

## **ESTIMATES OF REVENUE AND EXPENDITURE**

### *Consideration of Tabled Papers*

Resumed from 3 November 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 4389A–D (budget papers 2020–21) laid upon the table of the house on Thursday, 8 October 2020.

**HON RICK MAZZA (Agricultural)** [5.30 pm]: I rise to make some comments in response to the budget. I was going to make quite a long speech on trickle-down economics, but, unfortunately, Hon Dr Steve Thomas beat me to it, so I might leave that alone today. This has been touted as a fairly conservative budget. Normally, I would say that a conservative budget is a good thing, but given the environment over these last 10 months or so with the COVID-19 pandemic, it could have been a time to take a little more risk in the construction of some of the budget, particularly around taxes that affect businesses. I think there has been a missed opportunity in some ways in dealing with taxes that have been a drag on business for a very long time. They are the commerce-killing payroll tax, land tax and stamp duty that obviously impact business. That has been highlighted quite well because part of the COVID-19 emergency bills that have been put through have contained exemptions from payroll tax. That therefore acknowledges that payroll tax is a burden on business. Those exemptions have been given to try to stimulate the economy and provide a COVID-19 recovery. A lot more could have been done around that with some reform. The trouble with reform is that in a normal economic environment, we try to reform those taxes, which bring in just under \$9 billion a year. They are significant income earners for the state and, of course, people do not want other taxes, so it is very difficult to transition to another tax regime. However, given the environment and the emergency situation we are in, there is probably some scope to look at a different tax structure for the state that would provide for a more commerce-friendly and job-creating tax regime.

When it comes to the budget I am always very interested in how the property market is tracking. Some green shoots are starting to emerge in the housing sales market. Compared with that in other states, Western Australia's capital growth has been in the doldrums for many years. Perth and Darwin have been in the same basket for quite some time, but it is interesting to note that the Darwin market is now booming. Perth's market is lagging behind a bit, but I am quite hopeful that with some of the supply shortages, the Western Australian real estate market might start to cheer up.

The problem is, of course, along the way, WA has had quite a hangover because new building construction has not taken place. One of the reasons the housing market has been so soft is the decline in our population. When I first came into this place in 2000, there were issues with government services because 2 500 to 3 000 people a week were coming to the state and that impacted the housing market. However, once the mining construction boom came off, people started to leave the state and then, of course, there was an oversupply. What has been interesting with the COVID-19 issue is that a lot of people have returned to Western Australia, but not a lot of housing stock has been built over the years, so now there is a shortage. As I have articulated in this place before, when we make a very unfriendly environment for private residential property investors, they leave the market. Now we are in the predicament of having a shortage of rentals. I was in Albany last week speaking to a real estate agent who has a very large residential management portfolio and he had zero vacancies available in the City of Albany—none—which he said was unheard of. When there is a vacancy, a huge number of people put in an application.

The extension of the COVID-19 residential tenancy emergency provision has been extended to March, so at the moment, many people are renting but their rent is not being increased because landlords are prevented from increasing rents. Rents are not being reviewed. It has been reported that up to 100 people will apply for one property when rentals have increased dramatically. There have been a few articles in the press about this. An article headed "Markets gone rental" in *The West Australian* of 21 October states —

The State's peak real estate body has declared WA is in a rental crisis after the vacancy rate fell below one per cent for only the third time in 40 years.

The Real Estate Institute of WA predicts that the current rate of decline, the metropolitan area will run out of rental homes as early as January.

President Damian Collins —

I saw him recently on the TV in a couple of news items —

said the trend would slow the sales market, with many homeowners becoming too scared to sell their properties for fear of not being able to rely on a rental safety net before finding a new house.

He said the crisis would also lead to a rise in couch surfing and house-sharing.

Nicheliving property agency claims it had an astonishing 131 inquiries for a single one-bedroom rental property in Atwell over the past week.

Mr Collins said the 0.96 per cent vacancy for the July, August and September period was the lowest since the 0.8 per cent rate in the boom period of March 2007.

He said the problem was due partly to several years of underinvestment in new rental stock.

As I mentioned earlier, one of the problems is that WA has very low rental stock. Of course, once we get to March and the COVID-19 provisions are removed, rents will go through the roof; they will absolutely skyrocket. That will be very difficult for the many people who are trying to find some accommodation. Also, an editorial in *The West Australian* of 2 November is headed “A 20 per cent rent rise is the last thing vulnerable West Australians need”. I agree with that. It states —

As Western Australia prepares to bring down its border, it’s timely to think about the other COVID measures that will be wound back and the impact on the community.

The Federal and State governments both introduced a list of stimulus measures when COVID hit to support households and businesses impacted by the pandemic.

Demand will really hit hard in the second quarter of next year for people who want to find rental accommodation. If rents are to increase by 20 per cent or even more, once those COVID provisions come off, obviously, a lot of people will be impacted.

I think there should have been more investment in public housing. Obviously, public housing is a cheap alternative. When I say cheaper, I mean more affordable accommodation for people in need. I was a bit disappointed with some of the investment choices. For argument’s sake, in budget paper No 3 there is a reference to puppy farming and an initial allocation for the administration of puppy farming of \$7.6 million and another allocation of \$960 000. To me, that money could be used to build 15 houses. Whether the investment should be in puppy farming—I think the amendment to the Dog Act will have little impact on puppy farming—seems to me to be a waste of money when public housing could be provided for up to 15 people.

There is also the issue around the \$617.5 million subsidy as a result of the Bell Group settlement, the litigation of which had been going on for some 20-odd years. That money could have been used for things such as public housing, or, more than anything, to assist people to build a new home. We have a first home owner scheme for new builds, but we do not have a first home owner scheme for established housing. Not everybody wants to build a house, so for a lot of people who are entering the market—maybe they are not confident enough to build a new house and they would rather have an established home—there is nothing for them. This \$617.5 million would have gone a long way to assist those people.

Getting back to the rental market, a lot of the emails that I have received are from landlords, some who rely on rental income for their income—the self-funded retirees. They have been impacted by this. The COVID-19 provisions that put a cap on rentals and not being able to evict people could have been better handled by offering rental subsidies for those people, rather than put that burden onto landlords. This \$617.5 million will now be a \$600 Western Power contribution for every household. I got that \$600 credit on my power bill yesterday. I looked at it and thought, “That is a \$600 credit that I probably don’t really need that could’ve gone elsewhere to help the community.” In my mind, it is straight-out pork-barrelling just before an election. That \$617.5 million could have gone towards things such as a home owner scheme for an established property.

Property underpins the economy. A person’s home is usually their major investment in life, and it underpins their wealth; it is a very important part of the economy. Private property rights have been topical of late. The Standing Committee on Public Administration handed down its thirty-third report a couple of months ago. I read through that over the last couple of weeks. It is a bit of a heavy read in some areas. I would like to congratulate that committee: the Chair, Hon Adele Farina; Hon Darren West; Hon Jacqui Boydell; Hon Kyle McGinn; and, of course, Hon Ken Baston. I think they have done an excellent job. There is no minority report; obviously, the majority of the committee has agreed to the findings and recommendations within this report. The report is broken up into three main parts: Real property, water and fishing. On the real property issue are some quite interesting findings and recommendations. The executive summary states —

Affected landowners were not notified when ESAs were declared in 2005, and ESAs are not registered on Certificates of Title. To address community confusion, the Committee recommends that the WA Government clarify the legislative definition of clearing.

Under “Disclosures”, it states —

Submitters told the Committee that all interests, limitations, encumbrances and notifications that restrict the use or enjoyment of land should be registered or linked to the Certificate of Title. The Committee concluded that failure to do so erodes confidence in the Torrens title system.

I have raised the issue many times of the integrity of the Torrens title system and the fact that not having many encumbrances and conditions on that title erodes confidence in it. Recommendation 4 of the report states —

The Premier introduce in the Parliament of Western Australia an omnibus bill amending all relevant Western Australian legislation to make it a statutory requirement for Western Australian Government departments and agencies, when making decisions or taking actions that impact on the use of a landowner's property, to notify each individual landowner impacted in writing before the decision is made or action taken, and advise how this will impact the landowners use of the land. Further, that impacted landowners be provided an opportunity to make submissions before the decision is made ...

I think that is about environmentally sensitive areas, so that rather than just an overlaid plan, from what I have read in the report, there should be a site visit to determine what areas of the land should be declared ESAs and that the owner be notified, which I think is very important. Recommendation 6 states —

The Western Australia Government pay landowners impacted by an Environmentally Sensitive Area fair compensation if the value of the property is diminished by the Environmentally Sensitive Area due to the landowner being unable to use the land subject of the Environmentally Sensitive Area in accordance with its zoning use.

It is a very important recommendation by this committee that compensation be paid to those landholders, should they suffer some reduction in the value of their property. This section of the report continues. Finding 9 states —

Statutory easements may be registered on Certificates of Title, but this is not always the case.

I think that this is part of the problem. A lot of the business is hit and miss. Landgate says that people can find that out if they search the much-touted \$60 property interest report. It should have this information on it if they have concerns. From what I read in the committee report, the property interest report does not always have the environmentally sensitive area on it, so it is not a reliable source either, to try to find out where it might come from.

There is an interesting chapter in this report about Mr Swift, who gave evidence to the committee. The committee was kind enough to allow me to sit in during that hearing. I want to make mention of Mr Swift because he got probably one of the rawest deals ever when it came to environmentally sensitive areas. The report states —

**Case study—Peter Swift**

- 3.33 Peter Swift bought his 485-hectare property near Frankland River in 2007. He intended to 'run a few cattle and sheep' on the property after retiring from his work in the north ...
- 3.34 Mr Swift had been away up north working and maintains he had not cleared the property. He sought to explain this at a meeting with then-Department of Environment and Conservation officers. According to Mr Swift, they would not hear him out. They maintained he had illegally cleared his property ...

Further into this section of the report it talks about the actual court case. It states —

... Magistrate Hamilton stated in her decision:

the State's case against the Accused was never put on the basis that his maintaining the drain amounted to the clearing alleged. Even if I did find that this occurred within the relevant period, which I do not, to say that maintaining a drain constructed by one government department, or under instructions from that department, in relation to the growing of trees under a contract with the same or another government department amounts to an offence under legislation administered by another government department is to create a farcical situation whose proportions could only be envisaged by Sir Humphrey Appleby.

This has caused an enormous amount of heartache for Mr Swift. This could have been totally avoided if the ESA had been registered on the title so that when he, his settlement agent and the bank looked into it, it would have been identified and he could have made a decision about whether to buy the property; and, if he bought the property, he would know the conditions attached to it.

**Hon Michael Mischin:** That is only half the story.

**Hon RICK MAZZA:** It is only half the story.

The report states —

Following the court case, Mr Swift met with the then Department of Environment and Conservation to ascertain which activities he could carry out on the property:

I said, "What can I and can I not do?" "You need a permit to graze your stock. You are not allowed to do this; you are not allowed to do that." I said, "Well, I didn't buy a national park, I bought a rural farmland."

I think that sums it up for a lot of people who have been impacted by this. There are a lot of people in the Gingin area with ESAs. There is even the Gingin Private Property Rights Group that has also raised many issues. It is not just Mr Swift; quite a few people have been impacted by this.

I think that the recommendations and findings in this committee report are fantastic and I hope that the government looks at these recommendations in a positive light. We have not had the government response yet. I will be very interested to see the government response as far as real property is concerned.

The second part of this report is mainly to do with water. Interestingly, yesterday there was a lot of debate on water. Hon Diane Evers read in a petition and made a member's statement on the southern forests irrigation scheme, and Hon Adele Farina made a member's statement and read out a letter regarding water issues. Obviously, the southern forests irrigation scheme is causing a lot of angst for a lot of people. I will not paraphrase a lot of the report—members can read it when they want to—but what I gathered from reading through that section is that the water issues are a bit of a basket case. I refer to spring rights. Can one get exemptions for spring rights or not? We put out a newsletter about 18 months ago. The Department of Water and Environmental Regulation then had to come back and rectify some evidence that it had given, which is in this report as well. As far as the scheme is concerned, it would appear from this—members of the committee can correct me if I am wrong—that DWER has been requiring certain things that are not in legislation. It is not referring to or relying on legislation; it is making it up as it goes along.

There is the issue of water and the southern forests irrigation scheme. There is some very handy mapping in the report for people who want to get more of an idea of that scheme. The report provides some insight into the fact that a lot of work needs to be done to try to give people more certainty around water. Water is going to be a massive issue as we move forward; I do not deny that. It always has been. Water is absolutely vital to any agricultural enterprise. There is going to be more pressure on this. We need a legislative structure that people can understand so that they can know what their rights are and what water is available to them. There is some commentary in the report on whether those rights should follow the land or be able to be traded. It is quite a complex issue. Even after reading that report in some detail, I must admit that I am not fully across it; it is quite confusing. But even the people in the department who live this every day seem to be uncertain about how this should operate.

The third part of the report relates to fishing. Again, fishing rights are quite a complex area. This report basically states that no-one has a right to the resource—the resource is a public resource while it is in the ocean—but there is a property right as far as the licence to access the resource is concerned. That is quite complex. I think the committee has done a very good job in capturing all that. I am sure that this will be a reference for government and industry over time to try to assess what is the best way forward with the fishing industry and how we can operate a sustainable fishery.

I want to conclude with the prescribed burning investment. I am very pleased to see that the government has put another \$22 million into delivering key initiatives and programs. There is an investment of another \$22 million to boost and enhance prescribed burning in the south west, which I think will be welcomed by those who are involved in that. There is an additional \$8.9 million to be spent on bushfire suppression so that our firefighters—both career and volunteer, I imagine—are equipped to be able to engage in bushfire suppression.

Prescribed burning is vital to maintain fire management within our state. We are entering into that season now; it has basically already started. I am sure that we will experience some fires in the very near future. Of course, prescribed burning is absolutely crucial. I met with two members of Fire for Life at Manjimup last week. They were discussing what they thought needed to be done as far as their volunteer brigades are concerned, including prescribed burning within those southern forests to try to get those fuel loads down and protect their communities. I am pleased to see that the government has put some money into boosting and enhancing the prescribed burning programs and also made some investment into suppression. I do not have it to hand right now, but, from what I understand, I think that part of the \$22 million investment is for aircraft and for prescribed burning. The \$8.9 million is for aircraft and other resources for dealing with fire. I will conclude my contribution on that point.

**HON ROBIN SCOTT (Mining and Pastoral)** [5.55 pm]: This contribution to the debate on this year's state budget is a very important speech for me and my constituents. I had a look at the budget books. I must admit, I was struggling to get through them, but there are many things in there that I could spend hours talking about, such as homelessness and the lack of social housing; the cost of public transport; a failing hospital system with ramping periods at an all-time high; of course our doctors and nurses, who are being worked to the bone at this very moment; and the increase in violence in our schools. Worst of all is the fact that businesses have been overlooked in this budget. They will be the first people to assist us in growth and recovery after COVID. Instead of speaking about those things, I am going to focus on the things that I am very aware of, which are the issues in my electorate.

The budget has treated regional WA very, very poorly, particularly the Mining and Pastoral Region. The government has managed to fool many people into thinking that it has been running the state and its finances very efficiently. The reality is that COVID has been one of the best things to happen to the McGowan government, along with the huge returns from GST and the high prices of our resources. A lot of bumbling and stumbling has gone on throughout

the coronavirus pandemic, with the phrase “hard borders” constantly being repeated. This phrase has been repeated so many times that it was ringing in my ears at three o’clock in the morning. The government conveniently forgot to tell the public that we live in one of the most isolated places on the planet. I think back to a couple of weeks ago when “Mr Ninety-two per cent” was saying that it will be 1 April before the borders open; all of a sudden, he became “Mr Mid-twenties per cent”, and all of a sudden the borders are going to be open at the end of next week, which I believe is a really good thing.

Now we have this henhouse budget, and the McGowan government is coming out to feed the chooks just before an election. The good news is that the public is seeing through the smoke and mirrors and the people in my electorate of Mining and Pastoral now know exactly what the government has done for them over the last three and a half years, which is very little.

I will give members some examples of some of the health issues that we have in my electorate. I have to say, it was very pleasing to hear the statement this morning about the treatment for breast cancer–related lymphedema. On behalf of the long-suffering and very patient women of the goldfields, I say thank you to the government. This is something that particularly the women in Kalgoorlie and its environs will be very, very happy about.

An example of an issue in my electorate is the need for an MRI machine. I spoke about this more than three years ago and was told that the government had just inherited \$42 billion of debt and it could not talk about an MRI machine. I presented a petition to the government and was told that we could not have an MRI machine because we did not have a Medicare licence. We got a One Nation senator to speak to the federal Minister for Health, Hon Greg Hunt, to explain the situation in Kalgoorlie and, fortunately, he gave us a Medicare licence—not just a partial licence but a full licence. He realised that a town such as Kalgoorlie needs an MRI machine. The next thing that was thrown in my face was that too many seismic vibrations take place in Kalgoorlie and that would disrupt the MRI machine. I spoke to the MRI people and they said that it was a problem, but that I did not have to worry about it because they handled it through methods of negating any vibrations.

Another example is Laverton Hospital. The previous government promised \$19 million for an upgrade and improvements, but that fell through after the election. I must say that this government offered some money after it asked the mining industry to pay for any hospital. It has allocated some money for improvements and a possible reconstruction of the hospital. At the moment, Laverton is very, very fortunate, because there is a dedicated health team out there. If it leaves, we will be in real strife, because no young nurses or doctors will want to go to some dilapidated hospital built with asbestos and lacking in modern technology. Laverton Hospital needs some help and it needs it soon.

I now look to the Leonora aged-care facility. Leonora was originally promised a 16-unit aged-care facility. That has now been cut to eight units, with a promise of another eight down the track. The government has allowed \$3.5 million, plus there is \$1 million from the shire. Unfortunately, there has not been a rock or any dirt moved yet, so let us hope this is not just another promise. I would like to see some action there.

We then look to Meekatharra Hospital. Absolutely zilch has been promised there—nothing at all. I worked in Meekatharra Hospital doing electrical maintenance and repairs in the 1980s and 1990s. The place was falling apart then, so fast-forward 20 years and we can imagine what it is like.

These health issues are all taking pace in the bottom third of my electorate, but that is not the main problem. I have repeated this over and over. My main concern about my electorate is alcohol abuse and antisocial behaviour, and, sadly, our Indigenous people are afflicted by alcohol abuse more than any other group. However, this problem affects the entire community, because even the people who do not abuse alcohol have to suffer antisocial behaviour, including property damage, theft and assault. This is everywhere in my electorate. The government’s answer to this problem is to do what all previous governments have done, which is to throw more money at it. In fact, this time there is \$750 million supposedly to enhance Aboriginal wellbeing. In the words of the Treasurer —

“No other Government has invested so significantly in empowering Aboriginal communities and individuals to make positive changes for their communities and themselves.”

I hope that made the Treasurer feel all warm and fuzzy. I would like to look at some of the detail of where this \$750 million will go. There is \$25 million targeted for the maintenance of social housing in remote Aboriginal communities. How is this going to work? The government cannot even do proper maintenance on social housing in regional towns. Even in a town, people are waiting weeks and months for repairs, so I cannot see the Aboriginal communities getting a better service than that.

We will get \$20 million to build a 70-bed short-stay accommodation facility in Kununurra. That equates to \$285 000 per bed. There are already vacant buildings in Kununurra that would be more than suitable for people to stay in. The people I have spoken to would be more than happy just to have a safe camping area with running water, toilet facilities and rubbish collection, and a large roof with a hole in the middle to allow the smoke to escape from the fire pit. I spoke about this in Parliament some time ago regarding Laverton. Laverton already has the plans and

the ground, it just needs some financial assistance to let this happen. When I spoke about it, Hon Alannah MacTiernan appeared to be very interested. She said she would call me to discuss it. Unfortunately, she must have lost my phone number. It is just another project that would have really worked, but unfortunately the government will not give it any wings.

There is \$193 million to deliver essential services in remote Aboriginal communities, mainly repairs and maintenance for Aboriginal houses. That is money that the federal government used to provide. This must be on top of the first item, the \$25 million for maintenance on remote Aboriginal housing. I just cannot work out these figures. We will get more than \$4 million over four years for Aboriginal governance and leadership development programs. Are we going to tell them what to do and how to do it? They already have their leaders. They have selected their own people. They do not need to have our interference in training their leaders on what to do and how to do it. In fact, many of them struggle with English and many of them struggle with reading and writing. They are not going to sit in a classroom and be dictated to by mister white guy.

There is \$11.6 million over four years for an Aboriginal girls engagement program. I looked this up and tried to figure out how the government is going to spend \$11.6 million to encourage young Aboriginal girls to stay at school. It is a brilliant idea, but it is not going to work. It is just another namby-pamby idea to make everybody feel really good. The problem is that if we want the girls to stay at school, we have to make sure that they all stay at school. There only need to be one or two who move out of the classroom and the rest will just follow on. I have seen how it works over the last 35 years.

There is \$302 million for the finalisation of the south west native title settlement. This is not even in my electorate, but it just made me think. Will the recipients of this settlement need to undergo a means test after they have been given their cut of the deal if they are on welfare now? Some of them will get tens of thousands of dollars and others will get hundreds of thousands of dollars. This is how ridiculous this is. If they are on welfare, it should be cut right away. We need somebody to monitor that.

There is \$5.3 million to be spent over the next four years for the Gibson Desert Nature Reserve agreement and compensation settlement. Who will be accountable for that? Who will monitor where the money goes and who gets it? There is \$310 000 to support Aboriginal people to participate in elections, with the employment of a dedicated community liaison officer—this makes me laugh—and a casual regional community liaison officer to engage with the communities. Is it \$310 000? There are hundreds of communities out there. That will not even cover his fuel bill. What are they going to do? Are they going to take them to the voting booths and assist them to vote? This is absolutely ridiculous.

This is where I feel myself starting to warm up. There are kids in my community who are committing suicide. There is family violence at an all-time high. There are murders going on. There are 17-year-old kids murdering women and putting them in wheelie bins. That is happening in my electorate. What is going on is absolutely shocking. Whole generations are having their lives ruined. Let me be blunt. There is nothing in this budget to tackle alcohol abuse, which is the main cause of all this crap. There is nothing in this budget to help get neglected kids away from abusive parents who are constantly drunk. They are condemning their own children to end up like themselves—welfare junkies with no future. The question I asked yesterday about the banned drinkers register was just brushed off. I was told to look at the reply that Hon Ken Baston got, which I did. In fact, I have it right here. It was so disappointing. It states —

The cost of the trial is estimated to be \$1 million. In the event funding is sourced, a trial will commence as soon as possible.

That is \$1 million to save some Aboriginal lives, to give some kids some hope, and to give some battered wives a decent life without them having to wake up in the morning with black eyes and big fat lips. I was also told in answer to my question that the Kimberley BDR would not commence on 1 December 2020. This is untrue. I never mentioned anything about 1 December. Another bit got me really riled as well. The answer to my question stated —

The estimated cost for the two-year trial would cover the infrastructure, service and support, —

And get this —

and the independent evaluation.

An independent evaluation—I will give them a five-minute evaluation! All the government has to do is phone up any cop shop in the Kimberley and they will tell the government whether it is working or not. That is how ridiculous that stuff is. The McGowan government is just paralysed with fear—fear of being called racist and fear of creating a stolen generation mark 2. Who are they frightened of? They are frightened of the do-gooders and the lefties, many of whom have never set foot in an Aboriginal community. I just thought about something. We do not want to take the kids and the battered wives out of the community. How about we put some people into the community to assist the lawmen, the elders and the ones who are supposed to be governing these people and looking after them,

because they are not. We could put people in to assist them to do their job. That is something that maybe we should look into.

I want it recorded in *Hansard* right now that this policy will fail. This budget will fail. When we look back in four years' time, we will see that nothing will have changed. There will have been no improvements; just another \$750 million of taxpayers' money will have been wasted. Why? Because the McGowan government, just like every other government before it, is too scared to get in there and actually do something. They call it a budget—budget, my arse!

*Withdrawal of Remark*

**The ACTING PRESIDENT (Hon Martin Aldridge):** Order, member! I did not want to interrupt you earlier because you were engaged in a very passionate speech, but I remind you that in the Legislative Council we are not to use unparliamentary language. I ask that you withdraw that comment.

**Hon ROBIN SCOTT:** I withdraw that comment.

*Debate Resumed*

**Hon ROBIN SCOTT:** Budget! Budget, my bottom! This is a vote-buying spree, using taxpayers' money. I say to the people of the region that if they want the same, keep voting for the same, because that is what they will end up with.

Debated adjourned on motion by **Hon Ken Baston**.