

Mr Speaker

I move that the Bill be now read a second time.

In bringing down Western Australia's first budget of the 21st century it can best be summarised in two words – stability and growth.

It is a responsible plan, not for the next six months, but for the next four years.

It is a plan that ensures increased service delivery in key social areas with an ongoing priority to education, health, disability services and law and order. At the same time we provide the climate and unrivalled infrastructure development for continuing strong economic growth.

There are no increases in State taxes in this budget.

Using the Australian Bureau of Statistics uniform national measures, there is an operating surplus for the general government sector of \$42 million and for the total public sector of \$304 million.

There is \$8.3 billion funded by way of appropriations. The total public sector capital works expenditure will be a record \$3.3 billion.

The Government's net worth, that is the balance sheet position, will grow to \$32.8 billion compared to \$15.5 billion for the 1993-94 year.

This budget includes the effect of the GST and related changes to Commonwealth/State relations.

The stability and diversity of the Western Australian economy has enabled us to trade strongly through the Asian downturn and with the lift in commodity prices we are now well placed to capitalise on export growth.

As we are a relatively young economy it is critical we keep investing in infrastructure to further stimulate our strong economic growth, forecast to again be 4% in the budget year.

Although it is anticipated that two major assets, AlintaGas and Westrail Freight, will be sold this year, they have not been incorporated in the budget figures. This continues our policy of not including major asset sale proceeds until they are concluded.

It is our intention to use all of the Westrail Freight proceeds and a significant proportion of AlintaGas proceeds to further retire debt.

Debt, as a percentage of GSP, has fallen from 20% in 1991-92 to 8.4% this year.

When we took office in 1993, Labor's crippling debt level was at a massive \$20,000 per family or, put in another way, debt of \$5,046 for every man, woman and child in Western Australia.

At the end of next month, that debt level is estimated to be down to \$2,861 per person.

That means, Mr Speaker, that nearly \$2,185 of net debt for every man, woman and child has been wiped from the State's books.

The State's economy will be 45% larger in this budget year than it was when we took office.

In framing the 2000-01 budget there were ten fundamental principles:

1. strong economic growth;
2. strong employment growth;
3. the delivery of quality health, education and other social services;
4. a Safer WA;
5. the Government operating in surplus;
6. infrastructure development for future growth;
7. an Online Strategy to keep Western Australia at the forefront of the technology revolution;
8. early intervention strategies to tackle community issues;
9. protection of the natural environment; and
10. strong regional development.

## **THE ECONOMY**

The major economic aggregates that this budget is framed around are:

- Gross State Product growth of 4%;
- employment growth of 2.5%;
- an unemployment rate of 6.5%;
- wages growth of 3.5%; and
- an underlying CPI of 3%.

## **STRONG ECONOMIC GROWTH**

The Western Australian economy bounced back after the Asian downturn and this year will again see economic growth at 4%.

Some forecasters are more optimistic with Access Economics predicting 5.8%, following 7% in 1999-2000.

To assist economic growth:

- there will be no increases in State taxes. We are the second lowest taxing State;

- there will be no State increases in electricity and gas tariffs. All GST-related savings will be passed on, resulting in a GST effect of 9.3%;
- we will continue significant investment in major economic and social infrastructure to stimulate healthy growth;
- we will continue to support competition policy to keep government operations efficient. With many traditional government monopolies now facing competition for the first time it is critical we plan ahead for the effect of these changes; and
- we will maintain the underlying efficiency and diversity of our very competitive export industries that has helped us weather tough times and to capitalise on growing global markets.

## **STRONG EMPLOYMENT GROWTH**

Since 1993, 186,700 jobs have been created and given the State the reputation as the one with the most consistently stable employment rates.

Employment growth this year is forecast at 2.5% and the unemployment rate at 6.5%.

And of great importance, Mr Speaker, we have the best youth employment statistics in the country.

In the March quarter, youth unemployment was 20.1% compared to the national figure of 23.2%.

Wages growth is forecast at 3.5%, one half of a percentage point higher than the expected CPI forecast, excluding the inflationary impact of the goods and services tax.

Western Australia has the second strongest population growth. It is forecast to grow at 1.5% compared to 1% nationally.

To assist job opportunities, the Government is investing \$243 million in employment and training programs.

There will be approximately 13,000 new apprentice and traineeships and more than 30,000 job seekers will benefit through the State Employment Assistance Strategy.

Capital works valued at \$34.8 million will include new and improved vocational education and training facilities at Moora, Geraldton, Katanning, Broome, Fremantle, Henderson and Mandurah.

## **OPERATING IN SURPLUS**

With strong population growth and healthy economic expansion ahead, the demand for government services is increasing at a phenomenal rate.

This budget accommodates incremental spending on essential service requirements. It does not include any new revenue raising initiatives, yet delivers a general government sector surplus of \$42 million and a total public sector surplus of \$304 million.

Capital expenditure has been held at a high level for the second year in succession so we are well positioned for high economic growth in the future. At \$3.26 billion, the 2000-01 capital works program is \$68 million higher than the expected 1999-2000 out-turn.

Interest payments on the State debt will account for around 5.6% of total public sector revenue next year, compared with 12.1% when we took office in 1993-94.

The overall result is a very strong balance sheet with net assets growing from \$15.5 billion in 1993-94 to \$32.8 billion in 2000-01.

## **Health**

The Coalition Government has spent more per capita on health than any other Australian State.

The allocation of \$1.9 billion this year is approximately a quarter of the entire budget and \$86 million more than last year.

In 2000-01, the Coalition Government will allocate recurrent funding of \$584 million more than the last Labor Health budget. It's an increase of 48%.

We are taking treatment to the patient rather than the patient having to travel long distances to centralised facilities.

That's why, under this government, three new hospitals have been built with a fourth under construction. Our health infrastructure will be further enhanced in 2000-01 with expenditure of \$94 million for capital works.

In this budget, \$25 million has been provided to complete that fourth new hospital, the 190 bed Armadale-Kelmscott Memorial Hospital. This will become operational next year at a total cost of \$48 million and joins Joondalup, Peel and Bunbury as the most modern hospitals in Australia.

Major regional health projects with ongoing funding in this budget are \$1.6 million for Kalgoorlie, the \$3.1 million Narrogin Regional Hospital and the \$1.4 million Nannup Hospital. We have allocated \$12 million for multi-purpose health services at Goomalling, Jurien, Lancelin, Katanning and Pemberton.

A major success story is the Central Wait List Bureau which has reduced its elective surgery lists to their lowest levels in nearly five years, and by 3,260 in the last year.

In this budget, we will:

- provide \$7.6 million to expand the Oral Health Program so that publicly-subsidised dentistry will be available to those holding health care cards. Visiting dental services will also be expanded for people in aged care facilities with rural and remote areas to also benefit from the program. The Government has allocated \$19 million to join with the University of Western Australia in constructing a purpose-built Oral Health Centre, adjacent to the QE II site, with \$10 million provided in this budget;
- we will spend \$10 million on major imaging and diagnostic equipment;
- expand the State-wide Renal Dialysis Program, which currently operates in Bunbury, Armadale, Albany, Joondalup, Peel, Geraldton and Kalgoorlie, to Midland, Melville, Port Hedland and Broome; and
- provide \$2 million to support the Western Australian Institute of Medical Research, which specialises in research into adult diseases.

## **Education**

Mr Speaker, we are proud of our record in overhauling the education system and providing first class tuition, facilities and equipment. This will continue in the coming year and beyond.

The \$1.47 billion allocation for 2000-01 is \$54 million more than the estimated out-turn this year. Recurrent expenditure increases by 5.8%. A separate total of \$157.5 million will go to non-government schools.

Early childhood education and technology are priority areas.

From 1995 to 2002, this government has and will allocate \$251 million for new and refurbished facilities for early childhood education and for almost 800 additional teachers and assistants. In this budget, another \$39.8 million goes into this vital area.

More than 17,000 four year olds are attending kindergarten and almost 21,000 five year olds are attending pre-primary classes.

In 2001, the kindergarten program expands from two to four half-day sessions a week.

To assist teachers to implement a new modern curriculum, \$2.5 million has been provided for their professional development.

Capital works expenditure in 2000-01 will be \$131 million. Of this:

- \$17.7 million will be used to complete five new primary schools in Bunbury, East Eaton, Florida, North Quinns and Swanbourne and the replacement of the Kimberley School of the Air;
- almost \$31 million goes to complete a substantial enhancement and re-organisation of secondary schooling in the Perth metropolitan and Peel areas. The key elements include:

- \$10.1 million to Shenton College, \$8.9 million to the Sevenoaks Senior College and Middle School Campus at Cannington, \$4.8 million for the Halls Head Community College and \$4.3 million to Ballajura Community College; and
- Mandurah Senior College, co-located with the South Metropolitan College of TAFE, will receive \$7 million.

All of these state-of-the-art new schools will open in 2001.

Country and regional high schools are well catered for with additions and improvements in the Eastern Goldfields, Albany, North Albany, Tom Price, Kununurra, Cunderdin and Denmark.

### **The First Aboriginal School**

A highlight of this year's allocation is funding for Perth's first Aboriginal government school – the Community College for Aboriginal Education in Midland.

The school will open next year for students from kindergarten to Year 3.

### **SAFER WA**

Mr Speaker, Safer WA is one of the best examples of cross agency and community co-operation.

Its beneficial effect in crime prevention was reflected in the December quarter. There was a marked decrease in car theft, home burglary, robberies against people and a 5.5% decrease in all recorded crime.

We anticipate these statistics will improve further, particularly with the return of another 96 police officers to front line duties.

The graduation of new statutory officers responsible for custody and transport during court hearings will free up these officers for operational duties.

Altogether, a total of \$853.7 million will be spent on law, order and justice in 2000-01.

### **Police**

\$440.4 million is allocated to the Police Service.

The IT component will see \$14.3 million being made available for the next phase of the Delta Communications and Technology Plan.

In addition, \$33 million has been provided for the new state of the art Police Academy at Joondalup. A further \$2.2 million in 2001-02 will complete the complex.

\$10.5 million has been provided for initial construction of the new \$42 million operational support facility at the old Midland railway workshops.

In the regions, major capital works include the development of the Bunbury District Police Complex at a total cost of \$9 million.

## **Justice**

Recurrent funding for the Ministry of Justice has been increased to \$359 million. This is 10.6% higher than the estimated out-turn for this year.

In this budget:

- \$21.4 million will be allocated to complete the Acacia Prison at Wooroloo in 2000-01. This will be the State's first privately operated prison with an additional 750 medium-security beds;
- a \$14.8 million upgrade of the Bandyup Prison will continue;
- \$8.8 million over four years will enable the expansion of mobile work camps;
- there is \$14.6 million for criminal injury compensation payments and \$1.7 million for increased costs to successful defendants;
- funding of \$2.2 million over the next four years will result in a 15% increase in criminal sitting times in the District Court; and
- the establishment of an independent office of a statutory Inspector of Custodial Services who will report to Parliament on any custodial related matter that is in the public interest.

There will be more funding for the young Aboriginal mentor program and the Aboriginal Cyclic Offending Project which address the causes of crime.

## **Disability Services**

Disability Services, which has received funding of \$166.5 million in this budget, has a range of programs to assist those who will be left behind unless care is provided.

An additional \$34.5 million will be spent over the next five years for the Making A Difference program. Another 6,700 people with disabilities and their carers will be assisted.

## **INVESTING IN THE FUTURE**

### **A Commitment to Infrastructure**

In a vibrant economy like Western Australia, superior infrastructure such as roads, transport, energy and water services are essential.

Resource projects approved or under consideration in this State over the next four years will require the construction of infrastructure to the value of \$1.2 billion.

When we came to government seven years ago, we knew that we could not maximise our mineral wealth, boost our farm production or develop new tourism destinations unless we had better roads.

Our \$2.4 billion program has now provided us with the finest road network in Australia.

And, Mr Speaker, we have an ongoing commitment. In 2000-01 we are spending nearly \$700 million to keep the roads program at full speed ahead.

In the city, we are already benefiting from the Graham Farmer Freeway and, early next year, the Narrows Bridge duplication will be opened.

This new \$48 million bridge will relieve traffic congestion to the southern suburbs, improve safety and reduce pollution.

In this budget, \$61.3 million will facilitate substantial progress on the \$159 million extension of the Kwinana Freeway to Safety Bay and the link into Mandurah Road. This work will include fly-overs to replace five existing controlled intersections on the freeway.

When it is completed, motorists will have a non-stop run from Perth to Mandurah.

Work will begin on the Lake Clifton section of the Perth to Bunbury Highway and the Busselton bypass road will be nearing completion after an injection of \$7 million.

In the regions there is the \$85 million construction of the Mt Magnet-Sandstone-Agnew Road, the \$19 million Outback Highway from Laverton to Docker River and substantial upgrades to major arterial routes in the rural areas, such as the Albany and South Western Highways.

Western Power will spend \$276 million on its capital program in 2000-01, including more than \$150 million for expansion and improvements to the State's transmission system and services outside the South West grid.

Westrail's capital expenditure of \$184 million includes \$87 million dedicated to track improvements and \$36.8 million for locomotives and rolling stock.

Our public transport infrastructure is being boosted this year by the acquisition of 123 new buses at a cost of \$35 million. Over ten years we will buy 800 new buses.

In this budget, \$203 million has been provided to support metropolitan rail and bus services.

The south west metropolitan railway to Rockingham and Mandurah and expansion of the suburban rail system north is a government priority. \$9.3 million has been allocated in this budget for planning and preliminary works.

We are currently assessing a range of funding options so that we can fastrack this project and build it with an uninterrupted schedule.

The Water Corporation's capital program in 2000-01 amounts to \$473 million.



When the new \$275 million Stirling-Harvey Water Scheme is commissioned next year and the Neerabup and Lexia groundwater project are in full production, they will increase our water supplies by 25%.

The story on housing is quite remarkable. In seven years we have boosted the State's housing assets by almost \$4 billion.

New Living is one of the biggest urban renewal programs in Australian history and has converted old, run-down areas into rejuvenated award winning housing precincts.

The Government's annual loan programs, managed through Keystart, have more than doubled since 1993. Demand is expected to increase rapidly when the new \$7,000 First Home Owners' Scheme becomes available on 1 July. It is expected that there will be 16,000 grants in the first year.

## **ONLINE STRATEGY**

Mr Speaker, there are certain times in history when there are new and far reaching developments which influence the human race.

The agrarian and industrial revolutions were two such milestones.

When man walked on the moon it heralded the beginning of a new scientific and technological age.

We are now in the middle of a revolution in information technology.

The Internet, Online, the Web are everyday terms.

It is sometimes known as surfin in the schools or the computer curriculum, techno tots or electronic chalk and talk.

In medicine, it is downloading the doctor or dial-up diagnosis.

Within five years we want all Western Australians to be able to participate in this revolution if they so desire, regardless of their financial position or geographic location.

Throughout this budget, across every portfolio, there is a common thread – implementing information technology for agencies, businesses and homes to go online.

The Office of Information and Communications will soon launch the Single Doorway site. This is a one-stop seamless service so that everyone, no matter where they are in the State, can access the Government, even to pay their bills.

The Ministry of Housing is already in joint ventures developing what we call smart towns.

The Ellenbrook development is a pilot scheme with intranet facilities. Each household can receive an electronic service including a community notebook for schools to send messages to parents.

Clarkson and Butler in the metropolitan area, and Seacrest in south Geraldton, will have the same facilities.

The additional \$100 million program for school computers continues to be implemented with a further \$25 million provided in this budget.

Another initiative is the allocation of an additional \$1.5 million over four years to equip 250 teachers in rural areas with laptop computers and for a two year training program.

The computer revolution is such a remarkable event that Western Australia now has programs where our computer literate children are teaching their parents.

DotU, our user friendly youth website, recently reached a milestone of more than one million hits in the past 12 months.

In the rural and remote regions we are spending more than \$6 million over four years to build new Telecentres and to enhance existing ones. People of all ages can access the new technology at the 76 Telecentres from Kununurra to Hopetoun to Onslow. In the next 12 months the network will be expanded to 90 centres.

I have already mentioned the \$14.3 million earmarked for Release 2 of the Delta program.

In addition this budget provides for:

- the extension of the State-wide Telecommunications Enhancement Program to enable schools to have better access to online and other services;
- satellite services will be extended to regional areas with 35 new installations;
- Commerce and Trade is developing new online services such as videoconferencing of TeleHealth, TeleJustice and TeleLearning. The department will assist regional community groups to develop and manage Web sites;
- the new Tourism Network will open up our destinations to the world. This marketing platform means potential travellers can tap into any of our locations whether it be Northcliffe in the south or Broome in the north;
- Agriculture WA is developing a customer focused online system for the worldwide promotion of our primary products;
- digital technology in the resources industry including a one to half a million scale geological map of Western Australia in digital format and the use of electronic mapping and title information on mining tenements;
- there will be new online land titling services and other land administration initiatives include access to satellite imagery for all areas of the State and high resolution aerial photographs of the metropolitan area;
- there will be a new automated system in the Library Service, including world-wide Web access;

- in the courts, we will spend \$4 million to continue a sophisticated case management system called “Genysis”;
- in the Wheatbelt we are giving people a hands on opportunity to learn cutting edge technology with the mobile facility called “Experience IT”; and
- ethnic communities will benefit through an online service set up with the help of the Office of Citizenship and Multicultural Interests.

As you can see, Mr Speaker, this will not be a State of “technological haves and have nots”.

## **EARLY INTERVENTION**

### **Strategies to Tackle Community Issues**

Mr Speaker, drugs, family violence, youth suicide, alcoholism, crimes of violence and a range of other problems have been at danger levels across the western world.

Many of these difficulties begin with family breakdown when young lives are plunged into chaos. By the time many children reach adolescence they are already in crisis.

To tackle these issues long term we need effective preventative strategies and cross agency co-operation within government.

This budget encourages agencies to discard historic inward thinking, to break down barriers and work together.

These issues are too serious for any departmental inflexibility.

In this budget, Mr Speaker, we are intensifying our intervention strategies to record levels.

A major new program is Building Blocks which focuses on child development in the first two years of life.

Every mother in the State with a newborn baby will be offered an initial home visit and families requiring additional visits and support will receive it.

A child’s early years are critical in the formation of intelligence, personality and social behaviour. The effects of early neglect can be cumulative. Research shows that significant social and economic benefits can flow from investment in antenatal, early childhood development and family support programs.

The Government has allocated \$9 million over the next four years to make Building Blocks operational and effective.

This program will help mothers and families with new children to cope with the challenges of those formative first years of life.

Building Blocks is one of many programs.

Family and Children's Services, for example, will receive \$145.3 million in this budget to continue its care and family support programs.

Additional funding of \$2.5 million in 2000-01 and \$3 million in each of the forward estimates will meet the department's increased obligations to look after children placed in care and for family support. Another \$3.9 million will be spent next year on the construction of long day care centres.

Since this government came to office it has increased annual funding for positive parenting programs from \$285,000 in the Labor years to more than \$8 million.

There are family conferences, the parenting and family help lines and the Best Start Program for Aboriginal children.

Across government, more than \$50 million has been allocated in 2000-01 to programs and initiatives to combat drug abuse and to provide support services for those affected by it.

This budget includes \$5.5 million over the next four years to establish a Drug Court.

This special jurisdiction will direct more offenders into treatment and result in a safer community.

The sale of solvents by retailers to children who they suspect of being engaged in sniffing will be outlawed. New laws could result in the shopkeeper being jailed or fined.

The Drug Abuse Strategy Office will continue with its series of other programs aimed at combating this grave social problem.

Family Violence Court: One of the Government's most successful public information campaigns was the award winning Freedom From Fear campaign on domestic violence. Now we have a specialised Family Violence Court helping victims and ensuring greater accountability of offenders and effective monitoring of sanctions and treatment programs.

Seniors: Under the Safer WA program, we recently began security inspections in the homes of senior citizens in the northern suburbs. Any senior citizen can ask for advice on a range of safety measures.

The Government will continue its strong focus on positive ageing generated by last year's International Year of Older Persons.

The five-year Time on Our Side program continues next financial year and we are supporting the Global Conference on Ageing to be held in Perth in 2002.

DNA: The criminals in this State are in for trouble when we extend the use of DNA testing. DNA is potentially the most significant intervention strategy against crime since the discovery of finger printing. DNA testing has been clearing up serious crime cases overseas. Some had been unsolved for half a century.

Youth: The Government is funding numerous youth development, enhancement and training programs.

We are undertaking a comprehensive youth survey. The results will give us a unique insight into the requirements of our youth as they see it.

As an intervention strategy, the Cadet Corps has been a great success with 150 units and 7,000 cadets. Ten more units with 500 cadets will be commissioned before the end of this financial year and in this budget period we expect another 20 new units and 1,600 new cadets.

We have Youth Forums and Advisory Councils, leadership courses and co-ordinating networks. Scores of young people are being given a kick start under the Youth Grants WA Scheme with funding of \$5000 for approved activities.

Grants of up to \$10,000 are offered to local councils to provide skate facilities with the young people themselves involved in all stages of the development.

Last week, the Minister for Family and Children's Services told the House that we will find shelter for homeless children. We are also keen to win a share of the \$15 million the Commonwealth has dedicated to assisting homeless children.

Our primary aim as part of this intervention strategy is to get the children back into the family unit.

In Youth Suicide prevention we have been supporting programs promoting life-enhancing skills and assisting young people at risk.

Pilot projects have been operating across the metropolitan area and targeted regional areas.

At Rangeview Remand Centre \$3.3 million is allocated to provide extra facilities including education and special programs directed at juvenile offenders.

We are spending an additional \$1.8 million over four years to employ more specialists to work in our Language Development Centres. Another 100 children with speech and language difficulties will benefit from this funding.

The Constable Care initiative this year is based on early intervention strategy using the ever-changing jargon of today's children to teach them street survival life skills.

Roadsmart assists young drivers.

The early intervention programs funded in this budget are not quick fix, short term remedies. They have real substance and will go a long way towards reversing disturbing social trends.

## **ABORIGINAL AFFAIRS**

An essential part of the Aboriginal reconciliation process is to ensure the effectiveness of a wide range of programs with education, health and employment being important components.

This budget includes:

- an additional \$20.5 million over four years from the Ministry of Housing to provide essential services;
- funding to complete the expansion of the Aboriginal regional office network and community patrols initiative;
- \$2.6 million for the regional office expansion program to enable closer contact with and resolution of issues facing Aboriginal people;
- continued funding for the Aboriginal Justice Council and the Commission of Elders;
- \$200,000 for urgent Aboriginal heritage site protection and \$100,000 for anthropological services; and
- funding for the Aboriginal Communities Warden's Scheme has been doubled to \$500,000.

In the regions there will be further incentives to involve Aboriginal people in business, specialist services, tourism and agriculture.

Funding has been made available to secure the employment of one Aboriginal officer in each Regional Development Commission.

## **PROTECTION OF THE NATURAL ENVIRONMENT**

Agriculture Western Australia, CALM and other agencies are combining in the war against salinity, which is the greatest environmental issue this State needs to address. This year, \$43.6 million has been spent on this cross-agency program.

Science and the best skills available in soil technology are being harnessed in the salinity campaign.

Through the Land Monitor program, maps predicting salinity are being developed and distributed to land-owners in danger areas. Advice and management options are also provided.

Tree planting, both for plantation timber and salinity control, is vital in reversing the erosion. The planting of 41 million seedlings by CALM this winter equates to a tree being planted every second of every hour this year.

The Government is focusing to an increasing extent on the need to preserve all of our natural resources and, in particular, those supplying industry.

There is probably no better example of protecting our sustainable resources than fisheries.

Western Australia has an international reputation for its management of the State's fisheries and the Western Rock Lobster Managed Fishery was recently certified as the world's first ever sustainable fishery.

Resource management, the fight against salinity and other programs will now come under the umbrella of EcoAction, the most ambitious environmental program in the State's history.

Some \$97 million has been allocated over the next four years to address a number of conservation issues, including the addition of 15 new national parks and three conservation parks.

In this budget we have allocated \$1.4 million, increasing to \$2.05 million a year from 2002-03 onwards, to expand our marine parks, conserve important wetlands in the South West and maintain pastoral leases under the Gascoyne Murchison Strategy.

The preparation and development of the Perth Air Quality Management Plan will be completed in 2000-01. Additional funding of \$3.5 million has been allocated over the forward estimates.

Our commitment to remediate contaminated sites is demonstrated by the provision of \$1.2 million in 2000-01 for the initial clean up of the Gidgegannup site.

This is in addition to the \$6.9 million previously provided to clean up the OMEX petroleum site.

Over the next four years, \$1.29 million will be provided to establish the Cockburn Sound Management Council, which will co-ordinate environmental planning and management of the Sound.

The Government has committed a total of \$7.4 million to protect Bunbury's Back Beach from erosion and \$1 million of State/Commonwealth funding to continue the Coastwest/Coastcare Grants Scheme.

Over the next four years, \$4.15 million has been allocated for implementation of the Green Power Policy. This is a mix of initiatives. Customers can pay extra for green power supplies, there is support for private sector development of renewable energy and an energy efficient campaign.

## **STRONG REGIONAL DEVELOPMENT**

The Government recognises that vibrant regional economies are crucial to Western Australia's continued development. Our efforts in enhancing the economic potential of the regions include:

- \$4.8 million this year for the development of Stage 2 of the Ord Irrigation Scheme. This is expected to bring major economic and social benefits to the East Kimberley including 550 additional new permanent jobs;
- at Bunbury, we will expand the Kemerton Industrial Park to meet the needs of industry in the South West region for the next half century. It's a program which will create jobs and other significant flow-on effects. In this budget, \$2 million will be allocated for the acquisition of the necessary land at Kemerton; and
- \$2.8 million will support the State's network of 37 Business Enterprise Centres, 27 of which are in the regions.

At the same time we are working hard at improving the amenity of the regions:

- the Mid West Commission will receive \$3 million to complete the \$6.8 million Batavia Coast Marina Redevelopment;
- the Pilbara Commission will receive \$2.9 million to complete the \$3.9 million visitors centre in the Karijini National Park;
- the Peel Commission will get \$1.8 million over four years to build the Rail Heritage Centre in Pinjarra;
- the Gascoyne Commission gets \$1.1 million over two years to give Carnarvon greater protection from flooding and there is further funding for the Carnarvon Aboriginal Heritage and Cultural Centre;
- the Goldfields Esperance Commission will receive an allocation for higher education in Kalgoorlie Boulder, including a huge range of tertiary units on-line and "live" lectures from Perth. \$300,000 has been allocated for an Aboriginal cultural and civic centre at Warburton;
- \$2 million will enable the Government to continue its improvements to regional airports and plans for the relocation of the Broome International Airport will be finalised;
- new pens will be built at Port Denison at a cost of \$1 million and \$600,000 has been allocated for ramp facilities at Kalbarri; and
- LandCorp will invest almost \$13.8 million in land development for the Mandurah Ocean Marina with associated tourist, marine, commercial and residential infrastructure.

In addition to the online projects I have already mentioned, \$500,000 has been allocated in this budget for satellite phone handsets to assist people living outside the coverage of normal land-based mobile services.

Over the next four years \$7 million in recurrent funding will be invested in the Collocation Initiative bringing together government services in regional Western Australia. This will give country and regional people further access to quality government services and associated infrastructure.



To increase regional schoolchildren's access to educational facilities, nearly \$8.5 million will be spent in 2000-01 on significant improvements to the Country High School Hostels Authority's Geraldton and Narrogin residential colleges.

## **SUPPORTING KEY INDUSTRIES**

Not only Western Australia's prosperity, but the nation's continued economic well-being, hinge on the strength of agriculture and mining. They account for a large proportion of the State's export earnings.

### **Agriculture**

Agriculture Western Australia will be funded to the tune of \$102.2 million in 2000-01, an increase of \$7.9 million or 8.3% more than in 1999-2000.

Technology and modern science will be the feature of new regional agricultural centres and offices at Bunbury, Katanning, Geraldton and Manjimup. The centres, with total funding of \$13.7 million, will house advanced research laboratories and decentralise the delivery of services.

This budget reflects the Government's continued support for the dairy industry.

It includes the first payments of the proposed \$27 million State Dairy Assistance Package to assist the industry in adjusting to a deregulated market.

This package is in addition to federal help. It supports the processing sector, and dairy workers.

### **Minerals and Energy**

The minerals and energy industry is a cornerstone of Western Australia's economy.

Our competitive energy price is opening many new export opportunities and is very attractive to domestic value adding projects.

The strong Asian interest in LNG for environmental purposes is particularly evident in China, Taiwan, Korea, Japan and India.

In iron ore, several projects are moving forward. Hope Downs and Nammuldi are progressing through the approvals stage, West Angelas will go into construction and Koolyanobbing is to expand.

Among the value added projects, the Syntroleum gas to liquids project and the Plenty River ammonia/urea plant on the Burrup Peninsula will move a step closer. The Syntroleum project has the potential of 1000 new jobs and 200 permanent jobs.

A number of other proposed projects have good prospects for downstream processing including nickel, steel and petrochemical projects.

Government recognises the importance of the geological survey program in attracting exploration to Western Australia. Total funding of \$14.9 million will be provided in 2000-01 including \$3.5 million for petroleum exploration initiatives.

The \$4 million drillcore storage facility at Kalgoorlie will be finalised in 2000-01 with \$1 million being committed in this budget.

Mining companies will be waiting with some hope for greater clarity of Native Title. The Government has committed \$1.6 million in this financial year and \$4.8 million in the following years for the new State Native Title Commission.

## **Tourism**

Tourism continues its exciting growth pattern and now employs more than 8% of the State's workforce or between 72,000 and 76,000 people.

We are building on that success.

The preferred provider for the Perth Convention and Exhibition Centre will be announced in the near future. It is estimated that in its first ten years the Centre will generate between \$1.5 billion and \$2 billion of economic benefit to the State including the regional areas. As part of the Convention Centre tender, the Government has made mandatory the inclusion of a multi-purpose stadium for soccer and rugby.

The centre will provide 2,000 jobs during construction and 600 when it is operational.

Only last week, we launched the five-year Partnership 21 program and the funding for the start of this program is included in this budget.

## **Marine Industry**

Other examples of diversifying our economy are the Marine Industry Technology Park and the Jervoise Bay Infrastructure Enhancement project. In this budget \$47.6 million has been earmarked to progress the \$159 million Jervoise Bay development and \$20.3 million for the Technology Park at Henderson.

Our high speed lightweight ferry industry is a brilliant success and the Government supports it.

The decision by Greg Norman to choose a Western Australian company to build his new luxury expedition yacht will give us a big boost in this growing international market.

Our goal at Jervoise Bay-Henderson is also to win over those industries which service Western Australia's burgeoning offshore oil and gas industry. Currently, this valuable business is lost to other countries.

The major Fremantle-Rockingham industrial development is about industrial expansion and diversity. This zone will ultimately create 12,000 new jobs.

In this budget, \$5 million has been allocated to this development with \$50 million over ten years. These funds will ensure that affected property owners of Wattleup and Hope Valley can plan their future with greater certainty.

## **Forest Products**

The Forest Products Commission, the Conservation Commission and the Department of Conservation will be formed to provide the basis for sustainable forest management. They will assist the industry to produce higher value-added products from greatly reduced native forest logging levels.

The forest industry is currently undergoing a major transition. There is a large reduction in the karri and jarrah sawlog harvest and the conversion of the woodchip industry from native forest to plantation timbers is progressing rapidly.

These policy changes are having a significant effect on the local economy and the employment mix in the South West communities.

To assist with this transition, support is provided as follows:

- more than \$5 million in support over ten years for the re-opening of the Whittakers Greenbushes Sawmill which will eventually create 113 jobs;
- \$1.58 million in redundancy and termination payments to timber industry staff;
- completing the \$5.8 million expansion of a maritime pine nursery;
- Manjimup: \$1.145 million in financial assistance over two years to re-establish a wholesale export fruit and vegetable facility and \$400,000 to re-establish a light engineering workshop following the closure of Bunnings Engineering Works;
- special funding to identify the best locations in the South West and/or Great Southern regions for new wood processing industries; and
- \$1 million to create a scenic forest drive linking several major tourism attractions in the Pemberton area.

Funding is provided in this budget and the forward estimates to maintain service levels of nature conservation and visitor levels. These were previously funded, in part, from timber royalties. An additional \$8.1 million in 2000-01, rising to \$15.3 million in 2003-04, has been provided for this purpose.

## **OTHER INITIATIVES**

Mr Speaker, when members read the full documentation tabled today they will find many more initiatives which time does not permit me to detail now.

I can exemplify the wide-ranging nature of these programs by mentioning just a few more.

- We have allocated \$23.6 million in 2000-01 to begin the \$35 million world class Maritime Museum at Fremantle. It will be completed next year.
- Funding of \$1.2 million has been provided to begin building a facility to accommodate the dance, production, lighting and design courses at the WA Academy of Performing Arts.
- A new RSPCA animal welfare centre will be built at Malaga with government assistance of \$480,000.
- We are building a \$16 million motor sport complex at Kwinana.
- The Community Sporting and Recreation Facilities Fund has been a marvellous fillip to clubs and organisations all over the State. From Halls Creek to Corrigin these grants have paved the way for new facilities or to enhance existing ones. 175 projects valued at \$39.3 million have already been approved this year.

## CONCLUSION

Mr Speaker, this budget achieves the right balance between providing quality services today at the same time as building infrastructure for future growth.

It simultaneously positions the State to take advantage of economic upswings and insulates it against more difficult times.

It will continue to provide benefits for all Western Australians.

I would now like to go to the formal purposes of the two Appropriation Bills which seek the sums required for services in the coming financial year. Appropriation Bill No 1 is for recurrent services and Appropriation Bill No 2 is for capital services.

The recurrent expenditure estimates of \$7,557,245,000 include a sum of \$885,945,000 permanently appropriated under Special Acts, leaving an amount of \$6,671,300,000 which is to be appropriated in the manner shown in the Schedule to Appropriation Bill No 1.

The capital expenditure estimates and financing transactions of \$700,442,000 comprise a sum of \$131,125,000 permanently appropriated under Special Acts and an amount of \$569,317,000 which is to be appropriated in the manner shown in the Schedule to Appropriation Bill No 2.

Mr Speaker, I commend the Bill to the House and seek leave to table:

- Budget Speech – Budget Paper No 1
- Budget Statements – Budget Paper No 2
- Economic and Fiscal Overview – Budget Paper No 3.