

Mr Mick Murray; Mr Ian Blayney; Mr Ben Wyatt; Mr David Templeman; Mr Mark McGowan; Ms Rita Saffioti;
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between China and Japan over the Diaoyu—Senkaku Islands and in the South China Sea. Once again, this is something that we have to learn to live with. To quote the old Chinese curse: we live in interesting times, but I also think that our government is up to it.

MR B.S. WYATT (Victoria Park) [9.59 am]: I rise to comment on the Premier's Statement. On Tuesday afternoon in a short contribution to the amendment to the Premier's Statement moved by the opposition, I commented on some initial reflections. However, this morning I want to make a number of comments on three main areas about the state's finances, specifically the finances for health and the looming budget crisis that every state in Australia faces, and I will also comment on Aboriginal affairs in a number of different areas.

The point I made on Tuesday was that the Premier's Statement—I go back and read them all before the next one is made—seemed to me nothing more than cobbled together media statements from 2014. Then at the end he said, "And I am interested in jobs; I want to go to India. I want to do this and that—science. Science." Despite cutting the hell out of science over the last six years, he mentioned science; it was tacked onto the end of his speech. It was a strange speech. For the first time in seven Premier's Statements, the Premier mentioned remote Aboriginal communities. I want to come back to that a little later in my speech, but I note early on that for the first time in seven Premier's Statements, remote Aboriginal communities got a mention.

It was, indeed, interesting. This is the first week we have been back together, friends, since the midyear review was tabled in late December 2014. I think the midyear review is the final confirmation that the Liberal Party cannot manage the finances of the state. If members look at the last 20 years, the Liberal Party has been a shocking financial manager. The review also shows, along with the Treasurer's response, that no-one, except maybe the member for Hillarys, seems to accept that there has been poor financial management. No-one seems to accept that there is a problem with a \$1.3 billion deficit—the first in 15 years since the Liberals were last in power. No-one seems to accept that there is a problem with the debt. The Treasurer, the member for Riverton, who spent a career writing about, thinking about and analysing the evils of government revenue sources and critiquing government for relying on land tax and stamp duties, who has now twice increased land tax, gets up every day to defend it, "There is no problem. There is nothing to see here!" He has walked away from everything he has ever written. His transition from commentator to Treasurer is now complete that he is the government's chief information officer. He is like "Baghdad Bob" wheeling out, "The Americans aren't here! We're going to destroy the Americans with bullets and shoes!" as the laser-guided missiles are painted firmly on his head. Standard and Poor's indicate a lack of political will, and up pops "Baghdad Bob" from the Riverton province saying, "Nothing to see here. The finances are fine." The AAA credit rating is gone but the Treasurer says, "It is all okay; we have strong financial management!" Debt is now nearly at \$31 billion when the Premier said it would not get beyond \$20 billion. Up jumps "Baghdad Bob" and says, "It is all good stuff; there is no problem with debt." There is a \$1.3 billion deficit yet the government says, "It is okay. We are spending on good things." We all became familiar with the man familiar with these grandiose and grossly unrealistic comments. I think the Treasurer needs to work out what his role is: is he the chief information officer or is he the Treasurer? Does he hold in his hands the smouldering ruins of the Liberal party's fiscal credibility?

Members opposite will all have to work this out at some point. The Premier does not care. Hon Norman Moore made that clear last year. John Langoulant has previously made that clear in his role as Under Treasurer. The Premier does not care, but members opposite should care because the lack of consistency from the Premier is just breathtaking. I quote the Premier extensively. Remember that the Premier likes to think his parliamentary career started the day he walks in here each day. I want to remind members of a little statement that reads like Fringe World Festival script when members know who is saying it. This was a matter of public interest moved by the member for Cottesloe when he was Leader of the Opposition in 2002. This is what he said about the then Labor government —

It has had a full fiscal year in government, yet it continues to blame every financial difficulty it faces on either the Commonwealth Government or the previous coalition Government. Surely time has moved on and surely this Premier and this Treasurer should start to accept responsibility for the financial affairs of the State of Western Australia.

All I heard the Premier say on Tuesday was "GST", "GST", "GST", "GST". Not one element of responsibility was taken for the position we now find ourselves in—record debt and deficit—by the member for Cottesloe, who was applauded by the Liberal Party members behind him. The now Premier, as Leader of the Opposition, went on to say in 2002 —

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I want to talk about the tests of the credibility of the budget itself. There are two ultimate tests: first, the deficit or surplus position and, secondly, and most importantly, the longer term implication of what will happen to the level of indebtedness as a State and as a people of Western Australia.

That is what the member for Cottesloe said when he sat in the Leader of the Opposition's seat. As soon as he got his hands on the levers of power, it all burst asunder. Now we do not know what will happen with the debt position. It was going to be capped at \$20 billion. I have said this before: when the Premier said he wants to cap net debt at \$20 billion, when members look at that budget year in the forward estimates, and what actually happened with revenue, the Premier received an extra \$6 billion in unbudgeted revenue. Revenue has not been the issue. We then had Christian Porter's budget that he tabled then quit. He said that net debt will peak in 2014–15, this year, before commencing its decline. It was going to peak this year at \$23 billion before commencing its decline. This year —

Mr P. Papalia: It ain't doing that.

Mr B.S. WYATT: It ain't doing that. The whole time we have “Baghdad Bob” from the Riverton province popping up saying, “It is all okay. Nothing to see here. Finances are fine. The Americans are not coming!” I do not know what the narrative is of the members of the government; I do not know what you stand for any more—I do not. I hear the Premier's statements, I hear the chief information officer from Riverton talk about things that simply do not reflect the reality. The Treasurer said earlier this week that no-one could have picked the fall in iron ore and oil prices. I will give him one bit of wiggle room: perhaps nobody could have seen the extent of the fall and the speed of the fall. But everybody knew it was going to fall—everybody. The problem we have is that we have had a Premier and seven Treasurers who have assumed that the record revenue was here to stay and spent accordingly.

Mr W.J. Johnston: “It wasn't a boom”, the Premier said.

Mr B.S. WYATT: “It wasn't a boom”, the Premier said. In his mind, it was here to stay, despite everybody knowing it was going to decline.

Mr P. Papalia: He thought it was here forever.

Mr B.S. WYATT: He thought it was here forever. Just like John Howard spent the boom in the income tax cuts, the Premier has spent the boom revenue. The Treasurer says, “We did not know what it was going to be”, but the reason we talk about large surpluses is so there is some flexibility. When the government got itself in the position when the 2014–15 budget was released, all the government needed was a four cent drop per tonne in iron ore to wipe out the surplus. Members all knew there was going to be a drop but the government did not prepare for it. Even just as recently as yesterday in *The Australian Financial Review*, Jennifer Hewett, an astute national commentator, made the following point on page 2 —

The immediate problem for Colin Barnett is that while he might have disliked boom-time terminology, he certainly liked spending the money as if the extraordinary amount flooding in would never end. That's how the state lost its AAA rating back in 2013 after Standard & Poor's noted the government's “limited political will” would probably lead to slippage in its “fiscal action plan”.

In response, “Baghdad Bob” jumped up and said, “It's all okay; we're now getting spending under control, if you take away all the expensive bits. It's all under control!” Do members know what? That horse has bolted. It is like when the Premier stands up and says, “It's okay with China, because weaker economic growth is off a bigger base, therefore it's all okay.” Well, that is the problem the government has: it has a big base of spending that is growing and growing, and it is out of control. I cannot see how the government can do it. It might get a year here or there, but this horse has bolted, and the government's problem is that it now has shocking deficits and is reliant on the lag effect of the GST to bail it out. As Jennifer Hewett wrote in yesterday's *The Australian Financial Review*, the Premier liked to spend, and that was applauded by all government members, except the member for Hillarys, who is now very vocal in his critique. They all accepted that. I do not know what the policy spine of the Barnett government is. What does it stick to? What defines it? I do not know. At some point or other it is going to have to work that out, because those cobbled-together media releases from last year that passed as a Premier's Statement will not cut the mustard going forward.

Nine months ago, in May 2014, the government cut payroll tax. Then, in the midyear review, it increased it again. What is going on with the consistent financial plan? What is going on? The Treasurer spent 30 years writing about the evils of land tax, and has now ratcheted it up twice in 18 months. I do not know what the government's fiscal plan is, and that is why Standard and Poor's and Moody's critique it so strongly. Nothing is sacred; the government has stuck to nothing in the finances, whether it is debt levels, the spending profile or the

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wages policy. It has not stuck to anything, and that is the problem the government faces. Until it can prove that it can stick to something, it is not going to regain the AAA credit rating. AAA is a long way from returning.

I now want to make some comments about the health budget. There is a big problem emerging. Regardless of who wins the state election in 2017, there is a big problem emerging. For those who follow the budget, a particularly interesting part is the statement of risks. It is always the place where the sins are buried, deep within budget paper No 3. It has all the risks. In the 2014–15 budget, it was probably relevant only for a week or two. The more interesting ones are the midyear reviews; the budget is not actually enormously relevant. One of the factors that was included in the government’s spending profile was the assumption that it was going to get its hospital spending to the national average cost by 2017–18. That is built in. I quote from page 130 of budget paper No 3 —

To facilitate reduced cost growth and deliver a more sustainable expenditure base for hospital services, the forward estimates are predicated on transitioning the cost per unit of activity (i.e. the State Price) to the national average cost by 2017–18.

From 1 July 2014, in line with the NHRA, the Commonwealth will pay for 45% of the efficient growth in activity each year from 2014–15 to 2016–17 (and 50% of the efficient growth in activity from 2017–18) ...

That is important because that is part of the agreement that we as a state had with the former federal government around what happens post-2017–18. What we saw in Joe Hockey’s budget—which I do not think has been passed yet; I do not think he is actually going to get a chance to pass the budget, but we will see in due course—was the federal Treasurer walking away from that agreement. That will have some impacts between now and 2017–18, but the real budget buster will be from 2017 on.

Perhaps the best work being done in public policy in Australia outside government is, I believe, by the Grattan Institute. In Western Australia, most of our think tanks have become lobby groups or interest groups; they do not actually produce thoughtful, analytical work. That is being done in the eastern states, which is a shame. I think the Grattan Institute is doing the best work; whether members agree with it or not, it is certainly doing the best work in the country, in my view. In its report titled “Controlling costly care: a billion-dollar hospital opportunity” of March 2014—released before the budget and before Joe Hockey tore this agreement up—the Grattan Institute worked through the whole national partnership deal and the importance of activity-based funding to effectively try to create an efficient hospital system. The range of costs of hospitals in Western Australia is quite diverse from one end to the other; we have expensive hospitals and ones that are not too bad. Victoria is leading the way because it got onto activity-based funding very early.

Then Hockey walked away from the post-2017 arrangements, and that has the potential to cost tens of billions of dollars for state governments around the country. I do not expect whoever is leader of the Liberal government in Canberra to move on that issue, and I do not expect that, because of the revenue problems that the federal government is having, there will be much movement either way. That means that at some point we are going to have to have this conversation. I know that the Premier always says that he does not believe in forward estimates, only in the budget year.

[Member’s time extended.]

Mr B.S. WYATT: Therefore, a problem emerges. I want to read from a document put out by PricewaterhouseCoopers titled “Australian Federal Budget 2014”, which looks at this issue. It states, on page 3 —

... the other major change is future abandonment of growth funding based upon the volume of activity within hospitals, based upon an agreed efficient price. This change is in the order of tens of billions of dollars over the next ten years.

Whilst this change may have a positive implication for the federal budget, it seems to reduce the “strong financial incentive to ensure that people are treated through less expensive primary care services” identified by the Prime Minister at the time of the previous reform agreement. The Commonwealth and the States previously shared a financial burden for increased volume care, which could potentially be reduced (or not occur), with highly effective and coordinated primary care and aged care services. This budget’s change removes this link for the Commonwealth but not the States and Territories. The change also potentially undermines the significant work done to establish and monitor the National Efficient Price, and raises the question as to whether there is a need for Activity Based Funding at all. Yet Activity Based Funding is driving a focus upon real waste in our health care system, casting a spotlight

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on what factors contribute to additional cost, and is a demonstrable step towards a system that better links patient health outcomes to funding. Exactly what the future holds for efficient hospital funding remains unclear.

Subsequent to that, appearing before the Senate Select Committee on Health, the Grattan Institute made a submission in September 2014 stating that the federal government needed to abandon that particular part of its budget. At every level that is a shocking decision in terms of an efficient health system and driving waste out of the health system, and it will create a massive hole post-2017 that this Parliament is going to have to address; it will mean billions of dollars for Western Australia over 10 years.

I raise this issue now because I am begging my Liberal Party friends: when the Premier says not to worry about the forward estimates, they have to recognise that they have a looming problem; we all have a looming problem. The government needs to start thinking about this now.

In my final 10 minutes I would like to make some comments around Aboriginal affairs, and to make three particular points, one being the closure of remote communities announced by the Premier late last year; secondly, some proposals or ideas I have about Aboriginal affairs; and thirdly, constitutional recognition. As I said at the time during debate on that legislation, I am particularly disappointed with the Premier's position on constitutional recognition, but it has now been referred to a committee on which I sit, and I do not intend to make any further comments on that part until the committee reports.

For the first time in seven Premier's Statements, the Premier on Tuesday mentioned remote Aboriginal communities; he had never mentioned them before. He had never expressed particular concern about them until there was a budget issue. There is a sense of irony in that remote Aboriginal communities, many of which are located very close to the wealth being produced for Western Australia and Australia, are now being told, "You must move away because we can no longer afford to service you." The Premier said that at a conference in Perth just before the wet season descended upon the Kimberley and it created angst and fear across the Kimberley. The Premier made that announcement in an arrogant way that was contemptuous of the history of why the communities are there. He singled out two communities. One was the large community of Balgo—"Balgo, It's got to go!" I went to go Balgo about two weeks after the announcement—unlike the Premier—with the member for Kimberley, and there is real fear there. There is a lack of understanding of why Balgo is there and who makes up the Balgo community. Are these people suddenly going to move to Halls Creek? No; history shows that would be chaos.

The Premier said on radio that we have to close down the communities because there is a community out there costing \$85 000 a person. The next day I asked the Premier, "Which community is that?" He said that he would not tell me which community it is, so I put in a question on notice, and I got the answer yesterday. The Premier was referring to the Oombulgurri community. Members, the government closed Oombulgurri in 2011. The Premier has the audacity to come in here and to go on radio and say that these communities must be closed because there is one community, which is already closed, costing \$85 000 a person. What an outrageous slur by the Premier. He will go to any length to justify some of the ridiculous things he says. It is always easy to beat up on remote communities—they are easy targets—and say that at a cost of \$85 000 a person it is terrible. The Premier has already closed that community and, as the member for Kimberley will tell members, that has been a roaring success, because many members of that community are now living in the marshes around Wyndham! That has been managed really well! When Warmun was flooded and the community was destroyed, many people went to Kununurra. The government could not act fast enough to rebuild Warmun to get those people out of Kununurra. It is despicable behaviour by the Premier to use a community that he has already closed and to point to Aboriginal people and say, "See, you have failed. I now have to come in and fix you up." It is a fundamental misunderstanding about those communities. I am talking about the Kimberley in particular because 90 per cent of those remote communities are in the Kimberley; it is very much a Kimberley issue.

Members should search the ABC website and they will find this information. I want to talk about Broome for a minute. Between 2002 and mid-2008 there were no murders in Broome. Since that time, there have been 10 murders. Going through the names of either the person charged with or the victim of those murders, one can see that they are not from Broome. They are people from Bidiyadanga, Derby, the goldfields, Kiwirrkurra and Balgo who were visiting Broome for various reasons. Right now, behind the Anglican church—anyone who has been to Broome knows the Anglican church—there are three families camping. Two families do not drink, but one does, and they all have kids. They are all there because they have family members getting dialysis. We are now talking about moving more people. If the government closes Balgo, more people will end up in Broome. Members may think that Broome is a long way from Balgo, but that is what will happen. Last year the Shire of Broome made the point—I read it in its minutes—that if one were to assume that just 10 per cent of the 2 500

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people who live on the Dampier Peninsula where to move to Broome, that would be 250 people. Has anybody actually had a rational thought about what this means? I am not saying that those remote communities are paradises, but to stand in Perth before the wet season and tell Aboriginal communities that they have failed and to use the example of a community that was closed four years ago is an outrageous performance by the Premier.

I will continue to pursue this issue, as I will continue to pursue the heritage proposals, because the heritage proposals government members have made are bad proposals. The government has introduced the bill; it is before the house. I ask government members to read it. Everyone agrees that the act needs to be amended, but the government has caused a fundamental rift between the government and every Aboriginal group in Western Australia. Find me one group that supports the proposed heritage changes. We will have that debate in due course, and I look forward to that.

Late last year, at the University of Western Australia, I said that we now need to correct the architecture that is Aboriginal affairs in Western Australia. The legislation is old; it is from before I was born and before native title was introduced. As Neville Bonner told Richard Court, the land vested under the Aboriginal Lands Trust should be divested and given back within five years. I think we need, and it is not beyond the wit of government, to divest that land back to Aboriginal people within two terms of government—within eight years. Ten per cent of the state is held in a trust on which 10 000 people live. It is time to look at that properly. Think about the stimulating effect that would be created by divesting 10 per cent of the state's land mass, including the stations and the freehold land, back to Aboriginal people. It would be huge. It is time that the Aboriginal Affairs Planning Authority Act not just be reviewed, which was my and the Labor Party's position before the last election, but for it to go. It is time for the Department of Aboriginal Affairs to be replaced. The department has frustrated people for a long time. The department is betwixt and between; Aboriginal people want an advocate but the department is not an advocate for Aboriginal people. I do not say that in a nasty and critical way, but the department is there to represent the position of the government of the day. I intend to take this idea to Aboriginal people for their views. We need to replace the Department of Aboriginal Affairs with two things. We need an advocate for Indigenous affairs modelled on the Commissioner for Children and Young People that reports to Parliament, not the minister, advocates for Aboriginal people and researches key issues. And, of course, government needs within it the machinery of a policy agency. We need to create an agency within the Department of the Premier and Cabinet to drive policy for government and hold other government agencies and departments to account for the services that they should be delivering to Aboriginal people. If we do that, I think we will get a better response. The architecture for Aboriginal affairs in Western Australia is old and decrepit, and it is time that it was updated. The department might then be a position to represent Aboriginal people and we will no longer get ridiculous statements such as, "We told you to go find other funding", on the closure, or defunding, of the Kimberley Interpreting Service. Aboriginal people's aspirations supported the continuation of that service, but the department did not represent it. Frankly, that is because it cannot do that; that is the reality. They are some proposals that I intend to take to Aboriginal people for discussion. I do not intend to do what the Premier does and announce the policy in Perth; he still has not consulted.

The state's deteriorating financial circumstances mean there are many things to deal with because the government has not protected the sustainability of the finances or allowed the flexibility to allow for emerging trends and changes of community aspirations. That is the Liberal government's legacy. Ultimately, whoever is elected in 2017 will have to deal with some significant budgetary and service delivery issues.

MR D.A. TEMPLEMAN (Mandurah) [10.29 am]: I am very, very keen to make a contribution to today's debate on the Premier's Statement. I think, as numerous members have mentioned, the Premier's Statement was a very, very shallow statement here in this place on Tuesday. There are a number of issues that I need to raise —

The ACTING SPEAKER (Ms J.M. Freeman): Member for Mandurah, would you like to sit down for a moment. Member for Carine, do not question the Acting Speaker's call; do not question the Acting Speaker. Thank you.

Mr D.A. TEMPLEMAN: It is important that I put on record a number of issues that are currently of concern to the people of Mandurah and the Peel region in general. I will start this morning with the issue of health in the Peel. I need to highlight my increasing concern about where we are going with the provision of health services in the Peel, how that relates to the state's overall hierarchical system of health delivery through the clinical health services structure, and of course the processes of health delivery in the state as highlighted under the Reid report, which goes back a number of years now.

One of the things that has always concerned me about the Reid report is where general services in the Peel are delivered and where Peel Health Campus features and factors into that hierarchical structure. I want to highlight