



TRANSCRIPT

DATE: Wednesday, October 31, 2012

SUBJECT: **Premier Colin Barnett at the CEDA State of the State function**

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COLIN BARNETT

...introduction to Ian Satchwell the...president or chairman of CEDA, to... a director... Liz Ritchie... ladies and gentlemen and also associate... fellow members of Parliament and Ministers here.

I guess from that introduction it is true, I have been in politics now for a fair while, little over 20 years. I intend to stay around for a little longer, but that is not a foregone conclusion given the history of politics here.

... Look over those 20 years I've seen change, obviously, I've been part of it, and had some observations which I'd like to share with you today, observations in the context of a broader public policy matter.

I was lucky... I've been lucky in politics. When I came in, in 1990, became deputy leader of the then Liberal Opposition, about 18 months later... then in '93 Richard Court led the Liberal Party into victory and I... had eight years, Richard's a good premier, I had eight years as his deputy.

That was a government that I think succeeded well... lost government, probably over the finance brokers' scandal, ironically, not something really the fault of government, but it was a taint and people decided time for a change.

I then went into the wilderness... as you do. Most people in politics, if they hang around long enough in periods of wilderness, Gough Whitlam did, Churchill did... I don't put myself in the same league, but the wilderness was much the same. And I got through that period of total irrelevance with what I call my gulag years... in part by being able to do a little bit of.. teaching part time at Curtin Business School, it kept my... at least my mind alive for a while.

Then because of the quite extraordinary events in 2008, I became leader of the Opposition again, something I didn't think would happen but it did... I thought well, six months to the election and I thought I'd have a crack at it. Alan Carpenter did me a great favour by calling the election a day after I became leader, which I thought, well at least I don't have to do this for long if it doesn't work out... [audience laughs] only had four weeks to worry about it, and four weeks later I was an unlikely premier... in some respects, probably an unlikely politician, but I wouldn't have any other career if I had the choice.

...I think most people think that the Liberal-National Government has been a good government, that's what people tell me, and I don't think they're being simply polite but it is a reality that we are a minority government, two major parties, the Liberal Party had 24 seats, the Labor Party has 26. We won government in 2008 by the Liberal Party winning 10 seats off Labor. Those seats, at least some of them by definition are still marginal seats. So the next election should not in any sense be taken for granted. It will be close, there will be unexpected results in a whole range of seats.

... I guess having been in government, gone into Opposition and come back, does give me a perspective on change and the pace of change that is taking place... For example, the size of government, being in a 10 year gap if you like, or eight year gap, has changed dramatically.

There are 126 government departments and government training enterprises. The total workforce is 150,000 people and the budget overall is \$25 billion, 25 thousand million dollars and it is a big and complex business, and it is the responsibility of elected representatives to manage that from a policy point of view an accountability point of view... the vision thing, whatever you like. So size has changed and complexity has changed. I think the environment is also far more volatile. There were certainly issues through the '90s and the like, I don't discount that, but the volatility... Western Australia is so closely now entwined in international affairs and trade and investment that even small ripples have a profound effect here.

The global financial crisis, quite logically, affected Western Australia more because we are closer to the many economies that were impacted. Even just a month ago when we saw a sharp downturn in commodity prices, that combined with a higher dollar and a falling share of GST revenue just showed the volatility and how the... if Western Australia hits the floor, it hits it harder than it used to. We don't have some of the natural cushions that were there before.

Western Australia's also very different in lots of ways. We don't have daylight saving, we don't have pokies on every corner... and we don't have toll roads, and we won't. We've always been seen as this distant state. It's always the big state, only eight countries in the world are... have a bigger land area than Western Australia. We've been seen as bit odd... out there in the West, disconnected, probably lacking sophistication and maybe just bogans or billionaires.

The east coast is, I've got to say, a little bit patronising about Western Australia. We all hear it and we all know it and I know many of you here from other parts of Australia and I'm married to a Tasmanian, but there is a patronising attitude and... I think West Australians do have a healthy string of independence. We do have a sense of big thinking, big projects and a can do mentality; there is a difference, there's a cultural difference and I'm sure all of you are aware of that.

The... it's interesting that this week we've also seen quite a lot of discussion about the paper on the Asia Century, and much of what's said in that... it's fairly sensible, common sort of thing you'd expect. The only observation I'd make about that is that it is a little patronising towards Asia, and the other thing I'd make about is that the sort of things that are talked about have been happening in Western Australia for 20 years.

This State, in my view, its relationship, its understanding of Asia and its respect for countries of Asia, is 20 years at least ahead of the rest of Australia. Much of what is talked about is already happening... from Government, particularly business, the universities and health sector, sport, all sorts of areas. The other observation I'd make is that... this is one of the three great periods of change – the 1890s, the gold rush, the 1960s with iron ore in the Pilbara and now primarily, but not only, but pushed by the growth of China and the transformation. This is one of those great periods in our history. And if anything, from my observation, not only is it another third period of great change, the differences between Western Australia and the rest of Australia, are actually becoming more marked in a number of areas.

And I'll give you some statistics, I like statistics. Just a few little... unrelated and sort of pertinent points. In the last 10 years the population of this State has grown by 33 per cent, extraordinary growth, and continues. There are 1400 people a week coming from overseas or interstate to Western Australia, and that shows no sign of abating at all.

Our population during that period has become more diverse, 37 per cent of us have been born outside of Australia, and if you take that 30 per cent and their... their children, the number is 52 per cent. So the connection internationally around the world and the diversity of this State is far greater on a demographic base.. basis, than any other part of Australia.

In the last 10 years there are another 600,000 vehicles on our roads. I think we're all conscious that a tipping point has come on congestion, something that Perth never had and now it's a reality for all of us.

Ten years ago we got 98 cents in the dollar from the GST, you know, that was a nice cushion... you can run services... you can have schools and hospitals and police. Now we get 55 cents and if the system's not changed in two years' time we'll be getting 25 cents in the dollar.

Jobs. The job market is vastly different in Western Australia compared to the rest of Australia. Over the last financial year there were 48... sorry 44,000 new full time jobs in Western Australia. The rest of Australia, over the same period, there was a loss of 36,000 jobs. This West Australian economy and the national economy are moving in different directions.

GDP per capita is like a... measure of a sort of productivity and wealth of a state, for Australia as a whole, GDP per capita is \$64,000, that makes us one of the wealthiest countries in the world... one of the highest living standards. Western Australia, if you like, our state product per capita is \$93,000, 50 per cent above the Australian figure, an extraordinary statistic... in terms of income and productivity and the value of what is produced here.

The mining and petroleum industry, and the central and the strongest industry here, 10 years ago it was worth \$27 billion, today it's worth \$107 billion and growing strongly.

This State exports 46 per cent of all of Australia's exports, 73 per cent of Australia's exports alone to China. By the end of this decade we will be well over 50 per cent, probably heading towards 60 per cent.

The point I make is that Western Australia is different in all sorts of ways. It's not a parochialism, it's not a closet secessionist sentiment, we are just simply different and those differences are becoming more marked. Western Australia dances to a different tune, and Western Australia is being pulled and drawn toward Asia, and a corollary of that is that we are drifting away from the east coast... that corner, that triangle of Melbourne and Sydney, Canberra, in all sorts of ways, and that trend I think will continue.

Then you go back to coming to Government... having been in government, lost government, and come back... there was a few things that I think I have learned. Not saying I got everything right, I'm not denying that we made mistakes particularly in those early months of being in government, but I have a very firm view and members of Cabinet came to share that view, I think they probably agreed, there was a number of things we had to fix. There were just some things that had to... that were broke, that were broken.

The first of those, probably now long forgotten, was cleaning up the lead pollution in Esperance... a really awful legacy of the previous government. It cost \$30billion to clean up Esperance... \$30billion... sorry \$30million, of your money... you know, probably after Wittenoom, the second worst environmental calamity in our State history. And young women, young families, were afraid of being pregnant in that town because of what it could mean to a child and... so everything, ceilings, rooftops, gutters, drains... houses, businesses, all cleaned. And that was something that had been neglected. One of the first things we did.

We were also conscious, and there was a lot of debate at the time, about delays in project approvals... mining approvals, environmental assessments, planning matters and the like, and I would acknowledge readily that that job is not finished. But in the first year in Government we reduced the backlog in mining approvals by a third; similar things, the rate of environmental approvals, was twice that of the previous government; legislative change for development assistance panels, the Metropolitan Redevelopment Authority, changes to the Environmental Act, setting up an independent office of the Environmental Protection Authority... and a lot more to do... a lot more to do, but that was important and that was a part of getting the State moving again. There was also... a number of major projects that had languished and a great effort went into getting those going.

I'd like to make some comments in those sort of traditional three categories. I want to say something about the economy, something about social policy, something about environment and I'll... skate over a whole lot of... quite detailed matters.

First on the economy... in addition to that change factor in Asia, you know, we have always been a natural resource based economy, agriculture... mining... now rapidly emerging and growing the petroleum, natural gas sector. Implicit in that has been... a scientific base. Western Australia has always been good at science, to dry land farming... through geosciences and we've also had some outstanding researchers, particularly in areas like medicine... the Lions Eye Institute... Fiona Stanley's Institute of Child Health and so on. There's always been strong... find a problem, solve it... and its scientific basis. And that will play an important part of our future.

But we also had this tradition of being able to do big projects... projects way beyond the scale of a population of only 2.4million people. And I know there are... there are many people, no doubt some here, who think these big projects just happen... over my 20 years in politics I've been involved in many of them... you know... the Goldfields gas pipeline and the North-West Shelf expansion and nickel projects and a whole host. They do not come easily... they take... courage, leadership and entrepreneurship... in the resources industry and they take risk takers... big risks... to get... projects of a scale that we have in this State underway...

Since coming to Government one of the first things that we did... was to get the Gorgon project underway... that had stalled. I know the previous government did work and the previous Richard Court government did work on it, but it was standing still. And it took an extraordinary intense [sic] effort, not by Chevron and its partners alone but also within government and in this case directly in my office... a hands on approach to getting that project underway. Similarly the Ord River project... Stage One was completed in 1972, Stage Two will be open in a couple of weeks time. Big lags because of inaction, and a bit... inability to get projects underway.

In the Mid West the Karara mine, \$2.4billion project, going through commissioning now. That had stalled because of environmental delays and uncertainty over banded iron formations in the Mid West region... and there are others.

They are important... this State has to have the capacity to do big projects in remote locations often with large and low grade natural resources and we have to be world's best practice in training and work safety, environmental assessment all of those things – and we are.

We should never, ever be apologetic in this State for the way in which we develop the natural resources of Western Australia. I would defy you to find anywhere in the world that does it better and to a higher human and environmental standard as we do... and... you know... may... challenge that, but I welcome that debate.

And look not all the projects that I and others want to see happen have happened... Oakajee, still difficult, still a way to go. But it will get there, bit by bit. And for those of you with a sense of history... think how long it took to get the North West Shelf underway. Think... think how long it took... to actually develop the first of the iron ore mines in the Pilbara, not their construction but from their discoveries and proving up to that resource, it took a huge amount of effort not only by companies but also by governments...

Trading hours... important... thought it would never happen, started arguing about trading hours when I was at the Chamber of Commerce in the late 1980s so... and I give due respect to the Opposition who changed their policy and allowed it to get through... but... it took a long time, and... sometimes these take far longer than they should.

I don't want to say too much about the economy and business, because I tend to talk on that a lot, but... a final observation on that that I would like to make. It is about the private sector, they raise the money, build the projects, discover the resources... take the risks. The role of government is more than simply a regulatory role, its more than... you know, mining licences... its more than environmental permitting and the like... a big part that is not recognised... widely is the role of relations with governments in our region and confidence... State Government spends an enormous amount of time in

keeping good relations and building relations... long term relations with Japan, now China... growing with India and growing with some of the South-East Asian nations, that is important.

And also is the matter of confidence... the markets are fickle, they are flighty in all sorts of areas. One of the roles that I think is most important on a State Government, also a Federal Government... if they ever get their act together... but... its... the matter of confidence. And... I have been sort of ridiculed along the way... for... from the media for saying that... never using the boom word. And I've always said that Western Australia is not in a boom, what we have is probably 20 or 30 years of strong economic growth. Won't always be smooth, there'll be ups and downs but its... the ride that we have to take.

And it was interesting if you think about it, just a few weeks ago when... particularly iron ore prices collapsed. There was a bit of gloating on the east coast... you know, reality's caught up with Western Australia, you had senior members of the Federal Government saying 'the resources boom is over', 'the boom's gone to a bust'. I refuse to say that, because if Western Australians understand commodity markets are volatile, you do get ups and downs and here we are... you know, four weeks later and the iron ore price has recovered \$30. But keeping that confidence was important, not only for businesses in this State, either in the mining industry or in retail or whatever else, but keeping the confidence of the people of this State, and the people who are lending money and taking investment decisions. And it's an unseen role, but it's a critical role in an economy of the structure of Western Australia.

As to the future, obviously Asia is going to be... you know, continue to be a major part of our future... and we'll continue to do all the things that I think we've been doing fairly well. Western Australia... our difference is that we know have an international policy. We're not competing with Canberra on foreign policy, we are simply going out there with our own international policy. We've already had... we've always had good relations and staff based in Japan, in China, other countries. We are setting about establishing a special... economic and... if you like, social and political relationship with Singapore... for us Singapore is our entry to Asia, for the Singaporeans... Perth, Western Australia is their backyard. Perth has the largest Singaporean population outside of Singapore.

We can't be everywhere, but we can concentrate... in particular areas like that. Similarly we are working on establishing a special government-to-government relationship... with the Gulf states... important particularly for agricultural industry... important for tourism... a whole lot of other areas.

And I made the observation that while the Asia Paper... says, common sense themes, not much you could argue with... in my judgment, important as Asia will be, Asia will certainly be able to sustain the West Australian economy, but it will not sustain the Australian economy and that is lacking in that Asia Paper. We are small, we will ride with it, we produce what Asia wants – the same is not true for the rest of Australia and I hope Australia doesn't develop a false sense of confidence that Asia will solve all our problems. A lot of the problems that Australia faces are internal to Australia, but that's... I guess a story to be told.

Another area, the public sector... critical not only for, hopefully approving projects and providing services to the public... but it is a big and complex beast... huge organisation, a huge business in a sense... to run.

The State Government is committed to maintaining Budget surpluses, that is part of the confidence... message. We have to stay in surplus we're doing some pretty tough cost cutting at the moment... but, probably not a bad thing and... one of the strengths, I guess of this Government, is that we've had an effective cap on the size of the public service at around 106,000 people. That's the inner government, not the GTEs... and we've maintained that, and that has allowed us even with declining GST to continue to run a surplus, but there are limitations there.

We have gone out and spent... there was a lot of failing and falling behind of major public works that were needed in this State, particularly in areas like health... city... city central area, transport and so on... So our debt has risen. Our debt is \$14.5billion. It is not a threat to AAA credit rating and having been around for over 20 years, when I came into politics in the early 1990s the level of State debt then was \$12billion... that was too high for the economy of that day, but \$14billion is not too high for this economy, nevertheless we intend to keep State debt... to \$20billion or less, but we are going to go out and make long term investment decisions.

We established a Public Sector Commission. That important reform... to separate the management of public servants as, in terms of the employer-employee relation to take it away from politicians to take it away from the Premier and to have a Public Sector Commission, and that has worked it well. It's been a good reform and I think its playing a very positive role in the way Government operates.

When we came to Government I asked what I thought was a straight forward question, I asked how many committees have we got... boards and committees. I couldn't get an answer, no one could answer it, eventually the answer came back somewhere around 1200... we are now down to 350 and still going down... Some of it requires legislation, but we simply had too much... you know, organisations and people hanging around Government doing good service, but really it was time. My favourite experience during that time was when we announced that we were going to reduce the number of boards and committees we had a chairman of one committee rang in and said, 'don't bother with us... we just had a meeting, we decided we don't really do anything very useful, so we've abolished ourselves'. [audience laughs]

There's more work to be done though in red tape, and I think we've got more work to do in the small business and medium sized business area... one thing that will actually be introduced into Parliament next week will be called a 'repeal day'. Where we will simply introduce legislation to repeal redundant Acts of Parliament to reduce regulation and that will become a... an annual event towards the end of each parliamentary year. So we just simply go through and we get rid of... what is redundant.

Education and health, the two biggest areas of Government spending... and I guess outside of the economy itself probably the... and probably... really with that... the two most important areas of Government responsibility... and... you hear a lot again out of Canberra, but the reality is the schools are run by state governments. 70 per cent of children go to State Government schools and the State Government provides 90 per cent of the funding. Similarly public hospitals... 60 public hospitals built, owned, staffed by state governments, and 65 per cent of their recurrent funding is still state governments. Disability services, 80 per cent of all disability services are provided and funded by State Governments, mainly through contracts to not-for-profit organisations.

So the State has that massive role in the services... that you need... that we all need.

Education, the biggest reform has been independent public schools, allowing schools to have autonomy over their budget over their staffing, over the type of curriculum, the way in which they provide education to the children in a particular suburb or town. That is leading Australia, no other state has really embarked to any extent down that path. And interestingly enough, the greatest gains out of independent public schools has been in schools in lower socioeconomic areas. The criticism originally was, well this will be fine for the leafy suburbs, but it hasn't been that because you've had dedicated inspired teachers go into schools that are difficult or falling behind educationally, that's where the big gains have been made.

In health, basically rebuilding of the health system, the Fiona Stanley Hospital – plan of the previous government, built by this Government, the new children's hospital in Nedlands. The Midland Hospital now under construction. This afternoon I'm heading to Kalgoorlie to open the Kalgoorlie, the new \$60million spent on the Kalgoorlie Hospital. The new Albany Hospital I saw earlier this week, just about completed. A fantastic thing, and I think all of us would agree, if you're seriously ill, if you're going to have a heart attack, if you're hurt in an accident, there is no place better to be than in Western Australia in terms of the quality of public health services that are provided. Same time, obviously we encourage private hospitals and the like. I find it particularly offensive I've got to say, a campaign by the unions, United Voice against our public hospital system. And I'll say it because you won't hear it from the media, what I find particularly offensive was people handing out brochures at the Royal Show to young families with children, saying the Barnett Government is going to privatise the children's hospital. That was a blatant lie, and I think totally insensitive to young families and particularly the parents of sick children. That's my only bit of politics, not happy about that.

Social policy, when we came to Government and during the election campaign in 2008 I said we'll be good at the economy, we'll be good at managing public finance, but we'll also be a Government of integrity and a compassionate Government. Now I think we've delivered on that. Still again like all areas a lot more to do. We set up the state's first Mental Health Minister, and we've set up Australia's only Mental Health Commission to separately from general health manage the budget and services for people with mental health. Many meelees in our community and something depression becoming more prevalent, tragically suicide particularly amongst young people again more prevalent.

Child protection, you probably don't know there are 3,800 boys and girls in the care of the state today. Over twice what there was 2years ago. For all sorts of reasons, all sorts of reasons which you probably guess or imagine. That's a huge cost to the state, we rely heavily on foster care parents who do a wonderful job, and we've increased the budget by over 50 per cent in that area alone.

Not-for-profit organisations, many services, disability, mental health, suicide whatever, homes... homing and the like are provided by not-for-profit organisation in this state on Government contract. More advanced in that devolved system using, I guess the enterprise of independent private organisations, their closeness to the patient or the person, the closeness to families, their ability to raise community support and financial support. Two...[...inaudible...] ago we announced 25 per cent across the board increase in funding for around a thousand not-for-profit organisations in Western Australia. Salvation Army, Red Cross, Rocky Bay, Cerebral Palsy Association on and on. When we announced that and I've told this story a few times, but I'll just tell you, when we

announced it, it was at the Cerebral Palsy Association and there was a young mother with a little 10year old girl who had obviously cerebral palsy, but a whole range of very complex health conditions. And I said to this mother, and it wasn't a loaded or planned question, I just simply said to her, what do you think this will mean for you and your daughter? And her answer was, Colin you have just given me my life back. And I said okay, please explain. She said I have to take my daughter mainly to the Cerebral Palsy Association but to all sorts of other places for therapy for whatever it might be. And she said now the Cerebral Palsy Association will be able to provide pretty well all the needs of my child, including the respite care and all the rest of it. She said so I've got another two children I can now be a mother to them and I can be a wife to my husband. And she said that's what it means to us. And we are a generous community and when people say to me, you know there's meant to be a resources boom, how do you share it – all of you, not Colin Barnett, all of you through decisions like that share the prosperity of this state with the people greatest in need - like this woman and her little daughter.

Kid's sport, you know, what's sport got to it. Most of us have probably have been or still are members of sporting clubs, fantastic for young people growing up, to be one of the team, to learn to win with dignity, to lose with grace, not to miss out. For low income families, there's plenty of them in Western Australia despite our prosperity, one of the things that always misses out is they don't have the money to join their son or daughter up into a sporting club. So these kids miss out. They're not part of a team, they see their friends from school playing netball, playing in the footy team or the cricket team or whatever else. A modest program that's been introduced through the sports agency is this Kid's Sport. Simply paying membership fees and helping with, you know, uniforms and maybe equipment for kids to be a member of the local sporting club. There are... it's only been going for a year, there are 10,000 children now participating in clubs, being one of the team, being coached, learning a sense of personal responsibility, social responsibility, not being marginalised and not being isolated. They are programs that are unique to this state and innovative.

Big job in housing. Huge demands because of population, we're going as fast as we can, but, we all face challenges there.

Aboriginal welfare and opportunities for Aboriginal people. You know, Australia's... greatest failure I guess, and I'm immensely proud of the mining industry and not only mining but particularly mining for the way in which this industry and this state has gone about employing, training and giving that sense of pride and economic independence to Aboriginal people. Still a long way to go, but the companies in this state employing hundreds and hundreds of Aboriginal people. Those opportunities certainly weren't there or happening 10years ago is my point of reference.

From the State Government we're spending a huge amount of money on settling native title, you know, challenging, difficult but we're getting there. Settlements in Broome, trying to get a settlement in Perth and the South West. Projects in the north of the state, the Ord River project, about 90 Aboriginal people trained and working on that project – and out of the deal will have farms and become producers in their own right. People might wonder why I pursue the James Price Point in the Kimberley. It would be easy politically to walk away from that, very easy. But I won't do that, because it's essential that the natural gas comes onshore so it can be shared within the Australian to the West Australian economy. And for the first time on a major project, Aboriginal people are being directly involved. And James Price Point allows Aboriginal people to have the dignity of working on a project, of training, of better health, education, housing... in fact

planning a true economic opportunity. And what you're seeing with some of the mining projects, the Ord River and James Price Point is for the first time economic development, big project... [...inaudible...] accompanied by social development. That is something different from 10 years ago, that's one of the changes.

COLIN BARNETT

I want to conclude by saying a little bit about the environment. I guess we are all environmentally responsible today, and I say [...inaudible...] it's not a cause to oppose or, you know, sling off at greenies, who seem to be coming the extreme, it's now a main stream issue. And I think Western Australia does have a very proud environmental record.

I'm not saying mistakes haven't been made, often through ignorance, I think there's a high responsibility both in the private and public sector.

What we have tried to do as a Government is to concentrate on what really matters. I get frustrated at any sort of reports, studies, project groups, strategy meetings and the like. I want to see money, effort and people into actual environment improvement, whether it's rehabilitation or getting things right on projects or around the city in the urban environment.

We adopted, apart from the Esperance clean-up, on coming to Government and it was a policy thought out long before we came to Government, was our responsibility as a generation to... [...inaudible...] The Kimberley is twice the size of the state of Victoria, a very small population, very dispersed, a lot of social, a lot of other problems in the area. The Kimberley represents the great wilderness of our state, one of the great wildernesses of the world.

We have set about establishing four marine parks, the main one Camden Sound, where the whales frolic and breed and do whatever. 7,000 square kilometres of water and on the adjoining terrestrial side a new Prince Regent National Park. There are three other marine parks going through the technical processes that have been established. Threatened species, plant and animal, are being transported apart from the mainland on the Kimberley onto the islands so that they are protected from feral species and obviously cane toads comes to mind.

Our State parks. We have an extraordinary system of State parks from the Kimberley right down to the south coast. I want them improved, I want to see people and particularly West Australian families visit those parks, I want to see them sustain those parks and to understand our natural environment and to appreciate it, to grow up protective of it and understanding it. That's going to be a major plank of what will come in March, should we be returned to Government. Our State parks are going to change and change in a very positive way. They will be accessible and affordable for West Australian families in ways that I don't think anyone has yet imagined.

A particular failing, or weakness, I guess, in the environmental area, relates to legislation. We operate under the Wildlife Conservation Act. It was established the year I was born, that tells you how long ago it was, 1950. That's still our legislation, 1950 legislation on Wildlife Conservation. It was amended, a significant amendment once in 1979 to include plants as well as animals, and that's about as far as it's got... it is the most outdated conservation and biodiversity legislation.

Bill Marmion, as Minister for the Environment, has started to work on a new biodiversity conservation act for Western Australia. It will be a big piece of legislation. It will list in detail the species that are threatened, it will protect habitats, it will increase penalties for smuggling of birds or other... reptiles, other animals, it will align better with Commonwealth law, which will be important to business. You won't have legislation that is incompatible, and it will be a key part of a strategic assessment between the Commonwealth and the State of the Swan Coastal plan, which will take two years, cost governments a lot of money, but solve, I hope, all the issues that planning developers have in terms of having to get environmental biodiversity clearances and the like, are an important piece of work.

Perth City. Perth City, you can feel the change. When I walk round the city the most common thing people say to me is that you can feel Perth changing, and again our opponents criticise us. We have put a big focus into the city. Sinking the railway, it's been talked about for 100 years, about half built. Elizabeth Quay, been talked about in various guises for at least 40 years. That will add wonderful vitality to Perth. It will connect the Swan River to Perth and Perth will be connected to Northbridge. The city will have not only have an east-west it will have a north-south focus.

The stadium and a new sports and entertainment precinct in Burswood will outdo... will certainly outdo what we've seen in Brisbane and in Melbourne. The City of Perth had to change. We were falling behind Australian cities, I guess most noticeably Melbourne and Brisbane. Most important though, we were falling behind Asia and I'm sure you know, as all you travel through Asia and cities you haven't even heard of, and you arrive there, and you find their public presence, their facilities, are ahead of Perth. I don't think any of us wanted to see Perth, Australia's west coast capital, a city on the Indian Ocean, fall behind. But that was the danger, not any more.

And the Arts revival in Perth are all part of it. I will conclude with this. I think the Liberal National Government has been a good Government, a simple claim. We have been hands on, we haven't ignored problems, we haven't sent them off to committees. I and Ministers have rolled their sleeves up and dealt with what had to be dealt with, that's something I learnt off Richard Court, by the way, he was very hands on in dealing with problems.

We have been a Government that genuinely has a big picture view. We look at the broad... we look a broad way, we look into the future, we look into Asia and we've been active in all those development. And we have a broad agenda. Traditionally many people might think that Liberal-led governments has been about business and finance and the like, that has not been the case. We've done that, I think we've done that well but I hope you'll remember from what I've said today, this Government has had a broad agenda in education, in health, social agenda, arts agenda, sporting agenda. This has not been a one trick pony government.

We've stood up to Canberra, and that's not the Canberra bashing or the secessionist thing. We stood up on GST issue, and we haven't won that battle yet but I think we've won the argument, just got to get the political solution. Certainly the bureaucracy in Canberra, Federal Treasury now agrees with Western Australia, that the GST distribution system has failed and it's a simple fix, not difficult to fix at all.

We have issues about Canberra's attempt to take over our hospitals, which are state-owned hospitals and I'll tell you one story, and this is political but it's [... inaudible...] but it's got a point to it.

When Kevin Rudd as prime minister put the proposal that the Commonwealth would increase Commonwealth spending on public hospitals, well, who's going to argue with that?

When we arrived at the COAG meeting, the deal was that the states would... hand over one-third of total GST tax collections to the Commonwealth so they could fund their increased spending on our hospitals. For Western Australia that would have meant a loss of over half of our already diminishing GST pool.

I can tell you, the Prime Minister and Premiers sitting around the table, not one Premier was happy with that, not one Premier. Kevin Rudd made his pitch, a couple of the smaller states, Tasmania, South Australia, not having a lot going for them, they'd just fall into line immediately on anything the Commonwealth wants. New South Wales, Kristina Keneally, I think at the time, voiced some opposition, sort of said she'd go along with it; Anna Bligh from Queensland, not happy at all, but you could see that she was going to go along with it.

On the second day of COAG John Brumby, the then Victorian Premier and I were sitting at the press conference side-by-side and we said, neither Western Australia or Victoria would go along with handing over our GST revenues to the Commonwealth, that's what the issue was about, it wasn't about public health, it was about GST. Then COAG sort of went into a stalemate and people were not sitting around the main table, they were going in and out of rooms, and I suddenly noticed that I was the only Liberal Premier there, everyone else was Labor, I suddenly noticed that the other Premiers weren't quite looking me in the eye and I said, something's going on here and it's not good.

To his great credit, John Brumby came out, heading towards lunchtime, he said, Colin, I'm sorry, they got to me. He was almost in tears, they got to him.

The point I make is, and this is a political observation, had there been a Western Australian Labor premier at that meeting, he or she would have given in like the Premiers and leaders of all of the Labor states. They would have been got at and they would have given in, just as Brumby did, through that immense political pressure on him to cave in to Canberra. And one reason alone why I think you need a Liberal Government in this state is because a Labor Government would be incapable of standing up against a Gillard Government in Canberra, that is a simple reality and I've seen it on at least three occasions.

There's a lot more to do, we've got look, a big agenda, economic, social and the like. The development of this state, not only its economy but its health and its education and its social policies, cannot be left to chance. This economy is not in auto drive and these projects don't just drop in our lap. Asian buyers of commodities don't drop in the lap of companies. They have to get out there and fight and they need governments working with them to do that. So please, when you think about the state of the State and you think about the future of Western Australia, just remember, don't leave it to chance.

Thank you for the opportunity.

Ends... sb