

HANSARD 27 MAY 2011

APPROPRIATION (CONSOLIDATED ACCOUNT) RECURRENT 2011–12 BILL 2011
APPROPRIATION (CONSOLIDATED ACCOUNT) CAPITAL 2011–12 BILL 2011

Second Reading — Cognate Debate

DR M.D. NAHAN (Riverton) [4.41 pm]: I wish to make some comments in support of the budget bills. When looking at a budget, the first questions must be: is it responsible and does it set up the government for the long term? This one does that. Throughout the four-year forecast, this budget will achieve a surplus. A lot can be made of that, but all that really signals is that the government can but does not need to borrow for recurrent purposes. Also, well within all ranges, it maintains the state's AAA rating determined by the independent rating agency, Standard and Poor's, and others.

The state's financial outlook does face some real threats; namely, that its share of GST—the state's single largest source of revenue—is, due to various factors, scheduled to decline sharply. This will threaten the future financial viability of the state if not addressed. Furthermore, as everybody in the housing market knows, the housing market is in a deep state of funk. Conveyancing fees, on an annual basis, are down about \$400 million.

The level of debt has been mentioned by members opposite. Let me put the record straight. The state did incur debt problems 20 years ago, and the government of the day was quite rightly criticised for that debt. However, 20 years ago the government was borrowing very heavily to fund recurrent purposes. In this case, in full, in total, all the borrowing—growing as it is—will be used for capital purposes. The government could have sat back, held off on the debt, held off on the borrowing and hoped that revenue would flow through.

However, that would have undermined the state's future ability to grow. The state has huge potential. It needs not only private sector investment, but also supportive and additional government investment. And that is what this budget has provided—electricity, roads, housing and health; all absolutely necessary. The debt level has been criticised, but it is manageable, is well within AAA ratings and is money that will be well spent.

Although not necessarily a problem in the electorate of Riverton, over the past three years, the Western Australia Council of Social Service assessed the cost-of-living increases. Its assessment indicated that those costs are rising very rapidly. The most significant cost-of-living increase, particularly for those in the lower income bracket, was in the area of housing—particularly in the lack of affordable rental properties and queues for Homeswest properties. Over three years in office, this government will build 3 500 social housing units. The previous government, during a comparable period, built only 600. Building social housing adds to debt, but it is valuable and needed.

A key issue this budget seeks to address is that of the state's share of commonwealth grants. Historically commonwealth governments have been reluctant to take the lead to alter the grants commission process and the allocation of GST payments to each state. Because this is a major problem for the state of Western Australia, it is beholding on the government to shake the can to force leadership and therefore change. This budget starts that process.

I would like to raise a couple of issues that are particularly important in my electorate of Riverton; the first is that of seniors. Riverton, like most other areas, is home to a large and growing number of seniors.

They have been asking to be compensated for the increases in the cost of living—not only in the area of housing but in other areas—by the government increasing the cost-of-living rebate. This budget provides for that.

Importantly, many seniors who retired early and who wanted to return to work were stuck because there was a limit on the average number of hours they could work to access the cost-of-living rebate. This budget increases that from 20 to 25 hours and also allows it to be averaged over a year. This budget will also allow seniors on retirement visas to apply for the Seniors Card.

Riverton, like many other areas, has a large number of schools at which kids were cooked during the recent hot summer period. This budget, finally, overcomes the lines drawn on a map determining which schools could and could not have air conditioning. It allocates \$52 million to air-condition, in the first round, all the schools in the electorate of Riverton. This will mean that P&Cs do not have to fund air conditioning and can put their hard-earned money to other purposes. They are pleased.

However, the most important element in this budget is its commitment to the vulnerable and disadvantaged. We hear a lot about how people, particularly those on low or fixed incomes, are struggling. It is true. It is undeniable. But how do we address that? In some ways, by building public social housing.

However, this budget allocates the single largest amount of money in this state's history to the vulnerable and disadvantaged. It does not give money to them, but to the non-profit sector; that is, it gives money to the vulnerable and disadvantaged by boosting the capacity of the not-for-profit sector to provide needed services.

Most services provided to the vulnerable and disadvantaged are provided through the not-for-profit sector. This is a fundamental section of funding and fundamental reform, and one that I am very happy to stand by, both as a politician and as a member of the community.

I would also like to praise the government for something for which it has not received a lot of praise; namely, the \$20 million provided for the sports for all program. As we all know, one of the most important parts of the glue that holds our society together is, in fact, playing sports on the weekend.

Although very vibrant in my electorate, in many other electorates, communities and families are struggling to get their kids to play sport. This budget allocates \$20 million to pay fees for kids to participate in sports. It is a significant and positive commitment.

I will end on the subject of Roe Highway stage 8. I hope this will not be the end of the debate because I am looking forward to the opposition raising an MPI on this. Roe 8 has been one of the most contentious pieces of capital works in this state's history. In the last election, we committed to spending \$20 million to start planning the process of building Roe 8. This budget commits the final tranche of expenditure for the \$20 million planning process. We have almost completed, or have completed, the assessment of community input in a fair and open manner.

We have completed the environmental baseline studies. We have identified the preferred route. We have identified the concept and preferred design. Those are now going to the Environmental Protection Authority. The EPA will, in due course, make its assessment and we expect an answer from it sometime between November this year and February next year—depending on the commonwealth—and then we will be in a position to commit to the necessary expenditure on Roe 8.

I might add that Roe 8 is absolutely essential if we are to provide the essential contact, communication and transport facilities to the Murdoch precinct, where 20 000 to 25 000 people will work in 10 years.

If we do not build Roe Highway stage 8, how will the 85 000 emergency vehicle movements get into this brand-new hospital complex? Anyway, we are on plan, as committed, for Roe Highway stage 8. I commend the budget to the house.