

...

I am writing to again thank you for your support of the gold sector during last year's gold royalty debate and to let you know how your support has directly led to positive outcomes for the WA Goldfields workforce and our community. Recent positive announcements across the sector are linked to the defeat of the royalty increase and I wanted to share with you a recent announcement from my team.

That attracted my attention. He went on to say —

Northern Star Resources (NSR) has recently announced a partnership with Central Regional TAFE Kalgoorlie to double our local apprenticeship intake from 7 to 14 positions which now totals 26 across the Company. We are committed to training local people for local jobs, both young people entering the workforce for the first time and re-skilling locals looking for a new career. NSR will continue to focus on job creation and the growth and expansion of the industry, to benefit the great state of WA.

Investments like this were at risk under the Labor Government's royalty regime and I wanted to thank you personally for listening and understanding the gold sector's concerns. I also wanted to assure you that the commitments NSR made during the debate would be met and exceeded, job creation being one of your key concerns with the royalty increase policy.

I attach the full story from the front page of the Kalgoorlie Miner (19 April 2018) and would invite you to meet with the Northern Star apprentices when you were next in Kalgoorlie.

Yours sincerely

Bill Beament
Executive Chairman
Northern Star Resources Limited

There is some good news there, and there are also some lessons to be learnt. That is why I commenced my remarks by referring to that letter. Bill Beament refers to an attachment, which is a copy of a story from the front page of the *Kalgoorlie Miner* and a photo of some apprentices. It is a tremendous outcome that this firm will now be carrying 26 apprentices. That is great for the apprentices, it is great for the firm, and it is great for Western Australia. The company will be taking on 14 new apprentices this year. That is really, really something.

Hon Peter Collier: The government must be happy!

Hon SIMON O'BRIEN: The government would be happy! That is double the company's normal intake of seven apprentices. I congratulate Bill Beament and his team for the contribution they are continuing to make to the gold sector.

People need to take note of a few other indicators in this letter. The letter refers to positive outcomes for Western Australia and the Western Australian workforce. I think that sometimes, amongst all the hurly-burly, that goal is overlooked by governments and government members. That is what we are all in this place for. I get particularly disheartened when, year in and year out, that goal is overlooked and we engage in inward-looking naval gazing about the minutiae of who did what in a tit-for-tat argument that sometimes passes for debate in the community and sadly occasionally pretends to pass for debate in this house. I wish members of the government, replete with backbenchers and others—although it is not as bad in this place as it would be in another place—would understand that we should be about making things better for the people of Western Australia. They should not be about third-hand, petty pointscore and about getting their notes from some media type who says they

should have a go at the opposition about what some former government person did or did not do and is that not terrible, or about forty thousand million dollars or whatever slogan —

Hon Darren West: It is a lot of money.

Hon SIMON O'BRIEN: It is a lot of rubbish, that is what it is.

Several members interjected.

The ACTING PRESIDENT: Order, members!

Hon Tjorn Sibma interjected.

The ACTING PRESIDENT (Hon Matthew Swinbourn): Hon Tjorn Sibma, I call you to order!

Hon SIMON O'BRIEN: Thank you, Mr Acting President, but I will persevere and get through some of these things.

The ACTING PRESIDENT: They are fascinated by your contribution, honourable member.

Hon SIMON O'BRIEN: Indeed. They are so fascinated that they cannot restrain themselves. They are missing the point that they need to do something to contribute, rather than indulge in the pointless debates, which nobody pays any attention to, that we see all too often—bickering about minor points, or even major points in history, and what type of spin they are going to put on it.

Hon Kyle McGinn interjected.

Hon SIMON O'BRIEN: Is that an interjection or is the member just muttering under his breath?

The ACTING PRESIDENT: Order, members!

Hon Kyle McGinn: Forty thousand million dollars! That is not minor, member.

Hon SIMON O'BRIEN: I will tell the member what he can do. I am glad the member has woken up and is paying attention. Why does the member not get up and have his say? I will sit down in due course, and I look forward to the member getting up and having his say. If all you have to contribute to this debate is more of the same bull-dust that you get from your Labor Party caucus, and if you think that will make one iota of difference, you are dead wrong. You need to go to the forums that are available to you, whether it is the Labor caucus or this place, and do something positive for the people of Western Australia, because you are not achieving that by your juvenile interjections.

The ACTING PRESIDENT: Order, members! It is not a debate across the chamber. The member's comments should be directed to the Chair.

Hon SIMON O'BRIEN: I want to thank my friend opposite for supporting me in the theme that I am developing in these remarks, which is that we should try to avoid this pointless and petty points-scoring. No votes have been gained in that exchange—unless a few members present decide that they want to vote for me next time. There is no point in that sort of exchange. My point is that we should concentrate more on making achievements for Western Australia, rather than trying—normally pointlessly and without result—to make some sort of political argument that nobody cares about. I think that point is well made, as we just saw from that recent exchange.

Some very good points are made in that letter, and the government needs to take notice of those things. I thought there might have been a muttered interjection from some within government, and I have heard it elsewhere, about how the gold sector is now going through very good times, or better times than it was going through a few months ago; therefore, the gold royalty should have been increased, and in fact probably even been doubled.

Hon Jim Chown: It is a matter of industry confidence.

Hon SIMON O'BRIEN: Precisely, Hon Jim Chown. That is the point made in this letter. It is because industry now has the confidence to invest, and to expand and grow and do a lot of other things. That includes, as is stated explicitly in this letter, doubling the number of apprentices, and looking forward to taking on more apprentices next year. Gold companies are also, of course, paying more in royalties because of their increased production. They are also paying more in payroll tax. Those employees are contributing via not only their income tax and—bless them—their goods and services tax payments and all of the other taxes they pay, but also taking their pay down the streets of Kalgoorlie, or wherever else they may be domiciled, and spending it on local services and local goods from local Western Australians. It is very good news. I think I made my point about that letter, and I thank Bill for writing to us. We do not get many pats on the back in this game, particularly when we are in opposition. I am not saying that I will frame this letter, but it is very nice to receive that positive feedback, particularly when I can use it to demonstrate to the government some things that perhaps it ought to consider.

I want to focus my remarks on some other matters that I think could help the government if it chooses to stop and think about them. They are potential problems that I see will afflict the people of Western Australia. There are

several matters here, but I ask the government to reflect on these matters. If the government reflects on them in the spirit in which they are intended, perhaps it might benefit from it. Bear in mind that I have seen all sorts of governments come and go, and I already see the signs of decay in this one. The signs of decay are very much similar to the signs of decay that I saw in the last Labor government.

Hon Tjorn Sibma: History repeats.

Hon SIMON O'BRIEN: It does, and that is not surprising given that it is the same people. It is disappointing because we thought they would have learnt something. Perhaps some of them quietly might learn some of these lessons, but I fear that as a government overall it will not. That is about making decisions that are for all Western Australians, rather than some sector that has its favour. I do not know whether members of the Australian Labor Party just does not get it. I am being generous to it. I think sometimes it does not get it when it is doing things that appear to be—at least to those of us on our side—verging on the improper. I am trying to cast my words in a delicate way, but doing things that are wrong will come back to haunt anybody in the public sphere even if, for the present, they are prepared to use the weight of numbers to brush it off or shout it down. I am referring here to activities coming out of the election when undertakings were made and dignified by, “Oh, they’re election commitments.” But there are election commitments that are properly made and ones that are improperly made. I know Hon Tjorn Sibma and others will be looking at this in a very detailed way in the future as indeed shall I, because some highly suspect payments are being made on behalf of ALP candidates that were promised in a particularly selective way during the course of the last election. A lot of things are wrong with that, and if anyone opposite wants to scoff, it underlines my view that I think a lot of them do not get it. They do not understand what is wrong with ignoring due process and using public funds for their own political advantage. Again, we will see more of that, I am sure, sadly, in the next few years. But the reason I raise it now in addressing the present budget —

Several members interjected.

The ACTING PRESIDENT: Order, members!

Hon SIMON O'BRIEN: It impacts on the things that the government should be doing, but will not do because it has blown the money on its own little pet projects and pet people. This government has had only two budgets, and from its last budget to this one, we can already see that it has cut the future expenditure to health, education, police and a range of other areas. It is not that the figures from the past government have been reined in, as the government might like to characterise it. Its own budget figures from last year have already been cut in this year and in the out years for a range of frontline services. The government might want to spin that and say, “This is because we are addressing budget repair or there is debt to be fixed”, or whatever. Rubbish. It is nothing of the sort. That money is not being used for those purposes. It is being used to pay off the election promises that the Labor Party entered into, in my view, sometimes improperly at the last election and that it has pursued since taking office, again, in my view, improperly in many cases since then. That is where the money has gone. It has been taken out of frontline services for Labor to pay for its shallow election promises. That is wrong. In the context of a budget debate, people need to get up and say that it is wrong, and I am. That is one matter that indicates decay, and we have seen it before. I have seen it before in this very chamber.

Some other things clearly show a government that has not got off on the right foot. I have found over the years that successive Labor administrations—they all do it—firstly, have an unwise and dangerous tendency to do policy on the run by press release. I stood there many times during the time of the Carpenter government, decrying this. The government feels a need to put out a press release, and then it worries about policy after that. It tries to retrofit it. In the absence of sensible business cases, budgetary and cabinet processes, quite often it puts out a press release that impacts on a lot of people and then it worries about getting the policy right. More often than not, it finds that no money has been allocated for the thought bubble in question and, secondly, it is not going to work. Rather than backing off and saying, “Oh, heck we got that wrong, we are going to have to rethink it”, it pushes ahead anyway and it ends up costing a fortune to all involved, unnecessarily, to do it wrong. Ultimately, of course, further down the track someone else has to come along and probably spend more money to fix it and pick up the pieces. Lo and behold, we are seeing that again. Maybe Hon Jim Chown will have some comments to offer from his perspective when he makes his contribution about fisheries and other areas. That is another thing we find that the government is getting wrong. Another problem that is becoming very apparent is that ministers are not in charge of their department or do not have control of their agencies or are not across their portfolios. I must admit that I am surprised—in fact, we have all been staggered, not just surprised—by the sorts of blunders that have been made; political stupidity and policy blunders in the field of education. It is absolutely head-scratching stuff. Somewhere along the line, the call must have gone out to cabinet ministers that the government needed to cut costs across the board. All Treasurers do that. Everyone has to come back to cabinet with their agencies’ submissions about how they will cut X amount of money. It is an article of folklore that any government agency will come back with a list of cuts that are plainly politically unpalatable and drop that on their political master’s desk. Of course, any minister worth their salt knows that and they say, “Very good. Now go back and do a proper list.” This time, what was on

the Minister for Education and Training's list—a whole lot of things that no-one would take seriously, one would think.

Hon Jim Chown: It was dropped on the previous minister's desk and he rejected it.

Hon SIMON O'BRIEN: Indeed, because he had a bit of commonsense. He knows how the world works. What is more, he knows what is right and what is wrong when he sees it.

This government had such political judgement that from departmental head level, through ministerial office level, through the minister, through the Expenditure Review Committee, through cabinet, through the Premier's office—all of them are responsible—they came up with such genius solutions as killing Schools of the Air. We know about the ongoing saga with Moora Residential College. That is something that the government needs to swallow its pride about. I will come back to Moora in just a moment. We saw the fiasco of the government wanting to build a school down the road from Perth Modern School for no reason, apart from a political imperative driven by a press release because the government got its nose bloodied when it tried to do what it tried with Perth Modern School just up the road. That is the sort of policy shambles we are seeing.

I go back to Moora. It is not about \$500 000, \$1 million, tuppence ha'penny or whatever is the cost to do some repairs at Moora Residential college. This is something that the government does not get or, because I am starting to think that even members opposite could not be so bloomin' stupid, it does not want to get, and its caucus room—its body of members collectively—has not got the guts to stand up to its leaders .

Hon Tjorn Sibma: They don't have the numbers.

Hon SIMON O'BRIEN: I do not know how it works. But any outside observer, any independent third party, could see that the government's decision to abandon Moora Residential College is an absolute dog of a decision. It is dumb, it is counterproductive and, where it hurts them the most, it will lose the government votes. The response of members opposite, the professionals they are, might be, "Oh, it's all right; we weren't going to win Moora anyway." Is that what it is all about? I will tell you what: they are going to lose a heck of a lot of votes far more widely than they will lose them in Moora, if that is the actual key element that they rely on in weighing up whether a policy is a good one. Apparently, it seems to be. In my opening remarks, I read in some testimony from a respected individual whom I think most of us would know. He talked about getting decisions right and the benefits that flow from that. I have illustrated a few of those in my remarks just now. It is not about whether or not the government spends \$500 000 on an upgrade to a residential college, and believe me that is a bargain basement price if it can be done for that. It is not about that; it is about all the other benefits that will accrue if it does it. It is not taking \$500 000 and throwing it away—no. It is investing it in keeping a vital institution open and the benefits that flow from that—the benefits to the wider community—and not only in Moora, but most specifically in Moora. It is about the local residents who still need to go to that local high school and the breadth of courses that will be offered. It is about the number of employees and the number of jobs. Do members opposite remember them—jobs? They have expressed some concern so here is their chance to walk the walk. It is about the number of jobs that will exist in that community. Indeed, it is about the very nature of the community that welcomes residential students into their community when they have come from their home, and joins with the Department of Education and others in nurturing and developing them. But for \$500 000 or whatever the price is—maybe Hon Darren West has some insight into this; I do not know—it is what I would characterise as two-thirds of diddly squat. However you cut it, you can make a business case for that, yet members opposite will not do it—they will not do it. Why not? They will donate government money, without a business case, to community groups in marginal seats that they want to win, whether or not those community groups have asked for or even want the money, yet they will not provide a little bit of money to fix the situation at Moora Residential College. These are signs of decay. If my friends opposite cannot recognise a wrong decision such as that, they are in big trouble. I am trying to offer them some advice that they might like to reflect on, because it might save them some trouble. I am not interested in simply flapping my gums for the sake of it.

I would like to get onto a few others specifics. But, before I do, I will get one little thing off my chest in the context of this budget. The other day I heard the Premier responding to some bunfight or other and he came out with some quite extraordinary claim that the previous mob, the former government, had somehow wasted, tossed away, forty thousand million dollars—forty thousand million thrown away. I think "lost" is the word that was used. "Where is that forty thousand million dollars?" "I must have dropped it somewhere." Grow up, Premier—grow up! It is an embarrassment to see that sort of nonsense, and it is an embarrassment because it is an out-and-out lie. Members opposite might want to serve up that sort of drivel to us, with all the other contempt that they have for their political opponents, with the backbenchers going "nah-nah-nah-nah", as they seem to, particularly in another place. They might want to do that and think they are smart, but what is the point? The point is that they are lying to not only the public, but also themselves because that is not the situation at all. There are two elements to this. The first is the so-called forty thousand million dollars and the other is about losing it or throwing it away. I will just remind members of this, bearing in mind that I am the sort of member who, if I see a Liberal government

doing the wrong thing, is wont to get up in this place and say so. I hope that gives some sort of weight to my remarks. I went looking for the last budget produced by the former government for the end of the 2016 financial year. I looked at the data that existed at the end of June 2016, which was the last full financial year of the last government. There are a number of ways that we can measure debt, but for our purposes the figure that I will quote for debt at that time was \$27.347 billion. In terms of the quantum, that is nowhere near \$40 billion. Will debt grow to \$40 billion in due course? Yes, it will, according to this budget, which is the second delivered on Labor's watch, and it need not. If members want to ask me at any time why it need not, I could of course tell them. Clearly, what is not happening in this budget—it has no signs of happening under the new administration—is any sort of determination to put a dent in the debt amount. The government's only strategy seems to be: "We're going to keep on going until we can get the annual deficit back to balance and then into surplus." The fact that we have deficits is a problem that confronts the state—no question. There are reasons we have that. Some might have been in the former government's control, but a very large part of them were not. If that is a strategy to tackle a big debt problem—"Let's get back into surplus and slowly start paying it down"—I do not think it will be very successful. In terms of a forty thousand million dollar debt, this new government has some ownership of it. In terms of the forty thousand million dollar loss or throwaway, it is not right to lay that at the feet of the former government. It is simply untrue. The thing that makes it offensive is those articulating that throwaway line, "You've lost forty thousand million dollars." No, it is untrue. Indeed, debt is not \$40 billion at the moment, but it is going to get there under Labor's watch. That is the quantum, and no doubt we will have arguments, tit for tat-style, in this place about that in the future.

I want to come to the other point: what is the nature of this debt? The nature of this debt, as at the time I quoted when debt was \$27.347 billion, was that 31 per cent was the \$8.5 billion owed for electricity infrastructure—Western Power—and nearly \$5.7 billion or 21 per cent was owed in respect of water infrastructure. That exposes a big lie about this forty thousand million dollar loss. It was not a loss; it was spent on investment in essential infrastructure, which in many cases had been deliberately let go under the previous Labor administrations and, in some cases, if members remember the pole top fires of just over 10 years ago, with tragic consequences for that portfolio area. There were other events that we need to be reminded of from time to time to do with the terrible things that can happen when the money that needs to be applied is not applied to the maintenance of essential infrastructure. I have a feeling that we will be coming back to that in due course, but it will not involve me reminding members today or at any other time about the other ills of past governments, because I have told members that I am fed up with and sick of that sort of argument going back and forward across the chamber. I am trying to warn members about the future. If the government persists with what it is doing now and does not spend money on the things that need it, those bills will be worse in the future and there will be consequences. People will pay, and sometimes they will pay more dearly, and not just in cash. Let us not have any more nonsense about forty thousand million dollars, and let us not talk about it being lost. It is invested infrastructure. It could be argued that losses are when a deficit is caused by a failure to restrain recurrent expenditure. That is fair enough in a sense, but investment in infrastructure is certainly not throwing away money and it is not losing it, unless it is being done without a business case and it does not achieve the outcomes that should be achieved.

Before I move on, I will talk a little more about water. I was interested to have drawn to my attention the Economic Regulation Authority's 2016 report titled, "The efficient costs and tariffs of the Water Corporation, Aqwest and Busselton Water", which was tabled in Parliament on 30 November 2017. That makes interesting reading for anyone who has an interest in public administration. I must say that the newest member of Parliament, David Honey, MLA, member for Cottesloe, has certainly hit the ground running on this. He is a great acquisition to the membership of the Parliament. He has certainly drawn attention, as have others, to the apparent over-recovery of water charges in relation to cost. I know that from time to time this house, particularly through the Joint Standing Committee on Delegated Legislation, is very sensitive to this question of over-recovery through fees and charges. That is interesting! I wonder whether the Joint Standing Committee on Delegated Legislation, through its deputy chair, Hon Robin Chapple, or in his absence, his faithful sidekick Hon Martin Pritchard, will in due course—sorry if I am shaking; this is delicious anticipation—move a disallowance motion on the Water Corporation's next round of charges?

Hon Peter Collier: Yes, 188 per cent.

Hon SIMON O'BRIEN: Well 100 per cent would have done—no, the member means the level, of course. I was joking.

Hon Michael Mischin: Using the word "charges" ironically.

Hon SIMON O'BRIEN: Indeed, I was. I thank the members to my right for their assistance.

I hope they have not put me right off or I might have to start again. Members opposite would not like that. There we go; that is something else we agree on.

I think that is an interesting thing to contemplate, but I do not want to contemplate it any further now. I want to say something about water, where it comes from and whether we are allowed to use it.

In recent days, we have been lectured by government members—bless them—through their Minister for Water, and perhaps the Premier. I cannot even think, offhand, who the water minister is; he has obviously made a big impression on me. Can anyone think who it is?

Several members interjected.

Hon SIMON O'BRIEN: Someone must know.

Hon Colin de Grussa: Is it the same bloke who talks about sharks all the time?

Hon SIMON O'BRIEN: Is it the same bloke—the shark bloke—is it?

Can members on the government bench, who I know are paying close attention, tell us who the water minister is? Is it Dave Kelly?

Hon Peter Collier: Enlighten us.

Hon SIMON O'BRIEN: They cannot remember either. They do not know who it is either! They dareth not speak his name and that is just as well because I would never want to be accused of inciting unruly interjection, Mr Acting President.

The ACTING PRESIDENT (Hon Dr Steve Thomas): Thank you, Hon Simon O'Brien.

Hon SIMON O'BRIEN: We were roundly lectured—when I say we, I mean the people of Western Australia, particularly in the metro area—and admonished because some of us are “guzzlers” of water. Apparently, that is some sort of crime. I do not like to see anyone wasting water. I get as concerned as anyone else—I always have done—when I see a tap left running unnecessarily. Is it just me or does anyone else think it is amazing that the Water Corporation, which is there to provide and retail water to its customers, tells us to use less and less of it and it wants to punish us if we use more of it? What producer of anything tells its customers, “Jeez, I wish you'd stop buying our stuff! And what's more, if you don't restrain yourself, we're going to charge you extra”? I cannot think offhand of any other corporation in the world that takes that interesting position. Back in the good old days when we relied on dams in the hills, that was fair enough. There were genuine water shortages caused by lack of rainfall, run-off, or overuse. Now we have access to desalination and it is a success here in Western Australia, why on earth are we to be restricted, or does the Water Corporation feel it is restricted, from producing water that people want to pay for to use? I do not get it. I may be the only person on the planet who does not get it but I do not think so. What is wrong with people wanting to use water if they are not exacerbating some sort of shortage? What is wrong with that? I am not talking about wasting water or wantonly spraying it around, but what is wrong with people using potable water? Why will a household with several adults—parents, perhaps a grandparent in residence, and there may be some adult or teenage children in a family—be told it is a guzzler when it goes over a certain level of water use? They will be punished by paying more for their water, yet a two-person family, which would clearly have a lower average requirement for water, will be subject to the same rules. It does not make sense. What is the problem with the Water Corp, backed by its minister—whoever it is; that still remains a little bit unresolved at the moment? Does the Water Corp not believe in people having a wash? Does it not believe in people washing their clothes? Does it not believe in the kids having a bath?

Hon Michael Mischin: Well, it's not safe to do it in the ocean anymore.

Hon SIMON O'BRIEN: It certainly is not and once people have run out of the ocean, they need to rinse off. I do not understand it. That is my homily on the Water Corporation for today. I will watch this space with great interest as we contemplate a government that, again, while not killing or putting a dent in the deficit and not restraining debt from increasing quite substantially over the next few years, is nonetheless gouging the Water Corporation's customers for water that they are not allowed to use. That is not going to stop them using water. They are still going to be charged more by this government—maybe as much as 13 times the rate of inflation.

Hon Jim Chown: It's a cash grab.

Hon SIMON O'BRIEN: Indeed; it is a cliché, is it not? The term used is “cash cow” and I cannot think of a better or more concise term.

A number of other things are of concern—there always is in public affairs. I will raise them, as I should in this place, because I want to get some things done for my constituents and the people of Western Australia generally. That does not mean that members will see me bobbing up every day about some particular issue.

Hon Jim Chown: Why not?

Hon SIMON O'BRIEN: I will tell members why not; it is because, generally, members do not have to resort to taking up the Parliament's time to highlight a problem that needs fixing because they can just get on and fix it. Fortunately, some ministers in this government run offices that are quite receptive to raising constituent matters

when people tell them, “We’ve got a problem here; can we do such and such?” They get a good response and the outcome that they need. In my view, a member should try to resolve things quickly and promptly, and by going straight to the source before raising the matter in Parliament. Again, one’s first recourse should not be to a petition, a press release, a speech in this place or putting something in the paper grizzling about something. Members should try to fix things before they complain. That brings me back to the theme I introduced with the letter at the start of my contribution. It is about getting better outcomes for the people who we represent, rather than just politicking for the sake of it.

In conclusion, it is true that I have alluded to this budget having a bit of smoke and mirrors in it but, if truth be known, most budgets do; I am sorry to shatter your innocence, Mr Acting President, but that is the brutal truth. The dark arts of Treasury are practised as they probably have been practised for a very long time. However, I cannot help but feel that members of this government need to understand that if they are going to perpetuate the system of pretending they are spending money and putting out press releases while they are actually pushing out expenditure beyond the budget time in the forward estimates, eventually that will catch up with them. Already, I can see that starting to happen, although maybe others do not. I give a heads-up to government members that I am watching for that. It will become more and more apparent. It cannot be avoided by constantly arranging dialogue that invites members to complain about the previous government, regardless of whether it has any merit.

I will mention one other thing in my conclusion, which brings us right back to the chamber. I think the Minister for Environment is a very good member. I am about to destroy him totally by praising him on the public record. He has done nothing to deserve that apart from being a nice guy.

We all know that our friend Hon Stephen Dawson, as Minister for Environment and Minister for Disability Services, has some heavy and onerous duties. In a serious and nonpartisan sense, I wish him every success in delivering in those important areas. I have previously wished him all the best privately. I had the benefit of a briefing from the Disability Services Commission, arranged through the minister’s office, which was done promptly. Because of a matter in the house yesterday, which commanded the attention of us all, I asked for the briefing to be moved. Again, that was done without fuss and it was a very successful briefing. That is how things should happen. I thank the minister for that.

We should look at the context in which the Disability Services Commission finds itself. I will probably have something to say about the NDIS and whatnot on other occasions; in fact, members can bet on it. The DSC, which is facing challenging times and is not going to endure in its previous form at all, is part of a larger super or megadepartment, as they tend to call them these days—the Department of Communities. The minister has my sympathy. In my experience—I have been involved in the integration, disintegration and reintegration of government agencies to and from departments—I am looking at something that will produce tears before bedtime. Although that sounds a little flippant, it could be quite serious. I have serious doubts about whether it is practical for one director general to seriously manage all those agencies that have been siloed or tried to be siloed into one. I do not think that will work. Even though the architects of this—I know that the minister is not necessarily the architect—might reassure themselves that there are some nice synergies here, with Housing, Child Protection, Disability Services and all sorts of things thrown in, the fact is that they are not just going to sit and gel there; all we are doing is concentrating a whole lot of different problems. For one director general, it will be difficult to be across all that. Administratively, they can be but they have to be hands on in a policy sense as well. I do not know that even someone as remarkable as Grahame Searle or, indeed, anybody can achieve that. Good luck with that, minister, but I fear it will be difficult. How on earth can we have a single agency reporting to five different ministers? It is just crazy and it is not going to work. Who gets to call on the director general after Monday’s cabinet meeting? When I was a minister, that is when I had my major debriefing by my director general. We saw him only once every five weeks, if we were lucky. It is not going to work. Good luck with that; the minister is going to need it. Nonetheless, I thank the minister for the courtesy that he extended to me, and I am sure to other members. It is a pity that it has not been reciprocated by those whom he unfortunately has to represent in this place.

I refer to a couple of questions that I have asked recently through the laudable Minister for Environment in his capacity representing the Minister for Transport; Planning; Lands. This is an appropriate place to raise this. I asked a series of questions about the terms of the agreement for funding Roe Highway stages 5, 6 and 7, which I think were for funding for stages 4, 5, 6 and 7 back in the day. That question was lodged on 8 May. The minister was put into the position of having to provide me with an answer that was plainly inadequate, but that is the job he has, unfortunately. I asked a follow-up question on 9 May. Again, seeking to clarify it, and commenting that this part of the question was left unanswered and using terms such as “to put the matter beyond doubt”, I asked whether the minister could tell me this and that. The answer I received to the key bit was that there was considerable communication between the state and federal ministers on these projects at the time, yet I was asking a simple question: did it or did it not? The government cannot answer that. That is regrettable. If people want to push my buttons, that is one way of doing it, although why on earth people would want to do that, I cannot imagine.

On Tuesday, 15 May—the day before yesterday—I asked a question. It was an innocuous question; it was not a debatable matter. I was seeking some information. I asked for the total amount that was proposed to be spent on the purchase of passenger railcars. To that part of the question, the government told me that \$1.6 billion had been allocated over the period 2017–18 to 2027–28, but I had anticipated this. This is a big project going over the forward estimates, going beyond this year. I asked a second part to the question on Tuesday, 15 May. I asked —

What is the amount proposed to be spent over each of the financial years from 2018–19 until the final year of commitments entered into ...

I asked the government to break it down for me. The answer I received was just thrown in with the first answer —
... with \$29.5 million to be expended in 2018–19.

Why not just answer the question? When it was not answered, I wondered what the government had to hide. I have to tell members a little secret. When it comes to next year or the year after or the year after that, I am not really that worried how much the government has allocated for spending on railcars, but I am taking a professional interest as a member in that. It is reasonable that I ask, so why not tell me? When the government does not tell me, that tells me that it has something to hide, so that attracts my attention. The minister could have just answered this question and I would have said, “Thank you very much” and gone off and done something else. But now the government has excited my attention, so I will have to find out what it is trying to hide and why. Does the government want to know another little secret? I already know. It is the same smoke and mirrors I alluded to about pushing expenditure out beyond the current budget to hide it, to pretend it is not there, so it can make its bottom line look better.

Does the government think I came down in the last shower? Indeed, I did not.

Several members interjected.

The ACTING PRESIDENT: Order, members!

Hon SIMON O'BRIEN: I did not come down in the last shower. Half the time, particularly if I am asking questions, as the minister's colleague to his right, who has been around in various places and in various portfolios over the years, knows only too well, I have been involved in some of these matters for very many years. Again, if a minister refuses to give me the answer to something that I probably know the answer to already, it only excites an interest that they have something to hide. There is plenty more to come. I will see the government at next year's budget. I hope some of my comments are of use to members opposite because they are always offered constructively.

HON DIANE EVERS (South West) [12.40 pm]: I appreciate this opportunity to offer my budget debate contribution. Following on from the eloquent speech we have just heard, I hope that some of the comments I make are relevant, appropriate and of use to our ongoing deliberations. Last year, when I first heard the budget speech, I called it the budget of hope, because there was so much hope that the financial situation would not get worse. Maybe we would see more goods and services tax, the price of iron ore would go up or the value of the dollar would drop. It worked. Where we are now, it seems that things are picking up. We seem to be on a better trajectory toward keeping the budget from blowing out while, hopefully, delivering the services that are so necessary to the community. When I heard this budget speech, there were no surprises. We were pretty well forewarned of everything that was in it. There was not a lot of meat in it; it was just there. It is quite conservative in its projections of what we should expect in the future. It is not that it is dull or boring. It is a good budget. A conservative budget is much more useful going forward. When we do not have the money, it is hard to be out there trying to spend a lot of it and build things up. With limited funds, with trying to keep the budget under control, I think there are still some good things in the budget. That does not make it perfect; there is always room for improvement, and I hope to offer some of those things.

Budget time feels a little bit like the day before Christmas, when we are all wondering what we are going to get. Then, when we get a no-surprises budget, it makes me look again at how we do it. This is a state budget, after all. It is not like the federal budget that was brought down two days earlier, in which there were some real big-ticket items and changes. We saw Liberal and Labor at the federal level handing out Christmas gifts in the form of income tax reductions. It is not a great way to manage it, but it has been done before. We all remember, before the 2004 general election, John Howard handing out \$600 for every child, and promising that if we voted for him and brought him back in, we would get another \$600. I had four children at the time, but it still did not make me vote for him. Money gets handed out by the federal government, and everybody thinks that is wonderful, so seeing this budget two days later, we kind of expected the same thing—what are we going to get out of it? It felt like the day after Christmas, when the gift has been opened. It was not exactly what we wanted, but it will do, and Christmas will come again next year. As I said, the predictions and assumptions are conservative—one might even say too conservative, but that is prudent. Having not spent our future revenue, other than, as the point was just made, with

the railcars in the future—having held back that spending in the next few years allows the government to work with the finances at the time to deliver something useful in future years. It is prudent, and I find that useful.

I would first like to touch on revenue and the goods and services tax. We should see the report within the next couple of weeks and find out whether Western Australia will receive any advantage. Many people around the country realise the situation that we are in; we have been promoting it quite widely for some time now. Until the report is released, we will not really know what is going to change. One thing that I hope to see is something done about gambling revenue. Taking account of the revenue that a state can raise still does not count revenue from gambling. That would be a significant change, because if we do not get that through soon, there will be pressure to allow more gambling here, to raise more income that way. It is ludicrous to me that a state can raise gambling revenue and not have it count towards its GST calculation.

Hon Alannah MacTiernan: It is a disgrace. I calculated that we would get \$400 million a year more if that \$6 billion of gambling taxes was brought to account.

Hon DIANE EVERS: Absolutely.

Hon Aaron Stonehouse: Maybe we should legalise pokies.

Hon Alannah MacTiernan: It is the social cost.

Hon DIANE EVERS: Exactly; there is no reason for it, and hopefully we can hold that off.

Our lithium royalties will count against our GST. How can that be justified, at a federal level? It makes no sense. I hope to see something change there. Earlier we heard a speaker talk about the grant funding. I think Hon Dr Steve Thomas said that we should not really be counting that as a benefit in this year because it is just a commonwealth bag of money thrown in to help us with some of our infrastructure projects. Of course, many of those infrastructure projects would not be going ahead if we did not get that funding. If we took the funding away, we would also take the expense away. Any funds that the commonwealth wants to give us is great, but unfortunately when they are tied to something, it does not make up for the GST, because the GST allows us to use the money for what we need it for—the delivery of services to support the people of this state in the way that the government chooses to.

Another area of revenue that was spoken about was the iron ore price. I also agree that maybe it is conservative. As Hon Dr Steve Thomas pointed out, it has been at a pretty consistent level all along, and it seems that it is being held at that. Maybe I am still working on the hope from last year that the price increases as the demand around the world increases. I know that China had been importing quite a bit of it at a time when the price was quite high and ended up with significant reserves. From what I understand, those reserves have been dwindling and it is possible that the price will go up, but we should not spend the money until we know that we have it. That makes sense.

On the other hand, there is debt. I like the idea of repaying some of our debt. We have heard members in this chamber go on and on about how it was said that we are going to repay debt like a mortgage. It is nice to hear those statements, but we cannot really take it literally. The idea is that a state can have a manageable amount of debt, and we have to decide what that manageable amount is. At the moment, seeing that it is likely to go up to \$40 billion, with very little that we can do to change that, is that too much? I personally think that it is. As I will get to later in my speech, that \$40 billion net debt, at the 3.6 per cent interest that we are paying on it, costs us \$1.5 billion in interest each year, and that is if interest rates stay where they are. We really need to look at that because that \$1.5 billion could be spent in many better ways. The idea that it would take 80 years to pay off the debt at the current rate is facetious; it does not really bring us to any great point, because we are not going to pay off the debt. We are not going to have a state with no debt; that is just not the way things work.

I refer to Hon Simon O'Brien's comments about how government corporations operate. It amused me when he suggested that he might be the only one who does not understand. I hope that he is the only one who does not understand, because it is very basic. Those corporations are not there to make a profit at the expense of the people of Western Australia and they are not there to simply use up our resources as quickly as they can. I happen to agree with the way Western Power, Synergy and the Water Corporation operate. The idea is to encourage people to use water and electricity more appropriately and to not waste it unnecessarily. There is much that can be made there. I have digressed, I will get to that subject later, and return to the debt now.

To suggest that we should try to reduce the debt any quicker than has been so far determined in this budget would be taking money out of our system of delivering the services that the people of Western Australia so correctly need. That is one of the points of government—to provide services to people who need them. It would be interesting to have that discussion sometime, but we are here for a broad range of responsibilities, and some of those are to provide the utilities at an equitable rate to consumers in Western Australia.

Hon Simon O'Brien: Are people paying too much for water, or do you think they should pay more?

Hon DIANE EVERS: I will get back to water later in my speech.

I am very pleased that this budget includes the setting up of an Infrastructure WA advisory body. I spoke about that quite often last year when we were talking about spending money on infrastructure and assets. For some time in this state, projects were undertaken without a business case and a cost–benefit analysis, and without any idea, it would seem, about the future consequences. We know that from the Langoulant report, which we have gone through over and over again. I do not know what the makeup of that infrastructure advisory body will be, but that advisory body could look at the needs of the people of this state, and prioritise those needs and balance them out. I keep hearing the idea that we need another desalination plant. I just think, “\$3 billion, Water Corporation, user-pays.” That will cost us a lot. We need to pull back from that. We need an advisory body that will look at the needs of the state and the priorities, and at projects that will either help reduce ongoing expenditure or enable the state to make money in the future. I will get to public transport and Metronet. That will take pressure off our roads if we can manage it properly and if we discontinue the idea of putting up public transport charges. If that advisory body is stronger than Main Roads WA, it can assess transport projects and decide whether they are needed, whether they are a priority, and whether they are worth spending money on or borrowing money for. That is why I am really pleased that this infrastructure advisory body will be set up. It may avoid cases in which, because of the whim of a Premier, the Premier can gloat about the launch of frivolous creations such as the Belltower and Elizabeth Quay. Those types of projects might not be undertaken if we recognise that we are spending more money than we have and are spending the money of future generations on frivolous things that are unnecessary and may not deliver on the investment. I really appreciate that this infrastructure advisory body will be set up. I feel that I was listened to, and that a number of people out there are thinking the same way—that we need to stop building these frivolous things.

I want to comment on one other area. I take pleasure in reminding the government that community resource centres are a vital part of our regions. I had hoped this would be the Christmas gift I was looking for—that that little amount of \$6 million would be tossed back in the budget of the CRCs so that they would be able to pay their staff at the rate they deserve and continue to deliver the services that they have been delivering.

Hon Alannah MacTiernan: I know you are good at numbers, member, but it is \$5 million, not \$6 million—\$13 million minus \$8 million is \$5 million.

Hon DIANE EVERS: That is right. I think I had rounded the \$13 million up to \$14 million at one point. If it is only \$5 million, there is even more reason to put that money in there. The letter that was delivered to the CRCs states that there is a plan to support the facilities by encouraging various state government departments to compensate them for their efforts. However, this is not a very good plan. The CRCs deliver mental health support, physical health support, education assistance, youth support, support for seniors, multicultural services, communication services, small business support, community facilitation and so on. Members will get the idea. They do a lot in their communities, based on what those communities need and the facilities that are available to deliver those services to those communities. The government is saying that state government departments should contract with individual CRCs for the delivery of some of these services. Is the government suggesting that agreements should be set up between the CRCs and the Department of Communities, the Department of Health, the Department of Justice, the Department of Education, the Department of Training and Workforce Development, the Department of Jobs, Tourism, Science and Innovation, and so forth? To me, that makes absolutely no sense. Why would the government want each department to deal with each CRC individually and incur all the paperwork and administration costs that go with that? I have not seen the report that has come out about what should happen with the CRCs. The CRCs are working and delivering services. It is only 10 months before we get to the next budget. The funding for CRCs needs to be put back in the budget. It makes no sense to have an individual plan for each CRC. That might create jobs, but that is not what the government should be about. The government should not be trying to create jobs within government.

Hon Alannah MacTiernan: Member, can I just ask you a question? It was reported in the paper that very significant businesses are being run out of the Wellstead CRC—which is in your electorate—and out of the Gnowangerup CRC. Do you think they should be paying their way or do you think we should be providing facilities for those significant businesses?

Hon DIANE EVERS: From what I understand, CRCs have fees and charges for things such as printer use and computer time. The minister talked about people running their businesses out of a CRC. It may be that they come into the CRC for half an hour a day to send a few emails or use the printer. We are trying to encourage small businesses. In many areas, either the NBN does not exist or the service is very poor, so people need to go to another place to get that service. Some of these businesses may not be as financial as other businesses are. If we were to say that they would have to pay \$50 a month to use that space, that might be enough to push the person to not bother continuing with their business. The person may be running that business not necessarily for the income but to provide mental health support. The business may not be making an income for them, but it gets them out and talking to people and feeling that they are part of the community.

Hon Alannah MacTiernan: These are people like Summit Fertilisers, which is running its business through the Wellstead CRC.

Hon DIANE EVERS: Clearly, if someone is running a successful business out of a CRC, that is fantastic. As I have said, CRCs charge fees to cover some of their costs. Why should we not support small businesses in regional areas? I get what the minister said—they are making a profit out of the CRC. However, how much are we talking about? Is that a reason to cut the funding of CRCs by 40 per cent?

Hon Alannah MacTiernan: It is suggesting that if these are the sorts of services that are being provided by CRCs, perhaps these companies could contribute something to the operation of these CRCs.

Hon DIANE EVERS: As I said, if that could be worked out with the successful businesses, that would be a worthwhile thing to progress. But I do not think the minister will find many profit-making businesses or large-scale income-producing businesses that are operating out of a CRC. Albany and Bunbury, and maybe some other communities, have business development centres that provide opportunities for businesses to get that sort of support, and also to get people off Newstart, which we are trying to do as well. Many of these small communities have no other option. Why would we not want to offer them the support that they could get in a larger city, without asking them to pay for it? We could discuss this all day, but I will move on.

I now want to talk about the increased charges to households. Some of these increases are above CPI. If we are working on a cost-recovery basis, or if we are trying to influence people's use of utilities, sometimes that makes sense. However, I find the six per cent increase in water charges hard to accept, because I know that many people in disadvantaged situations are not able to cover those increased household costs. I appreciate that people who use a large amount of water—above 500 kilolitres of water a year, which is more than double the average use—will be charged significantly more. If people are using a considerable quantity of water for their lawn, we have to wonder where they live. This is Perth. We do not get a lot of rain in summer. We have sandy soils that do not retain water. Why are people trying to maintain bits of lawn in a built-up area?

Sitting suspended from 1.00 to 2.00 pm

Hon DIANE EVERS: Before the break I had started to address increases in household costs. Increases above the consumer price index are somewhat unreasonable, but in providing these services, the government must try to recover those costs equitably from all Western Australians. However, we expect good management from that cost recovery. The possibility of another desalination plant has been mentioned a few times in this house. I wonder why that suggestion comes before we think of reducing consumption or recharging groundwater storage areas. The cost of a new \$3 billion desal plant will be passed on to users, so rather than creating a new desal plant, we should be working with people to try to get them to limit their water usage. If in 2021–22, an interest rate of 3.6 per cent were applied to a \$3 billion desal plant, we would be paying more than \$100 million each year in interest alone, and that would be another cost that would have to be made up through the cost-recovery method. That is why it is important our corporations are not run like businesses, but are run like government enterprises—not to make a profit from their transactions but to deliver services.

Hon Alannah MacTiernan: Do you think the first desals that we built were wrong?

Hon DIANE EVERS: I would not say they were wrong. I do not disagree with desal completely, but before we consider building another plant, we should weigh up other opportunities. I have been involved in community organisations that have been trying to reduce water usage and they had some effect on the community. I think that is a really good thing to do.

Hon Alannah MacTiernan: And we have done that.

Hon DIANE EVERS: But it does not mean that we have done it and we are finished; it is one option we should continue pursuing. We need to also look at agricultural and industrial water use. I think that there is scope to reduce the amount of water that goes to those industries. As I said, in agriculture, we still need to look at ways of increasing the water absorption capability of the soil so that water does not keep running off and it can be retained to be used on the land.

Hon Alannah MacTiernan: You'll get Hon Jim Chown very angry because it sounds like you are supporting regenerative agriculture there!

Hon DIANE EVERS: I will not hold back from supporting regenerative agriculture. I think that there is a lot of future in it. I am here for the future. I know that we have done things in the past that have not been so good for the environment and I think that we can do better. Industrial water use is another thing we would need to look at, but I do not claim to know the detail of that. Also water is lost through system. I am from Albany and until about 10 or 20 years ago, some of the original water pipes there were still made of wood. Imagine the water lost from those pipes over the years. That is why we have to be smarter. Rather than saying that desal is our next option, we should

be looking at other things so that we do not have to do that. We may need to also look at the management of water supplies in other places around the world where there is less water.

Hon Alannah MacTiernan: Many a junket to Israel has been had; I do not know what the outcome has been.

Hon DIANE EVERS: I think that can possibly be done a little cheaper and easier now with the internet.

The budget is progressing some good ideas. The groundwater replenishment scheme will end, I think, next year, but more can still be done in that area. It is not a one-off thing. We can still plant more trees to get water to stay on the landscape longer. We can also use biogas from human waste to power wastewater treatment. I had not realised that we were doing that. Why not use the resources we have so that we do not have to use other resources that might have a better use? Charges for water access are being put up by three per cent and the charge for the first 500 kilolitres of water is being put up by six per cent. Of course there must be equity for people in disadvantaged situations so that they get a reasonable service at a reasonable price. Everybody should have access to sufficient water at a reasonable price.

The government will also be charging people who use a lot of water at a higher rate. As I was saying before the break, people should not be washing cars on the footpath or in the driveway because that water can be used on the garden. People do many things that use water. In fact, some years ago—I have not seen it recently—people would sweep the footpaths using their hoses. Luckily, people have stopped doing that, but an excess amount of water is still going on lawns. I am not a believer in artificial lawns, but native groundcovers can be used in place of lawns.

Electricity charges will increase by seven per cent. Again, that is cost recovery. It was mentioned in this place the other day that we should still sell Western Power. I do not understand that argument. I get that it may be worth more now than it may be in the future so we should take the profit and run, but a government is not a for-profit organisation; a government provides good and equitable services to the residents of the state.

Hon Tjorn Sibma: Would you not agree with the proposition that governments have the capacity to recycle assets and that one of the things you could do with the sale of a utility like Western Power is to channel the sale proceeds into another investment, which grows with value over time and provides services to meet the changing needs of the population?

Hon DIANE EVERS: I understand the member's point, but I do not agree that we should sell Western Power and then use the money in another way, because we would still not be providing residents with electricity. If we did, we would have a system such as that in the eastern states, which was privatised not all that long ago. An issue has just come up recently over there and they are saying, "Gee! We didn't notice that they were given the right to charge for their income tax liability and rather than just charging the \$200 million that they should have been charging, they are charging \$60 million." That was in the news only a couple of days ago. The member can look at it. When an electricity enterprise is privatised, even when it is regulated, governments lose some control over it. Just look to the eastern states to see what has happened there with their electricity supplies.

Several members interjected.

The PRESIDENT: Order, members!

Hon DIANE EVERS: Utilities have been trying to recover more costs than they deserve. They have gone through the regulator to do it and it has been faulty and wrong and they have been charging people for something that they should not have been charging for. That is what happens when a utility is turned into a for-profit organisation. In this state we have a good electricity system. Many new opportunities are being put in. The community is being told about other renewable energy sources and there has been a trial of that. I think after the fires in Esperance burnt a lot of the poles and wires to a number of farms, it was realised that it would cost a lot to replace the poles and wires, yet the electricity provider had a responsibility to do that for those farms. Instead, it did a trial of six standalone systems with renewable energy and battery backup, and diesel backup generators for extreme cases. The six trial projects worked so well that they will now do another 60. That is the kind of innovation we need to see because things are changing. We are not living in the Dark Ages, 50 or 20 years ago, or even last year. New things are happening and we have to be poised and ready to accept them and put them in place equitably for Western Australia residents. I also believe we should support those who cannot manage it on their own. I believe we should keep government trading enterprises in government hands, and that they should be run effectively and efficiently to properly deliver services. I really look forward to the installation of the next 60 microgrid systems, because the more we do the more possible they become for people on properties some distance from the grid.

I am concerned about vehicle registration costs. Either last year or this year there was a \$99 increase for insurance, and there will now be another \$20 increase. It is interesting that, similar to people using less electricity and water, people are moving away from having vehicles. We may reach peak vehicle at some point soon, and instead of people having two or more cars in their family they may go back to one or, in some cases, none. Each household will have to take that into account to reduce their own costs. I believe there are some concessions on the registration

of farm vehicles. A landowner with a number of vehicles can get a concession. A \$20 increase may not seem very much, but for someone running a number of vehicles it all adds onto their costs.

The emergency services levy will increase. We found out of the details of that over the past couple of weeks. It seems as though it will be put into the uses hypothecated. It will go back into creating a rural fire division that we hope will provide the answers we need to deal with rural bushfires. I am also pleased to see that some of that funding will support the south west emergency helicopter. We debated that for some time last year; it is a very good service that saves many lives, and it is very important that we continue to provide it. I understand that the ESL is one of those costs we have to pay as a cost-recovery situation.

I am waiting to see whether the on-demand transport levy works. I heard about that idea a few months back. It is just another cost on transport, but it will be interesting. It is one of those things we have to try. I have said that things will change in the future; we have to address those issues as they arise, not five years after. There will also be a public transport subsidy increase, which I do not agree with. We talk about cost recovery, but the government should not try to recover the costs of public transport. The budget states that another \$800 million subsidy will go into public transport, but we will raise only about \$200 million from it. If putting up the price stops one more person from using public transport, that is bad. The more people we get on public transport using those shared services, the fewer people we have on the roads, the less congestion for the rest of us who are driving each day, and the less funding we have to put into maintaining and increasing the size of roads all the time. Ideally I would like free public transport to really see how many people we can get onto it and off the roads. At the moment public transport returns only—what?—20 per cent of the cost, so it will not make that much difference if we can get that many more people on it. In terms of roads, \$200 million does not go very far. That is something for the future. We can acknowledge it today and work towards it over the next four or five years with all the new trains coming on; hopefully one day we will get there.

On cost recovery I have two other things to talk about in the budget that appear to be doing the right thing. The Building and Construction Industry Training Fund will now include the resources sector. That it is aware and accepting of that makes a lot of sense. We need to put the money into training, and we might as well have it on a user-pays system. It is the same with the exploration incentive scheme. The increase in mining tenement rents will ensure ongoing funding for the exploration incentive scheme, and that seems to be the best way to make sure it continues. When we talk about user pays, it if applies to individuals it should also apply to businesses.

I turn to regional areas. It was a pleasure to see that when the other house was discussing the budget and giving budget reply speeches, much of the debate showed strong support for regional areas. I was really pleased to see that. From time to time early on in this century, regional areas were forgotten. I think the whole royalties for regions thing brought it into the view of the government and it knew it had to do something. Money was thrown at the situation, sometimes not to the best benefit. I think some of that money was wasted quite abysmally, and I hope we never get to that point again. Money will continue to be put into the regions, and I am really pleased to see that.

Unfortunately, most of the comments made in the other place were on infrastructure projects. Infrastructure projects are good; they provide some income and benefit to the community while being built, and hopefully provide an ongoing service. But I would really like to see services in the regions increased. I have not yet seen that. We have just come through the machinery-of-government changes that were to result in 3 000 people taking voluntary redundancies—2 000 have done so, and we expect another 600. It is great that we are trying to sort of squeeze the departments and make sure that unnecessary work is not undertaken, but it worries me that services may be reduced. We already have regional areas that need greater services in education, health and general community wellbeing. We need small business support. We need working phones and internet connections, and more agricultural research into how best to manage our landscape and into value-adding—the products we could do more with to increase our exports and business around the community.

I talked to a few people at the World Bee Day presentation in the courtyard today, and it was really nice to see how much change is happening out there. Having lived in Albany for the last 25 years, I thought honey was a big, happening industry. It turns out that up until five years ago, the south west was where most of our beekeepers were. I had this jaundiced view of how many bees there were because there seemed to be so much honey being produced around Albany. As it turns out, it was a very small amount. In the past five years there has been a significant increase in beehives and beekeepers—not business ones, but hobby beekeepers. I cannot remember the numbers, but we now have about three times the number we had in the past. That is because honey is recognised around the world as a good-quality food. I cannot say who developed it in Western Australia, but I think the money to start up the research centre for honey came from the Department of Agriculture and Food. That was a positive step that I hope we can take with other products. The south west and the rest of Western Australia—I know the south west best—has so many opportunities. Just about everything grows down there. The reason locations for these things can be found is that the climate range from the north to the south is so great. That is where we can

increase it. We need support in regional areas and business development in industries associated with agriculture, which is very strong down there, to make it even stronger.

I mentioned community resource centres, but we must also revisit the changes announced for camp schools and Moora Residential College. If this government recognises the strength and value of healthy and resilient regions, it should prove it. If it wants people to move to regional areas, it should encourage and support them. I see signs of good things happening in the regions, primarily the Department of Agriculture and Food, but we need more of that. If this government wants to stay in for another term, it will have to get the regional areas. People in the regional areas may not have a lot of votes in the lower house, but they have connections to a lot of people. It would be very valuable to keep them onside.

We have population pressures in Perth. One way to relieve this is to encourage people to move to regional areas. Towns are closing up because people are moving away. Families are getting older and very few kids are coming back. If accessible schools that offer year 12 subjects can keep kids in regional areas, they will keep families there. Moora college may have only 30 or so students, but those students are keeping Central Midlands Senior High School open. If the closure of the college leads to the closure of the school, the town will lose more families, which is not good. We need to encourage people into the regional areas. It is a wonderful place to be but our culture tells people to stay in the city because that is where they will get a job, an education and health care. But that is not true. Good things are in the regions as well. We need to help change that culture by making the regions look attractive and encouraging people to live there by providing the services they need. We need a commitment. There are signs that this is happening, but we need deeper soul-searching by the McGowan government. The importance and value of regional areas should not be underestimated.

I understand that sometimes it is difficult to reverse a bad decision. I am sure that if one of these decisions gets reversed—the college closure, the CRCs or the camp schools—the Liberals will love it. They will get in the newspaper and say that the government is backflipping. I wish we could act like grown-ups, get beyond that and make good decisions because that will make the state healthier and the people more resilient. I do not want to say a compromise or a deal, but maybe the Labor Party and Liberal Party could talk to each other and try to get something out of it that will be best for people in the regions and not just pointscore. If the government intends to support regional areas, it must create an environment that will attract families with high-quality educational opportunities, business and employment opportunities and a thriving, diverse and progressive agricultural sector. We should take the pressure off our ever expanding metropolitan area and encourage people to go bush. What better way to introduce this than by increasing the use of our still government-run camp schools. If the camp schools are handed over to private enterprise, they will become more expensive and less accessible to students. We should keep the camp schools in the Department of Education and give it a go. It will show that this government can run them well, and can attract students and their families to the regions. A bad decision reversed may cause embarrassment for a week or so, but a bad decision in the regions that is carried through will remain in the memories of all involved for generations. The government should remember the community resource centres. If it supports these, it will have 105 regional venues for delivering government services to the bush.

General government expense growth is predicted at 0.9 per cent. This is difficult because the Greens encourage service delivery and want people to deliver services, yet we expect it to be efficient. We push for infrastructure such as public transport and schools, yet we try to hold back on unnecessary infrastructure that will encourage consumption, such as desalination plants and the wastage that goes with them, or roads that address only peak period problems that could be solved with better management.

An area in which expenses have changed is salaries. I remind members of the machinery-of-government changes to encourage 3 000 voluntary redundancies. Salaries make up about 40 per cent of total general government expenses. Through the machinery-of-government changes 2 000 people have taken up voluntary redundancies, senior executive service positions have been reduced by 20 per cent and wages have been frozen. We want a balance of fair pay and service delivery. Education, health and policing are larger departments for salary expenses. After those machinery-of-government changes have come through, they are showing slight increases for the following year. A little of that would be the \$1 000 pay increase or people coming back into positions that were lost. Some of the savings were given back to the departments because if they had five people doing several jobs that were not needed, there may still be a job there that needs to be done. We will see how that works out, but I note that expenses for salaries have increased slightly.

I have mentioned the cost of interest before. In 2020–21, our interest cost on the consolidated account is expected to be \$1.1 billion in one year. That is where our profligate spending has put us. Think what we could have built with \$1.1 billion. We could almost have built a hospital, a stadium or a lot more roads. But we could have improved our education system or increased our public transport. The \$1.1 billion we will be paying in interest costs is more than five times our current revenue raised by public transport. At a cost of \$200 000, if we were to make public transport free, plus the cost of adding a few more services—at peak periods more services would be

needed—we could seriously reduce the amount of vehicle traffic and subsequently reduce our need for road infrastructure and the corresponding land acquisitions, pollution, fossil fuel use et cetera. That is another plug for that idea. Maybe we will be looking at that one day. I am posing the idea now for people to consider and to realise that maybe that is our future. Keep in mind the figure of \$1.1 billion in interest in 2020–21. The budget papers estimate an interest rate of 3.6 per cent on consolidated account borrowings and 2.1 per cent for interest revenue. That is a 1.5 per cent differential, which leads me to question whether we have funds invested that could be better used to reduce our debt. I have found a couple of points regarding this in the budget. Page 36 of budget paper No 3 states —

- lower interest revenue (down \$79 million), largely due to a revised cash management strategy ...

I am really pleased to see that someone is thinking about where we are investing our funds and whether we can just invest them by using them to reduce our debt. It further states —

... a revised cash management strategy for the Public Bank Account (lower investment balances are required to support the State's interest commitments, matched by a commensurate decrease in Consolidated Account borrowings), resulting in more efficient use of cash.

Page 40 in the same volume states —

- a \$1.9 billion increase in investments, loans and placements, largely due to an expected improvement in the Consolidated Account cash position as operating outcomes recover over the forward estimates period, partly offset by the revised cash management strategy noted earlier in this chapter; ...

I assume that a timing difference might explain the difference in the lower interest revenue; however, I support the efforts to better manage the state's cash assets. The reason I found this of interest when I originally looked through the budget is that there is no point in having \$10 billion invested at 2.1 per cent only to be borrowing \$10 billion at 3.6 per cent. I think everyone in here should be able to understand the maths in that. For every billion dollars invested, we are effectively paying \$15 million. That is the interest rate differential. If agencies had funds to invest, they could invest in our own government and we would effectively earn that \$15 million. It may not seem likely that there would be a spare billion dollars around to invest, but if we look at the royalties for regions fund on page 229 of budget paper No 3, there is a balance of \$1 billion. Over the year, nearly another billion dollars will be added and nearly a billion dollars will be taken out, leaving \$1 billion. The act requires the money to be there, but if the act could be changed so that the \$1 billion could be reinvested in the government, it would give us another \$15 million. I figure that that \$15 million could cover Moora Residential College and the community resource centres, just by investing it back in the government. That is just a thought.

I will now move onto the infrastructure body that I spoke about earlier. Most of the commonwealth grants are for specific items; the money has to be spent on the project for which it was given. Those projects would not go ahead without the funding.

I have been talking a lot about the cost of public transport, but this is the asset investment side of it. Total asset investment through the forward estimates is over \$6 billion in 2018–19. I will just go onto Metronet.

The DEPUTY PRESIDENT: Order! I am sorry to interrupt, member, but there are several audible conversations around the chamber. Perhaps members might keep that down a little, so that I can hear the member on her feet.

Hon DIANE EVERS: Thank you, Mr Deputy President.

Metronet is definitely an area in which we should be putting money. We have to plan for it as soon as possible. We should have planned for it 10 or 20 years ago, but I am pleased to see that something is happening now. I am very pleased that it will be a priority for railcars to be built in Perth or Western Australia. I think at least 50 per cent of them are supposed to be built here. I cannot see why we could not aim for more than that.

Road funding is another area into which a lot of funding is put, but times are changing, as mentioned earlier. The future is in public transport wherever possible and in ride sharing and vehicle sharing, so that we end up with fewer cars on the roads. As I said, a falling number of motor vehicle registrations has resulted in the need to reduce Main Roads' operating expenditure. That is mentioned in this budget. We are already seeing a fall in the number of vehicle registrations. Given that the funding from vehicle registrations goes directly to Main Roads, it will have to find a way to pull back some of its operating expenses. We have to look towards the future. Other cities around the world are looking at ride sharing and vehicle sharing. Even though WA has so much space and quite a bit of wealth, even though we do not always notice it, those things will be hitting us as well.

Housing is another area. An amount of \$394 million will be spent on building 1 390 homes over the forward estimates, with the state-funded proportion of that being \$184 million. This sounded really good—1 390 homes—until I wondered whether they would be additional homes or whether some homes would be demolished to give the space to build these. How many homes do we usually build? It outlines 320 social housing dwellings and

400 affordable homes—I am not sure whether the other 670 are unaffordable homes; I hope not. It is important that we put in more social housing, but I hope we do not see a decrease or a net figure lower than that 320. A lot of the homes in this project will be built near the Metronet stations, which I was very pleased to see. The Greens' WA 2.0 policy, launched in 2013, said just that—if public transport is being built, people need to live nearby. That way, not so many parking lots need to be put in next to the public transport. People can live there and can walk to public transport or can find other methods of getting there.

For asset investment over the course of the forward estimates period, \$6.25 billion is budgeted in the first year, \$5 billion in 2019–20 and then \$5 billion for the next two years. One thing I note from infrastructure asset spending is that we do not know today what will come on board in three years' time. All we are planning for are the things we know about today. If we are already saying that it will be \$5 billion for four years from now, how much more will come on board in that time? That is where I worry. For everybody who knows about budgeting, everything that one thinks one might spend needs to be included. We do not want somebody coming midway through the year and saying, "We just thought of this; we want this as well." It has to all be put in there. Sometimes governments overestimate how much work they are going to get done. Through the course of the year, although it says that \$6.25 billion will be spent in asset investment, maybe only \$5.5 billion will be spent and the rest will be carried forward. However, that amount will be carried forward just for the projects already in there. My real concern is that if we are saying that there will be nearly \$5 billion spent on asset infrastructure in 2021, that does not leave so much for the election, when the government will want to put in a few extra things to get a few more votes. It kind of ties it up. Maybe some more thought should have been put into that. Hopefully they are all good projects, but I guess time will tell.

In terms of revenue from government trading enterprises, page 35 of budget paper No 3 reads —

- lower revenue from public corporations (down \$440 million), mainly reflecting;
 - lower dividends and tax equivalent payments from the Water Corporation (down \$310 million), ...

Yet on another page in the same volume—page 247—it states —

Revenue from public corporations in 2018–19 is expected to be \$437 million (or 19%) lower than in 2017–18. This is primarily the result of the electricity corporations' and port authorities' 2016–17 interim dividends being paid in 2017–18, ...

Was it the Water Corporation or the electricity corporations? I then looked at the table on the facing page, which suggests the latter—dividends from electricity corporations show a \$400 million decrease, potentially from timing differences in dividend payments. It is interesting that in the same budget it states at one point that it is the Water Corporation that is reducing these contributions of the government trading enterprises, and on the other page it says that it is Western Power and the energy corporations. The former explanation for the Water Corporation does mention lower customer revenue from lower consumption. That is a conundrum for a utility organisation such as water or power. Efforts are being made to reduce unnecessary consumer use rather than trying to build it up so that they can earn more, because as a state body we do not want to use up resources that we do not need to. There is no point in doing that. It makes it more expensive to provide the service, because it has a lower quantity in the delivery of service, yet we have to maintain a price cap on that because we have to make sure that the service is delivered to everyone equitably. It is a conundrum, but we have a lot of people in these organisations who should be able to work it out, because we do not want to economically disadvantage sections of the community that are already struggling.

Back to the Public Transport Authority, as many members may have heard me say last year, it just does not make sense that it is treated differently from Main Roads. It is a government trading enterprise, which suggests that it is able to recover some of its costs through the sale of its services, but it will not. It is recovering 20 per cent, and if the government puts the price up, it will recover less because more people will go away from the service. I would still like to see some change in that but I realise it is outside our hands. I still look to the future and see that the Public Transport Authority is in competition with Main Roads for funding and for the delivery of the service of transporting people from one place to another. Somehow, as I said before, we have to work together across our departments. We cannot keep this silo mentality in which one department and its executives and the people who work within that area are trying to hold onto their little kingdom. That has not been official, it is not efficient and it is not the best way to run it. We have to somehow get the departments talking to each other, so, as I said earlier, I look forward to hearing from the government at some point about how the departments are working with each other to deliver a better service, because it is an area in which we can improve.

The Forest Products Commission, as everybody probably knows, is always under my radar. The budget has \$14 million for the purchase of land, which is interesting, because in part 3 of the Forest Products Act 2000, section 10(2) states —

It is not a function of the Commission —

(a) to be vested under any Act with land;

Why is there \$14 million in the budget over the forward estimates for the FPC to purchase land? That is probably a question I should ask during estimates, because I have difficulty with the Forest Products Act. It sets us in a bad situation and I would like to see it changed. If we want the Forest Products Commission to own land, and the act states that we cannot, we should bring the act back and look at it. If we do, I hope we look at many different sections within it.

It is interesting that the government has invested \$1 billion in royalties for regions. It would be good if we could invest that in the government, but that is another change that would have to go through the act. It is interesting to count funds that go to the regions separately, but maybe that is what we need to do. We need to keep making sure that regions are addressed, as they should be, in providing the services that they need to keep people living there. I do not know whether we need to do more research on that, or whether members will just take my word for it, but we need to get people moving out to the regions. It seems to be happening in the south west—there is a slow movement southward—and also in the agricultural areas in the wheatbelt. A lot of those communities would benefit from having a slightly larger population, but people are not going to move there if we do not have the services and opportunities for them, and if we keep removing them. That is where that money could be directed.

I will be summing up shortly. I understand it is hard to work together in this chamber for the good of the state. I feel we are hampered by history, by the adversarial Westminster system that we have, because it is not the best way. It is not the way to deliver the best that we can to the residents of WA with the resources that we have. I do not think I will be able to change the overarching legal system that we are in, but I do wish that we could work together more to get good things through, and a little more quickly. Here I am taking the time to state all this, but I find it important that I get some good things done while I am here. I imagine that is why everyone is here. It just seems to me that we should give up the idea of the tit-for-tat one-upmanship. I get the situation we are in, in which the opposition best benefits itself by making the government look bad, but that does not benefit the state and it does not benefit the residents of the state.

Hon Tjorn Sibma interjected.

The DEPUTY PRESIDENT: Order! Hon Diane Evers is making a speech.

Hon DIANE EVERS: We can do better. I have hope in humanity. I have hope and expectations that people here want to do what is good for the state. If we want to spend the next three years continuing to fight, argue and draw things out, I will be quite happy to let everyone I meet know just how useless the system can be, because I do not have the power to change it. I am not saying that everything is bad; I think we get a lot of good things through, but, gee, it is dead slow.

Hon Peter Collier: That is the Parliament though.

Hon DIANE EVERS: Yes.

Hon Peter Collier: That is what Parliament is all about.

Hon Nick Goiran: It would be quick if they would actually answer our questions.

Hon DIANE EVERS: Yes; okay.

The DEPUTY PRESIDENT: Order!

Hon DIANE EVERS: That is a perfect demonstration of what I am talking about. I do hope—I have to hope; I am here for a while—that people listen, work together and try to advance the benefits we have of living in WA. It is a great state and it is very important that the residents are looked after, supported and recognised for being strong contributing members to our society, and that our society is looked after by the resources of the government in a way that does not silo each department into its own little section. People should be working together across the departments. In the statement about salinity that I made yesterday, after reading the Auditor General's report, I said that we have the Department of Agriculture and Food and the Department of Water and Environmental Regulation and that they need to communicate and work together. That is what we need to do as well to try to make some good things happen for the benefit of everybody. I know we will not agree on everything—I am not asking for that—but we all agree on some things, and it would be nice to move those things along. This budget is one of those things that I hope to see get through the processes in the not too distant future.

Debate adjourned, on motion by **Hon Pierre Yang**.