

## REGIONAL DEVELOPMENT PRIORITIES

### *Motion*

**HON COLIN HOLT (South West)** [1.12 pm]: I move —

That this Legislative Council —

- (a) notes that royalties for regions has been instrumental for regional development in Western Australia; and
- (b) expresses concern around long-term regional development priorities and the effect this has on regional communities.

I have couched this motion in fairly broad terms to give everyone an opportunity, especially regional members, to contribute to the debate. There are two sides to the coin: one is about recognising what royalties for regions has done for regional development, especially over the two terms of the previous government from 2008 to 2017; also, the motion provides an opportunity to critique the current custodianship of royalties for regions by this government. I expect that that critique will be both positive and negative. I expect that those on the government side will give a positive critique of how they think they are managing royalties for regions. I guess members on this side of the house will be more critical about how the government is meeting the mark in the regional development outcomes that were set up in the first instance to drive outcomes in regional WA.

Before 2008, there was really no dedicated focus on development in regional Western Australia. Any budget or policy consideration really had to compete within the confines of the normal budgetary process or policy settings. When royalties for regions came along, it enabled 25 per cent of royalties to go into a special fund specifically driven for economic and regional development outcomes. That was an important change and gave the previous government the recognition of being the most pro-regional development government in recent history. Travelling around Australia, talking to colleagues from other states and also federal colleagues, I found that they recognise the role that royalties for regions played in delivering a better outcome for people who lived in the regions and regional communities. That was a significant step.

I know that not every party or every member thought that royalties for regions was a good idea. Leading up to the 2008 election, when the policy was first couched by the National Party, it was very hard to get agreement on it as a good policy going forward. That obviously changed quickly during the years of the previous government. We know that all parties agree that royalties for regions is good and that it should be maintained. They all agreed to the legislation when it first came into Parliament; it was passed without any dissenting voices, if my memory is correct. Obviously, that changed a fair bit. Some did not like the idea at first but then they wholeheartedly got behind it. That is based on some of the outcomes that were driving it.

Prior to the establishment of royalties for regions, I was working in a role that focused on community and regional development before I was elected to this place in 2008, starting in 2009. I worked with a lot of regional communities, including community groups, local governments and leadership groups which all had a range of ideas about how they wanted to move their communities forward. They had a range of projects on the go. The common denominator was probably needing some government assistance to continue those projects, along with investment and funding to make sure that those ideas became a reality. Prior to 2008, the regional investment fund was operating, which was worth about \$20 million a year. That money does not go very far when many regional groups, councils and organisations compete for very limited funding. I found that when those groups applied for funds, very limited numbers received funding as \$20 million does not go very far. They still had their aspirations and they realised that they probably had to find other ways of raising funds, sometimes successfully and sometimes not.

With the change of government back in 2008, when the royalties for regions policy was first instigated, the quantifier was about \$360 million a year. It grew slightly in its first year of full implementation, and it obviously grew to \$1 billion a year on the back of record iron ore exports and royalties. That was the critical moment when a fund for regional investment went from \$20 million to potentially \$1 billion. There was a massive change and a great opportunity for regional communities and organisations to aspire to fund and implement the projects that they all wanted to carry out. From my experience—I am sure that members from regional communities would know this—every community and every region across the state had access to funds during those times to implement some worthwhile projects that they had wanted to carry out for many years. The biggest change I saw involved people who wanted to do something but could not get to that point. They had all these ideas on the books for a long time and then they had a means to get to that end. I think it drove communities to aspire further around regional development, which was one of the keys to the royalties for regions program. The regional development fund and the royalties for regions fund were implemented across the state; they were not restricted to government-held seats.

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I know from experience that projects were funded from the Kimberley to Esperance, no matter who the representative MP was at the time.

I want to give some examples of that. As a member for South West Region, I had a fair bit to do with Collie at the time. I know that Mick Murray was always appreciative of the great work done with royalties for regions funds in his community of Collie. People may or may not be familiar with the SuperTowns program. Collie was the inaugural recipient of funding for that program. In my view, Collie was a great example of the success of the SuperTowns program. I pay credit to the local leadership at the council level and to other community leaders in Collie, because when the SuperTowns program was first instigated, they were ready to seize the opportunity. They already had plans about what their community looked like. They did a great job of bringing the community along to that strategic point. Through the SuperTowns royalties for regions funding, they were able to instigate a lot of specific projects in the community. At the time that the SuperTowns program started in about 2011, employment in and the underlying economy of Collie were still pretty strong. There were still coal-fired power stations; there was a lot of coalmining going on. There were some changes in ownership of the coal mines, but, generally, the underlying economy in Collie was very good. That has probably changed a bit now.

The Shire of Collie wanted to change the community to be a much more liveable and attractive place to live. It was concerned about the drive in, drive out workforce that was coming up the hill from Bunbury and some of the coastal areas. Its focus at that time was on the liveability of the town and the services that it could develop. The shire had some streetscape programs and it converted to underground power. Some funding went into the revitalisation of the Collie River. The river is very important to Collie because it runs through the town, and the shire saw it as a vital asset for the town. One of the projects focused on Collie's early education and day care centre to ensure that the young families in Collie could have the best services. There were upgrades to the high school and the Collie airport and the redevelopment of the local swimming pool. There was also the development of the skate park and the music shell. The art gallery was a major project that the shire implemented. I think that at that time, it was perhaps only the second completely climate-controlled official art gallery in regional WA, but I could be corrected. I think the other one was in Katanning. There is also the important bridge over the railway line that connects to the other side of town. That all occurred in Collie as part of the SuperTowns program. I know that Albany was a similar beneficiary of royalties for regions funding. The hospital in Albany opened with some enhanced funding from the royalties for regions program, which Peter Watson had been working to deliver for eight years. It finally got there when we delivered that upgrade. I am sure that he was very happy to see that occur. I am sure that Hon Darren West, who at some time during that period was the chair of the Wheatbelt Development Commission and helped to guide some of the investment of the royalties for regions funding, will contribute to this debate and say how good a job he did at the time. Perhaps he will enlighten us about some of the regional development opportunities it created and say how good it was.

There were also some projects that were not controversial in my mind, but they certainly generated some debate, including, dare I say it, the Margaret River CowParade. I have lost count of the number of times it was raised in debate in the Council. At the time, it was a new and a bit of a quirky idea. An amount of \$50 000 of royalties for regions funding was used to implement the cow parade. The federal Labor government at the time gave about \$110 000 and the community raised a whole heap of funds to implement the cow parade. I know that an evaluation was carried out by the South West Development Commission. The CEO at the time, Don Punch, who is now the member for Bunbury, was heavily involved in the implementation of the cow parade and thought it was a great idea. There were always questions about its value and how it could be measured, but the evaluation suggested that the cow parade resulted in an immediate increase in the number of visits to the region; it was 11.4 per cent higher than in the previous year.

**Hon Alannah MacTiernan:** Was that just all the National Party members?

**Hon COLIN HOLT:** I am sure that some Labor members were there too. I remember them patting a cow. The cow parade significantly contributed to building a brand that has seen a continuing increase in tourism since then. The auction of the cows generated \$302 029, which went into strategic projects.

**Hon Darren West:** That sounds like a bit of bull to me!

**Hon COLIN HOLT:** A bit of bull! I will table this if the member would like me to and he can read it at his leisure.

**Hon Simon O'Brien** interjected.

**The PRESIDENT:** Order! Hansard is trying to hear what Hon Colin Holt has to say.

**Hon COLIN HOLT:** I want to go back in history, because I know it was a contentious project in previous Parliaments. I am interested to compare it with the \$1.5 million that has been contributed towards painting a mural on the Wellington Dam wall, which I think is a great idea. It will be interesting to see what economic opportunities

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it generates, whether there will be some evaluation of that, how the decision was made to do it in the first place and how it was approved under that system.

Some opportunities from royalties for regions funding through the community chest fund and the regional development scheme were managed at a local level by development commissions. During that time, staff numbers in the development commissions were bolstered to deal with the continuing growing aspirations of communities that still wanted to do things but wanted a pathway to do them. A process was required to make sure that people who had a good idea for a project could put it into a system so that it could be enhanced. It was not some sort of Local Projects, Local Jobs system; it was much more rigorous than that. I am sure that at that time, when people went to see Labor opposition members in their office with a great idea for a project, those members would have wanted to send them somewhere. The development commissions were always the first port of call—the first doorstep. If someone came to see me with what sounded like a great project, I would say, “How about we put it through the development commission so that it can do some work and due diligence on it and help you develop a really good project scope and proposal and see how it gets funded through some of those funding schemes?” The development commissions played a critical role in regional development. The number of staff within the development commissions has been scaled back after they were merged with the Department of Primary Industries and Regional Development, which I do not think is a natural fit. There is much more to regional development than just agriculture and primary industries. Regional development commissions could almost be put into the Department of Communities if we were really keen on it, but personally I would have kept them separate. They obviously have to work together. We know that there are fewer staff and they do not have the regional development role in the development commissions that they used to. I have heard that people with great projects have gone to the development commissions but the story that came out was, “Sorry; we don’t have any money and we’re not working on any new projects because our main focus is on implementing the Labor government’s election promises.” I have no problem with that. That is the reality of winning government—it goes out and delivers on its election promises.

The challenge is that the development commissions are not there now. They have fewer staff to play a role in regional development. I am not sure how one reverses that merger. Going forward, it is probably a challenge for regional development to have a dedicated organisation with adequate staff to get to that point.

I have only a couple of minutes left, so I want to touch on the fact that one of the challenges that we have seen from this government is the cost shift and underspend of royalties for regions. Therefore, when that is taken out of the royalties for regions fund, it makes a massive difference to the amount of funds available to instigate any new programs or new regional development. We have talked before about some of that cost shifting. Although we cannot get down to where that cost shift occurred, perhaps members opposite will enlighten us. If we look at regional school bus services, nearly \$80 million is now getting paid out of our royalties for regions. Everyone can argue that it should be, but that is \$80 million fewer in the regional development component of the royalties for regions fund.

The vocational education regional subsidy is \$45 million. The country water pricing subsidy is nearly \$300 million. If members think that is erratic use of royalties for regions, stand up and defend it. I do not defend it; I think that that should be paid out of the Water Corporation to allow \$300 million to remain in the royalties for regions fund to instigate regional development opportunities. Education assistance is \$9 million. Remote and essential services is \$56 million. All that means is there is less money in the royalties for regions fund for putting into regional development opportunities.

I look now to the underspend of funds returned into the consolidated account. The Western Australian Regional Development Trust annual report from 2018–19 has a column on page 14 that states that the royalties for regions funds returned to the consolidated account amounted to \$635.9 million. That adds up to a significant amount now not available for regional development outcomes and processes, which is a decision the government made, but it may also indicate that that is where the challenges lie. When the government talks about the decisions it makes, there is less money in the royalties for regions fund to implement and drive regional economic development, which is where we find ourselves at this time. I am sure everyone who will contribute to this motion will sell the government the same stories.

**HON ALANNAH MacTIERNAN (North Metropolitan — Minister for Regional Development) [1.32 pm]:** I thank the member for bringing this royalties for regions motion forward. I think this is a great opportunity for us to get across some of these issues. I want to acknowledge that some great work was done by the previous government through royalties for regions. One of the legacies that I see that is particularly good is what I call the petunia building—a petunia growing—but there is no doubt that the streetscapes of many towns have been vastly improved, and I want to acknowledge that.

But, as we have always said, that, in itself, whilst a great project, does not drive economic growth. It can help a town to retain people and, indeed, to attract people, but it is certainly not a substitute, as I fear it did become under the administration of RforR by the Nationals WA, for any other real economic development.

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It is always stupid to suggest that there is no government that does any good thing. Of course everyone makes a contribution. We are all here, and we use our time here to mark things forward in the way that we feel is best. I will just go through some of those comments that were made by the member. He said that prior to the coalition coming into government with its RforR project, the regional investment fund, worth \$20 million a year, which, I agree, was a modest fund, was in place. But it was not expected, in fact, to be funding the vast majority of projects that occurred in the regions. The concept that we saw a strategic investment in the regions and a big focus on the regions only with RforR is completely and utterly wrong. If I had the time, I could go around Western Australia, particularly in the regional capitals, and talk about the transformational projects. We were not funding those things out of the regional investment fund; we understood that regional towns were part of the Western Australian economy and could be funded out of the consolidated fund. But if I could just talk about Geraldton, our view of Geraldton was not just tree planting and a few nice entry statements; we actually had developed a vision. We knew that the number one thing that we had to do was deepen that port and pay \$105 million to do that. Once we expanded that port, suddenly, it opened up the iron ore industry and, suddenly, it made the grain industry all that more productive.

We then built the southern transport corridor, stage 1. We took the rail line up from the foreshore. We put a dedicated rail infrastructure into that port, supported by a dedicated road. That helped us drive the emergence of the iron ore industry in Geraldton. Then we did the foreshore upgrade. Then we did the beautification, but we created new jobs. We created a whole new industry. For 40 years there had not been an iron ore industry in the midwest. That is the strategic thinking. We did not think that these places are not part of Western Australia; we thought they were, and so they could be funded out of the consolidated fund. Likewise, very importantly, we funded the whole foreshore redevelopment in Albany; the development of a new boat harbour; and the development of the opera house down there. Although they were completed under the subsequent government, all that work had been put in place and funded from the consolidated fund. Therefore, for the member to contrast the regional investment fund, which was a very small and discrete fund, and suggest that in some way that was how we sought to fund regional development is completely and utterly inaccurate.

I think it is interesting that the member focused on Collie. Yes, the former government did do a few things, and I think that townscape upgrade is great. I love the townscape upgrade. But what did the former government spend most of the money on? How much was it? It spent most of \$300 million to try to resuscitate a coal-fired power station that had been closed down as one of the dirtiest coal-fired power stations in the whole of the country. It spent \$300 million on a failed exercise. That was the former government's vision for the growth of Collie. Yes, it was great on the interior decorating, but when it comes to the actual substance of community development, it just did not get it.

We are not saying that making Collie beautiful was not important, but it was nowhere near sufficient. If the former government had put the money in in the way that we have put the money in—to drive new job opportunities; to have WesTrac come in and build this great new facility in Collie that will train hundreds of people each year in the autonomous platforms required for the mining vehicles; to create new jobs and new industries that we are encouraging—it needed to do a bit of smart thinking. It cannot all be just shovelling out the money to local government.

I loved the member's courageous and impassioned defence of the cow parades. I just think it is a pity that the former government did not spend more money on the actual cows or the cow industry. In fact, the former government drove down agriculture in the state. It created the most dispirited entity. It took the Department of Agriculture and Food, which had traditionally been full of pride and had been going out there and doing massive work in research and development, and what did it do? It drove that into the ground. The former government tried to backfill and I never understood how the National Party allowed this to happen. It then tried to backfill all these deficiencies with short-term royalties for regions funding. That cannot employ long-term scientists. Just the other night, we released a new serradella at Murdoch University. There is a guy named Dr Brad Nutt, who was made redundant under the previous government, who has been working on serradellas for 20 years. We have introduced a new teder, which is going to be fantastic for the livestock industry. That took Dr Real 18 years. We cannot do this on short-term funding. The problem with the philosophy of the previous government was that everything that happened in the region had to be done out of this fund, and it was disconnected, as if these regional economies were not part of Western Australia. They are part of Western Australia! Agriculture is our second-biggest industry after resources. Why can that not be funded long term out of the consolidated fund? Part of my job, which has been very, very hard in the budgetary environment that we have inherited, has been to pull back some of those functions and say, "No, this stuff is not going to be just short-term RforR funding. We are going to pull this back and make it part of the consolidated fund." But, as I said, I admire the courageousness of the defence.

The next issue that the member spoke about was the funding for RforR and the role of the development commissions. Of course, the development commissions were in existence long before the emergence of RforR, but what happened is that this became the mechanism for the Nationals WA to be able to control the portfolios that were held by Liberal Party members. In order for the National Party to be able to promote itself, it really had to have a government within a government. What we found is that the development commissions were not focusing on

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economic or social development; they were trying to run entire portfolios for their region. For example, all health funding had to go through the regional development commissions, because it had to be a National Party minister going out and making the announcement. The only way that it could control every portfolio within the region was to funnel all this money through the development commissions. Was it really sensible? Were the development commissions really best placed over and above the WA Country Health Service to determine the allocation of funds? Is that what was really going on? I do not think so, but, again, it was this whole idea that because we had a coalition, because we had the blue on green wars, that drove that structure. It was not any important matter of principle; it was the National Party's need and desire to be able to promote everything as things that would not have happened. We would not have built a hospital; we would not have built a single facility in the regions if it had not been for royalties for regions! Whereas the reality is that much of that stuff was going on independently. This was about the promotion of the National Party within the coalition government.

The member talked about underspend. I think he fails to understand that, over time, the RforR program morphed. It had to change as the government of the day sought to create some expenditure controls. An underspend provision was introduced in 2013. That is not new; that has been part of government policy since 2013. Then, in 2014, under Terry Redman as Minister for Regional Development, the royalties for regions spend was capped at \$1 billion a year. This is not a principle that we changed; both that and the underspend principle were introduced by the previous government.

There were some very high underspends under the previous government. I note in particular that in 2011–12, there was a \$681 million underspend. Then, to overcome the underspend, the previous government set up these Western Australian Treasury Corporation accounts. The projects to be funded were not complete in scope and often did not even have a business case, so the previous government did not even know how that money was going to be spent. Money was allocated and set up in a WA Treasury account to get around the provisions that had been provided by the government. That, in part, is what led to so many of these poor-quality projects being funded—it was to get the money out the door and put in the WATC account before they had been properly developed. When we saw the Langouant report, it is my view that the cause of that was that desire to get the money out the door to get around unofficial government policy. Of course, we know that that would not have survived into a new government, even a new coalition government, because Mike Nahan had made it very clear that royalties for regions had to be made more sustainable by continuing to contribute to operating costs, and they had put that figure across the forward estimates at about \$800 million, so this was underway.

The member quoted the figure of \$636 million as an underspend for the last financial year; in fact, that is inaccurate. Part of that is the \$1 billion cap. An agreement has been in place since two elections ago that royalties for regions is capped at a billion dollars. We all accepted that at the last election. Everyone went into that election understanding that that was the principle; in fact, we had gone into the previous election with that as the principle. In fact, the underspend is \$315 million. This is due to the timing of project delivery—as we know, getting real projects up and running often takes more time—but all those funds will be rolled over to the next financial year; no projects will lose any funding and no funds are being returned to the consolidated account.

We have been investing heavily in projects across the state. I want to take a little bit of time to talk about one of the programs that we have introduced, which I think has been very positive, and that is the regional economic development grants. This grant scheme is administered by the development commissions, so it is something in which the development commissions absolutely have a role. It comes out of our philosophy that we need to drive economic development, and a very significant contributor—probably the best way of doing that—is really supporting the private sector, which has great ideas and could be increasing and expanding its activity, helping us to diversify the local economy. We have allocated some \$28 million. We have seen great success from those projects as we roll them out around the state.

One thing we find very significant is the degree of support of and engagement in these projects from people across the community, as we are not only allowing that particular business grouping to expand, but also generating much-needed opportunities for all local contractors. I will give an example of a couple of projects. Last week, we were up in the Kimberley to see McKeno Corporation Pty Ltd, a great mob that produces some of the most beautiful stonework but also does civil construction and paving blocks. It has applied for assistance to expand its plants so it can add pulverised rubber and non-biodegradable plastics to its products. It did some research and development, found that it worked and came to us and said, “If you can support us and help us do this, we can not only expand our business, but also go a long way to solving the problem of what to do with all the used tyres in the Kimberley.” The only option now is to transport them down to Perth. This gives a real opportunity for a sustainable recycling industry in the Kimberley. We have been very proud to be part of these sorts of projects. There are projects such as the Tidal Moon Sea Cucumbers project, which is three Aboriginal corporations coming together to establish a new industry altogether in Shark Bay—that is, a commercial sea cucumber, or bêche-de-mer, industry. These things are creating and driving jobs. We are unleashing that creativity of the private sector and giving it the opportunity to move forward. That work has been very much driven by the development commissions. It involves

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the development commissions going out there and engaging in the community. Given all the facts that I have set out here, I think it is now appropriate that I move an amendment to the motion.

*Amendment to Motion*

**Hon ALANNAH MacTIERNAN:** I move —

To delete paragraph (b) and substitute —

- (b) acknowledges the McGowan government's ongoing commitment to the program and the benefits to regional communities from its spending priorities.

Amendment put and negatived.

*Motion Resumed*

**HON DIANE EVERS (South West)** [1.53 pm]: I appreciate this issue being brought on for debate this afternoon and I am very happy to speak about it. The first thing I would like to do is go back a little bit in history. I went through *Hansard* just to find out when this may have been debated. I could not find the original time, but I did find something from 2001, when Hon Robin Chapple said he had been talking to some people at a rally out the front of Parliament House. He asked the people what their concerns were. He said it was not their local members, but the return of royalties to the regions and the lack of local services such as hospitals, police, roads and local government grants. They complained about the things we all take for granted. The very first time Hon Jim Scott entered this house, he campaigned on behalf of the Greens WA for an improvement in services to country areas, and that is notwithstanding he was a metropolitan member. This is something that has been talked about for a long time. I understand members' needs to score points by saying that their party did things better than the other one, but I hope to move on from that. The Royalties for Regions Act states that the fund is to provide infrastructure and services to regional WA, to develop and broaden the economic base of regional WA and to maximise job creation and improve career opportunities in regional WA. That is all very admirable. The royalties for regions website states —

Royalties for Regions focuses on delivering benefits to regional WA through six objectives:

These objectives are not in the act; they have been created to go along with it, and that makes sense. They are —

- Building capacity in regional communities
- Retaining benefits in regional communities
- Improving services to regional communities
- Attaining sustainability

I will get on to that one —

- Expanding opportunity
- Growing prosperity.

They are all very valuable things, and I am very pleased that we have this fund available to be able to do that. But I would like to say that we need to bring something additional to it. We need to make sure we are spending money on additional projects, not just ones that we should have been funding anyway. For example, there is remote and essential services funding of \$56 million a year now funded through royalties for regions. There is the country water pricing scheme, which we have already heard about, and it is for over \$1 billion over the next four years. That is one-quarter of the total amount that will be spent. That just does not make sense to me. It is not additional; it is just something that could come out of consolidated revenue. There is also \$50 million over four years going to grains research. Previously, we had an agriculture department that was able to contribute to this sort of thing. We need something additional, something that is not being done. I recognise that \$1 billion is a lot to spend on just additional projects, so I will get to that too.

If a project gets shifted from consolidated revenue to royalties for regions, it is going to put a greater burden on agencies, because they have to reapply for funding and it could be undermining services that were already in place. Staff employed on a contract basis do not have the job security they may have had previously, and a lot of time is spent reapplying. Just shifting a project from one area to another does not work. We need to work out how we can do this and what we can do.

One point I mentioned previously is attaining sustainability. For this we need to understand and respond to the way that environmental, social and economic issues all integrate. The focus on social and economic aspects of the system when spending royalties for regions money is not strategically sound. Systems have all three parts to them, and we need to get up to speed on this. In 2009, the Standing Committee on Estimates and Financial Operations did a report on the royalties for regions policy, and the Minister for Regional Development at that time, Brendon Grylls, said —

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*... the Policy does not make specific reference to environmental sustainability though reference is made to sustainable development implying the inclusion of environmental and social sustainability as a consideration for projects.*

The committee wanted to monitor this issue and ensure that royalties for regions projects meet environmental sustainability standards.

I recognise that in the budget we have a section called “Investing in our environment”, and I am very pleased we have it there, but it shows a rapidly reducing budget; in fact, it is down to just \$50 million in the year 2022–23. It just is not getting any sort of interest, even though it is part of that sustainability make-up. Despite the fact that we had the sustainability strategy in 2003, before royalties for regions, we are still not doing this well enough in WA. We are still making decisions in departmental silos, and they do not give us an adequate understanding of our responses to the system’s problems. Sustainability has moved on from the triple bottom line approach, since this can be mistaken for trade-offs between unrelated issues. One example is the southern forests irrigation scheme. This is a royalties for regions-funded project, and it is a classic example of where environmental, economic and social concerns have not been properly integrated into a systems approach. They have been talked about separately, but not integrated, and I think that is something we can work on. We also have the United Nations sustainability development goals, and Australia is a key signatory. Interactions there should be understood. “The Sustainable Development Goals Report 2019” of the UN says —

Member states agree that these challenges and commitments are interrelated and call for integrated solutions. It is therefore imperative to take a holistic view of the 2030 Agenda and to identify the highest impact areas in order to target interventions.

The UN is calling on all countries to integrate climate change adaptation into national development planning. If we are talking about having an integrated approach and the UN is saying that we should be aware of climate change and the fact that it is coming on, I am concerned that at some point we are going to start digging into royalties for regions money to fix those climate change impacts. I do not believe that was intended. We know we are going to have greater impacts, particularly in regional areas, because they are 99.7 per cent of our landscape. If that is what royalties for regions is going to be used for, I am not very comfortable with that. I think we need to make some decisions and changes so we get to the point at which we know what the funding is going to be used for. The “Regional Development Strategy 2016–2025” states —

All tiers of government, business and communities contribute and share a stake in the development of our regions. The best ... development outcomes are achieved when stakeholders and opportunities are aligned towards a clear common purpose ...

It is saying that we must integrate our departments, which I recognise this government is trying to do, and integrate the social, environmental and business aspects, because they are so interrelated and interdependent. If we focus on just one area and not the others, we will not get to a better place. That is what I am hoping we will do. As we have seen, there are issues with our environment that are currently not being addressed in the best way possible. We are making do as these issues come along, such as the water shortages that rural areas now face and the salinity issues that we focused on for a time but have moved on from. We are now stuck saying, “What are we going to do about it?” We should be looking at those things. Also, tourism depends on a sound ecological system. We need to integrate an understanding of environmental issues into decision-making and not just treat the environment as an add-on—an externality. We know that tourism is a significant part of our regional economies and a significant area for growth in regional areas. We need to take that in context.

The royalties for regions reporting framework also needs to take a systems perspective rather than gathering data in silos and reporting separately, because we have ended up at a really difficult point. I like this difficulty; we have \$1 billion a year that needs to be distributed in a way that members of this house, the government and regional people can all agree is an effective way to meet those objectives. If we could somehow work together on this issue, just as an example, we could maybe get there, rather than continuing indefinitely with this same argument. Royalties for regions is always going to be—I have to say it—a slush fund for the government. The government can decide what goes in and what does not, and that is not fair to half the room. It just does not work out. It is not fair for half the regional areas. If we support only the regional areas that we think will vote for us at the next election, the fund is not achieving the expected aims of the act.

**Hon Alannah MacTiernan:** We spend a lot of time in the wheatbelt, member; and, as optimistic as we are, we’re not expecting to win any lower house seats there!

**Hon DIANE EVERS:** All right. We need to start looking at what should be funded from consolidated revenue as regular and recurring items, and what additional items should be taken on to promote services in regional areas that will benefit the people who live there. When royalties for regions was first put in place, it had a \$1 billion cap,

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but there was no expectation at that time that we would reach that \$1 billion so quickly; and yet there we are. We are likely to stay there, because our royalties will be over \$4 billion for the foreseeable future. It just makes sense that that \$1 billion needs to be spent well.

I have one small comment on the way we fund regional areas. Half of us represent regional areas, and I am sure that those members are all aware that the Local Projects, Local Jobs program—admittedly it was only \$37 million in total—allocated \$9 million to the regions, which is about a quarter of the population, from royalties for regions; whereas, the metro area funding came from Health, Education or whatever. Everything that goes to the regions, we just fund from royalties for regions. It was just a way to distribute money for Local Projects, Local Jobs. We have to look at that and ask: what is it that we are trying to achieve and what can we do best with this money in an ongoing fashion? We should put measures in place so that it is not just a slush fund, even though I know how beneficial that would be to any government coming in. There must be some core ideas, like the Water Corporation's country water pricing subsidy, that should not be funded from the consolidated fund. It should not take out \$250 million. Whether royalties for regions funds should be used to build hospitals, to staff hospitals or provide extra equipment to hospitals so the system is in line with what we have in the metropolitan area is something we need to debate. It is something we should be talking about and trying to work out.

The object of the Royalties for Regions Act 2009 is “to promote and facilitate economic, business and social development”. I know I have said before in this place that the act has the categories of economic, business and social development, but it does not include the environment. I hope to get across to members that the environment is part of economic, business and social development. I could just talk about climate for a while and say that we need trees to draw down carbon. It is an offset. A lot of carbon offsetting is happening whether we do anything to legislate it or not. More trees will be planted; that is great. We really need to get onto the idea of reclaiming some of the degraded landscape in our agricultural areas. We have watched it degrade over time. I was just reading about what is happening at Wooleen Station. Our pastoral areas have so much land that could be improved to get more carbon into the soil, hold water in the soil and produce more plant life. There is so much that could be done in those areas. We need to have a conversation about that. Maybe we need more than the 36 members in this place to have that conversation and we should engage people in the regions in a deliberative process to find out what their needs are. I have to acknowledge that the development commissions have had a go at that, but their system works on those who show up to make the decisions, and we need a broader perspective.

A while ago, the Western Australian Council of Social Service commented—I do not remember the government saying this—that the government had predicted it would improve net debt by \$861 million across the forward estimates because it had shifted what goes to and from royalties for regions. That should not be happening. That is not the idea of the fund. That is why we need to have both sides of this house working together to come up with something that will work into the future, regardless of which side is in government at the time. Until change occurs, this debate will go on indefinitely.

As I said, we need forests and a healthy environment because we want people to live in the regions and to be employed in the regions. Jobs are available in the regions. Farmers could pick up on different farming options if they could find reliable employees as they need them. We want people to move to the regions because it takes pressure off city infrastructure and allows our economy to diversify, with people getting involved in different sorts of things. If we can improve the environment so that people like living in the regions—we have great beaches and forests, but a lot of stuff still needs improvement—and maintain and support communities working towards improvement, we will not only have more people willing to move to the regions, but also increased tourism. Tourism is another great possibility in the regions, and that will happen if we make sure that we continue to have a very good environment. In addition, there are things we can do to limit our carbon emissions, like putting freight on rail. We could get the tier 3 rail going. The government could talk to Co-operative Bulk Handling Ltd and find out whether farmers want this to happen. We could get freight from the lithium mine on rail to Bunbury and Kemerton. CBH has put in a terminal at Down Road in Albany. We could fix up the rail line so that two trains can pass. We could use rail rather than putting in a \$170 million road so that trucks can cart grain to the port. It would cost maybe \$20 million for a rail siding so the trains can pass. The government would make CBH and a lot of farmers happy. It would probably even improve the possibility of getting the tier 3 rail going with more freight going through the port. It is more likely freight on rail will increase if we take away some of the problems with it.

I am coming to the end of my contribution. I introduced a bill late last year, and next week I have the opportunity to bring it on for debate. I would like to see a real attempt at a deliberative debate, not about the past but about the future and the possibilities we see for this \$1 billion a year so we do not have to go on and on debating royalties for regions. I am really pleased that we are saying that we have \$1 billion to put into the regional areas. That is \$1 000 million. Many of the projects we talk about are only worth \$2 million, maybe \$10 million. This is 100 \$10 million projects. There is so much we can do with that if the government does not put \$1 billion of it to the country water pricing subsidy. All I am asking for is not for today, because we have this motion and I am very happy with the motion; I support the idea, and I am very pleased that we have royalties for regions. Until we get a solid description or wording



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around what we expect it to be used for so that both sides agree and stick to that, I will have concerns going forward that that \$1 billion will be used to fund projects that maybe are not so necessary. A lot goes into streetscapes, to a large extent, depending on the amount available to spend and how sustainable they are regarding how much water they will use. That is not for us to decide; we do not have to do that. We just have to ask what important values about the regional areas seem to be overlooked. We need to talk to regional people and find out the things that they really want to have. I am sure that most regional members have already heard a lot of these. Regional people want options and opportunities. They want things for their youth so that they do not all move to the city, or if they do, they come back because it is a great place to raise children, be involved in the environment and to learn things. There is so much that can be done, and I really look forward to next week. I hope to hear some good debate about how we can move forward, rather than sitting here, as we usually do, saying, “He-said, she-said; they are wrong and you are wrong” and getting nowhere. I am looking for an attempt at a real deliberative debate, not about the past, but about the future for the regions of WA.

**HON JIM CHOWN (Agricultural)** [2.11 pm]: When I first saw this motion, I thought, “Gee; deja vu”. I looked through *Hansard* for my contribution to the second reading debate in 2009 when this issue came before the house.

**Hon Alannah MacTiernan**: You’re probably the only person who has ever read it!

**Hon JIM CHOWN**: Thank you very much, minister. Maybe I am the only person who has read it twice.

**Hon Simon O’Brien**: None of us have been so lucky.

**Hon JIM CHOWN**: No, none of us have been so lucky! Do not distract me, please.

When the bill was before the house, everybody had a response to it in their reply to the second reading speech, and everybody agreed that it was a wonderful thing to see. Even the Labor Party said, “Yes, we support royalties for regions.” There was no dissension at all. Of course, it became policy and legislation, and it was enacted from that time forward throughout the eight years of the Barnett government. I put on the record how this very important regional fund was administered. I agree with the minister: at times, more was wanting. It was a budget within a government budget. That concerned me and always has. I remember my first budget briefing with the Treasurer at the time, Troy Buswell. Troy always gave a fantastic briefing; he knew his stuff. The next person to walk into the room was Brendon Grylls to also give a briefing on royalties for regions. I can tell members that I was absolutely furious. I went to the Premier and asked him, “How does a government have more than one Treasurer?” and I was not the only one who did so. That never happened again. Going forward, royalties for regions did a lot of good and bad things. When I say bad things, I do not mean they were bad, but it was how the money was spent. It was not spent appropriately for positive outcomes for regional Western Australia. I am more than happy to go through a few that I am aware of. I agree with the minister and the colleague on my right-hand side, who was the Minister for Agriculture and Food for three-odd years: under the Department of Regional Development, royalties for regions decimated the agricultural ministry.

**Hon Colin Holt**: How so?

**Hon JIM CHOWN**: For example, it had \$300 million for Seizing the Opportunity Agriculture. Very little of that money went to the department. It was all run from Regional Development. The minister knows that.

**Hon Colin Holt**: It went to the grassroots.

**Hon JIM CHOWN**: It did not. Most of it did not go very far at all, and was pretty much wasted. Give me a positive outcome today from the \$150 million Water for Food program, and I will be happy to accept it.

**Hon Jacqui Boydell** interjected.

**Hon JIM CHOWN**: Do not start me going through a raft of things here, please, member. There have been a lot of positive results for regional Western Australia from this program. One of the greatest, I believe, was the Southern Inland Health Initiative of \$550 million, which brought regional health almost up to the equivalent of what metropolitan people receive. My great disappointment is that the Labor Party did not carry on that initiative under its royalties for regions scheme.

**Hon Darren West**: Yes, we did.

**Hon JIM CHOWN**: Not to the point that we did.

**Hon Darren West**: It’s all done.

**Hon JIM CHOWN**: It is all done, but there is more to be done, honourable member. When I say more to be done — Several members interjected.

**The ACTING PRESIDENT (Hon Adele Farina)**: Order, members!

**Hon JIM CHOWN**: Do you want me to sit down? Members have an opportunity to give a reply later.

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**The ACTING PRESIDENT:** I am trying to help, Hon Jim Chown.

**Hon JIM CHOWN:** I appreciate the help. I will be grateful for any help I can receive.

**The ACTING PRESIDENT:** Hon Jim Chown has the call.

**Hon JIM CHOWN:** Thank you. There is more to be done in health for regional Western Australia, and royalties for regions as a scheme could make a significant contribution to it under SIHI or any other programs similar to that that the government could initiate. I have been on my feet many times in this house, as have other reasonable members, regarding palliative care in Western Australia. There is a great opportunity to do something about it through this particular scheme, Hon Darren West.

I will not take much more of the house's time on this matter because we have debated it on many occasions. It is a very important fund. I am very happy to see that the Labor government has taken on board that fact, and it has almost got the mix right with the funding out of royalties for regions for community and social requirements, infrastructure requirements and servicing those requirements. Regional Western Australians have always suffered from being considered as second-class citizens, which is not true. Every government looks at any Western Australian as one of all Western Australians, but there is certainly a sentiment out there. The royalties for regions program has gone a long way to giving regional people their own piece of legislation for their requirements on top of, I might add, every other department spend. We know that roughly \$1 billion to \$2 billion is the annual budget of Main Roads WA. About 60 per cent of that is spent in regional Western Australia. At times, RforR tops that up, and it should do. Without having infrastructure in regional Western Australia, we will not have community towns. Going back to roads, there was a time, certainly before I became a member, when road infrastructure out there was in such poor condition that it was dangerous to drive on the roads. It really was. One of the great examples of development in infrastructure, of course, is the road spend today through RforR, by both this government and the previous government.

I intended to go through a whole list of positive achievements and outcomes from royalties for regions under the previous administration and how they affected all the communities out there, but I now do not intend to; I have said enough. As an outgoing member of this place, I hope that the next government, whichever that may be, carries on the program in a highly responsible manner and puts in checks and balances to ensure that overspending or underspending does not occur. I repeat once again that this is an excellent program that, quite frankly, has been perceived in the past to be a Nationals WA program, certainly in the metro area. The previous administration did its best to ensure it was seen as a National Party spend. As parliamentary secretary representing the minister, I attended many road works and bridge openings when they were designated as RforR spend. That is where the money came from. The design and construction work et cetera was carried out by Main Roads and the Department of Transport. That always concerned me as well. I hope that any future government, after the next election, puts a minister in place with control of royalties for regions and regional development who is prepared to spend the money responsibly and in an impartial, non-party aligned way, for the benefit of all regional Western Australians, because what has happened in the past has tainted this very good program.

**HON COLIN TINCKNELL (South West) [2.19 pm]:** I do not want to speak for long on this motion. I am supportive of royalties for regions. I would like to start my speech by reading a paragraph from the "Special Inquiry into Government Programs and Projects: Final Report" of February 2018. It states —

Many good programs and projects have occurred under the umbrella of this policy. Conversely, it has also given rise to waste in expenditure, seen programs being implemented without sound planning—and in some cases, none at all—which has led to developments which don't deliver their intended objectives and left liabilities for governments at the State and Local government levels.

I think that is where the problem lies. Yes, royalties for regions is a fantastic idea and a magic program. I commend Brendon Grylls and the National Party for implementing it and making it part of the fabric of Western Australian society. I remember the time when it was first mooted. My party did not exist in this state at that stage. I remember voting for the Nationals in the upper house because of this program. At the time I was working in the regions. I had been working in the regions for 20-odd years but I lived in the city. I had a fly in, fly out job. I recognised that money needed to be spent on facilities in the regions in this massive state of ours. From working in Port Hedland, Karratha and remote areas in the Mining and Pastoral Region, I realise how much money is needed to upgrade the facilities. We could be talking about primary schools, swimming pools and roads but so many other things are needed.

Royalties for regions brought a focus back to the regions. That was a great idea. The paragraph that I just read is a big part of the picture. At times, the problem was that it was not well implemented. At times, it was possibly overkill for some of the local governments to maintain the facilities that were built. I get out in the regions these days. I happen to be a regional member. When I am talking to councillors, farmers or members of the general public in some of the regional towns and also small communities in other areas, they say that the spending was not always wise. They were quite amazed. It looked like a slush fund to them. Those are the comments coming from the public and the councils. We have seen that sort of thing happening again in this government, with the Local Projects, Local Jobs

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program. It is not a good look when 92 per cent of funds go to constituents in marginal seats or seats that are held by sitting members. That is not wise. The evaluation of those projects is not well done. In past times, that was the case with royalties for regions. As the report said, and as I said before, that really paints the picture for royalties for regions. Whichever side is in government next time, whether it is Labor or Liberal, or a Liberal–National coalition, I hope that that part of royalties for regions is improved.

As Hon Jim Chown said, it is hard when there are two budgets or two funding mechanisms. If we were to ask any Treasurer, whether it be the current Treasurer or even the shadow Treasurer, they would say it would be better if it were more focused on economic development, creating wealth and jobs for people in the regions and less on the things that have been talked about in this place—projects that are nice to have but not overly important. I am talking about things such as water infrastructure, which is very much needed right throughout the state as it will droughtproof us for the future. There are so many things it can be spent on. We understand that.

I will just make those brief statements. These are not just my thoughts; they are the thoughts of a special inquiry into government programs and projects of February 2018. I have quoted some words from that report. I agree with those words. I also agree that royalties for regions is a great idea. Ideas are a dime a dozen—how we implement them is what really counts.

**HON MARTIN ALDRIDGE (Agricultural) [2.25 pm]:** It is a pleasure to rise to support the substantive motion before the house today. It was interesting to see the Minister for Regional Development try to amend the motion earlier and then withdraw her support to divide on her amendment. Nevertheless, it just shows how committed the government is to defending its record in regional development in the three years since it appointed a metropolitan member for North Metropolitan Region to the ministry for regional development, despite the fact that it has more regional members than any other party. It could not find one single member with a pulse among its ranks prepared to take on the challenges of regional development. We know who will do it—the member for North Metropolitan Region!

We have heard some interesting contributions today. I draw the attention of members to Mark McGowan’s “Fresh Ideas for WA” glossy. I am not quite sure how much that cost the government. Fresh idea 157 is to support and maintain royalties for regions with a focus on jobs. That was one of its 200 fresh ideas. Obviously, time will tell how well the government goes at its jobs, jobs, jobs plan. As we reach the next election, we will have a closer look at how many jobs it has created in our regions. It has set itself a big target but it will be held to that target.

The Labor Party obviously did not go to the election saying that it was going to take out half the funds from royalties for regions and put them into programs that have existed for more than 100 years, like school buses. I am not quite sure how saving \$480 million out of \$1 billion in a financial year is making royalties for regions better or, in accordance with the Labor Party’s fresh idea 157, to support and maintain royalties for regions. I am not quite sure how that aligns with fresh idea 157. I will not go into all that cost shifting but that was something about which it was honest with the people of Western Australia prior to 11 March 2017.

We just heard a contribution by Liberal member Hon Jim Chown. To give the Liberal Party credit, at least it announced its cuts to royalties for regions prior to the election. If I am not mistaken, it announced cuts of some \$800 million two days out from election day, so people had lots of time to digest that! At least it was announced before the election. Unless he has changed portfolios, Hon Jim Chown was appointed the shadow minister for royalties for regions and he committed his party to conducting a review of royalties for regions. I have not heard anything more on that front but the member still has a bit of time left to complete that commitment, or perhaps it was an internal review and it has not been released.

**Hon Darren West:** Langoulant.

**Hon MARTIN ALDRIDGE:** The member wants to talk about Langoulant; I will do that right away.

Several members interjected.

**The ACTING PRESIDENT:** Order, members!

**Hon MARTIN ALDRIDGE:** It is interesting that the old Langoulant report gets trotted out time and again. I challenged a member of local government recently in a committee hearing. It was a public hearing so I can talk about it. They talked about the waste of royalties for regions. It is a quick, throwaway line; it is easy to chuck out there—the waste of royalties for regions. Often, when people are put on the spot and are asked to identify which project or program they would not have funded or which community they would not have supported, they cannot provide me with any detail about the programs or projects or communities that they would not have funded.

Several members interjected.

**The ACTING PRESIDENT:** Order, members! Hon Martin Aldridge has the call.

**Hon MARTIN ALDRIDGE:** The other thing that Mr Langoulant did not put in his special inquiry report was that he played a role in the former government’s review of the TAFE sector. I know that there was a lot of consternation at the time about the reforms to the TAFE sector. Indeed, a motion about the TAFE sector was moved recently in

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the house by Hon Dr Sally Talbot. What Mr Langoulant did not put in his report was that he turned up to the National Party room and said, ‘I’ve conducted the review of TAFE. We’re going to cut funds to TAFE. If you don’t want to cut the funds to TAFE, you’ll have to stump up royalties for regions funds.’ That was the conduct of Mr Langoulant under the former government. I would have thought that that is not the way to administer taxpayers’ funds or to make decisions about a program as important as royalties for regions. If I recall, after he gave our party room this ultimatum, we asked him to leave, and that was the end of the conversation. It is funny how that did not make it into the report. Perhaps if somebody else had acted in that way under the former government, it would have featured in the special inquirer’s report to look at exactly the things that should not happen with the allocation of public moneys. Do not forget that this is the fellow who is now heading up Infrastructure Western Australia, so that will be interesting.

There has been a lot of talk today about aspiration in regional communities.

**Hon Colin Holt:** That was me.

**Hon MARTIN ALDRIDGE:** That was mainly Hon Colin Holt; he talked about aspiration. It is plain to see how that aspiration ebbs and flows. The regional development bodies include the Regional Development Australia committees and the regional development commissions. It is interesting to see how traffic flows. If I can be so bold, I suggest that the traffic flows depending on the flavour of the government. There is a lot of focus on Regional Development Australia committees when there is a federal coalition government and almost no traffic flows to our regional development commissions, because why would it go there now? Conversely, when Labor was in government federally, the then state government had conversations with it because it wanted to shut down the RDA committees. It said, “We have no need for them. If you can give us some advice from time to time about what is happening in the regions, how about we shut down the RDAs and we’ll just let you run your regional development commissions under a memorandum of understanding with the commonwealth government. We don’t need RDAs.” I think in those days, they were called area consultative committees, so they were known by a different name. We are seeing that now. Why would somebody talk to a regional development commission? They would be better off talking to Regional Development Australia. Certainly, around the regions, RDA has a much greater influence on regional development outcomes at a grassroots level, unless it is a pet project of the Labor Party or a member for North Metropolitan Region or it is not on the agenda in regional development land at a state level.

We have seen issues with the machinery-of-government reforms. I interact regularly with my development commissions. I asked question on notice 2660, which was answered on 11 February 2020, so it is fairly recent data. It shows the personnel who have been gutted from our regional development commissions. Nearly 20 FTEs are missing from our regional development commissions. The Wheatbelt Development Commission—the wheatbelt is one of our biggest and most diverse regions in Western Australia—has gone from 15.25 FTEs as at 1 January 2017 to 10 FTEs as at 11 September 2019. In the time from the election of the Labor Party to now, five, or almost one-third, of the regional development commission staff have gone. The problems do not end there. We have heard that under the machinery-of-government reforms, they did not have email facilities for two weeks. The latest thing I have heard—the minister might be interested in this—is that the Department of Primary Industries and Regional Development cannot get enough kilometres up on its lease vehicles because the staff sit in their tower in South Perth, so they are cycling these little vehicles, which are probably not suitable for country travel, out to the development commissions and saying to them, “Here you go, guys; here’s your Hyundai Getz. How about you rack up some kays on this coupé and when it’s got enough kays on it, we’ll get rid of it?” All these sorts of funny things are starting to happen. Why would someone want to be a director of a regional development commission these days when this minister has removed all their staff? There is a staff of one; everyone else reports to the director general of DPIRD.

**Hon Alannah MacTiernan:** You know perfectly well that that is not how it works. Yes, we certainly have integrated them and I believe that Hon Wendy Duncan recommended very much the same thing when she did her review of the development commissions, but for their day-to-day operations, they are directed by the CEO of the development commission.

**Hon MARTIN ALDRIDGE:** That was a very long interjection; it was more like another speech, minister.

This motion does not say that only one flavour of government has done anything. The first paragraph of the motion states —

notes that royalties for regions has been instrumental for regional development in Western Australia ...

My argument is that that remains the case. It would be more instrumental if we were not removing half of it to fund school buses and sewerage. As I said in a speech the other day, this minister is literally laundering money through the Water Corporation. She is flushing royalties for regions funds out of the fresh water tap and through the toilet and taking out her laundered money in a dividend and a cost shift, and that allows her friend the Treasurer of this state to continue to fund their projects and their unfunded liabilities for Metronet and other initiatives.

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It is interesting that in the 2017 annual report of the Regional Development Trust—I do not know how much attention members pay to the Regional Development Trust, but we have one—the first annual report after the formation of the Labor government, it says this about royalties for regions on page 7 —

The focus of the Fund is shifting in line with the need to develop and deliver more targeted investment, maximising opportunities and benefits for the State. In the immediate future this will also extend to supporting the State Government as it seeks to manage the process of budget repair while delivering sustainable economic development.

This is the trust. The taxpayers of Western Australia are paying the chairman of the trust some \$97 000 a year and the trust has accepted that cost shifting half of royalties for regions funding is acceptable. That is what that statement says. What is the work plan for the trust? The first dot point states that it needs to define “regional development”. This is earth-shattering stuff by the trust! I am sure that people in our regional communities are really going to benefit from a definition! That was the first dot point. The trust’s 2018–19 annual report states —

**Creating a shared definition of ‘regional development’**

A shared definition of ‘regional development’ has been accepted by the Portfolio and communicated throughout, on an ongoing basis, to ensure it is properly internalised.

*“Regional development is the sustainable economic development of regional Western Australia in collaboration with the metropolitan area.”*

We are kicking goals at the Regional Development Trust! How do I get a \$97 000 gig as the chairman of the trust to create a definition of “regional development”? This is a bit of a sham.

There is a lot to be done in our regions and the work is never going to be complete. Certainly, comments like “We’ve fixed everything. We’ve done everything. We don’t need a billion dollars anymore; we might as well funnel some through the Water Corp and get some dirty money out the end” will never be the case.

Some members have mentioned today the issues that we have in health delivery. It is interesting listening to the debate that is now raging about the impact of the coronavirus on Australia and, indeed, our good state. I read an article in one of our daily newspapers—I am not sure whether it was *The Sunday Times* or *The West Australian*, but I think it was *The West*—about the concern of sending FIFO workers to regional and remote Western Australia out of fear that if they leave Perth with the virus, inadequate care would be available in the regions. There was talk in the article about the need to screen these people at the airport to make sure that they are safe to leave Perth. Where is the outrage about the people living in regional and remote Western Australia who could contract the coronavirus, have some other debilitating health deficiency or need some specialised health care? Where is the outrage about the inequity in health services? The WA Country Health Service’s annual report, a government report, states —

Life expectancy for Western Australia’s country people is around two years lower than for WA’s metropolitan people, but in remote and very remote communities across Australia the mortality rate is 30% higher than in our cities. Life expectancy is also much lower for Western Australia’s Aboriginal peoples and people suffering from chronic and persistent mental health conditions.

Page 72 of the annual report refers much more specifically to the disadvantage and inequity in our healthcare system. The Southern Inland Health Initiative was a really important program under the former Liberal–National government. It invested \$600 million, not just in capital. We need capital investment in our hospitals, but at the end of the day it is about the people who look after and treat people in our healthcare system. Our services and workforce are the most important part of having an effective healthcare system. Six hundred million dollars was spent. I heard Hon Darren West say, “It’s all done. We’re done and dusted.” One of the biggest issues in regional Western Australia is that we should be spending more money—perhaps more money from royalties for regions, if it were not being laundered by the minister—on primary health care. Primary health care is all about making sure that we are resilient when we face things such as viruses and resilient in keeping people outside of hospitals and the high-cost acute care system. It is about making sure that they are well prepared and healthy enough to live at home in their community for as long as possible.

When the government changed in 2017, all the primary healthcare programs funded under the Southern Inland Health Initiative were jettisoned straight out the window. We know that the Labor Party loves SIHI. Its members turn up to cut all the ribbons so it cannot criticise it. Hon Laurie Graham and Hon Darren West were front and centre cutting the ribbons: “This is a great McGowan government health initiative.” Hon Darren West has said during members’ statements that the Labor government has delivered all these great hospitals in regional Western Australia. The sustainable health review, another one of McGowan’s “Fresh Ideas for WA”, recommended that over the next decade we should move to five per cent of total health expenditure being spent on public health prevention. They are exactly the same primary healthcare programs that were disbanded and de-funded. We have retracted ourselves to the bricks and mortar of our hospitals so that when someone is gravely ill, they are told, “Turn up and we’ll look after you the best way that we can”, but all those primary healthcare programs that are more commonly seen in metropolitan areas

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or in larger population centres have been disbanded. That is not to say that all of them were as effective as they could have been. Some perhaps needed to be reviewed and reprogrammed with different service providers, but certainly all the ones that I saw and interacted with made a difference. Preventive health spending in this state currently stands at 1.7 per cent, but we have to shift to five per cent by 2029. I put to the Labor Party that if it really wants to make royalties for regions better and make a difference to address the inequities and disadvantages in healthcare provision in our regions, this is an area that it could look at with a targeted initiative and some innovation in delivering health care differently, particularly where there are thin markets and small communities in our regions and remote areas of the state.

The National Party does not back away from the royalties for regions program. As members have often said, it is a law of the state that was passed by all parties and so it is our job collectively to defend the law of the state. What cannot be defended is the way the Labor Party continues to cost shift royalties for regions in such an obvious fashion. The Western Australian Regional Development Trust, the very body charged as the guardian of royalties for regions, is derelict in its duty. Unless the Labor Party changes its approach in its pre-election budget softener, during estimates this year it will face greater scrutiny about the way in which it can further defend the \$480 million cost shift in royalties for regions that will occur in the out years of the budget, particularly when there are so many things in our community that could use that money. I mentioned some of those in earlier speeches and I have just mentioned health in a significant way today. The government should talk to the people of Geraldton about drugs and alcohol, domestic violence and hospital aggression. We have lost \$500 000 in closing the Geraldton Sobering Up Centre, which made a meaningful difference, whilst allowing the minister and the member for North Metropolitan Region to continue to steal money from royalties for regions.

**HON DARREN WEST (Agricultural — Parliamentary Secretary)** [2.45 pm]: I am delighted to stand here today to talk about royalties for regions. I thank Hon Colin Holt for moving this motion. Hon Colin Holt is from my home town of Goomalling. Members may not know that he is a former dux of Goomalling District High School. I think I would go as far as to say that he is my favourite member of the National Party because he brings good motions in here and he is a genuine country person, which is another thing I like about him. He is not one of these “MetroNats” who are dispersed among us. The further National Party members are from Perth, the more irrelevant they are. If National Party members want to be successful, they should buy a place in Perth and move as close to the city as they can and they will be rewarded. That is how it works among the “MetroNats”. The Labor Party has more regional MPs than any other party and, similar to Hon Colin Holt, our regional MPs live in the regions and they understand what is going on outside Perth. I appreciate him moving this motion about royalties for regions. I acknowledge that some good work was done by the previous government in enacting this program but, sadly, it went so badly awry that after two terms, the people of Western Australia said, “That’s enough of you. We’re going to vote a Labor government in”, which is what it did three years ago today. Three years ago today, the people of Western Australia said, “That’s enough of your incompetence, disunity, infighting and division. We’re going to throw you out in a record landslide win and install more Labor MPs than have ever been installed before, and more regional Labor MPs than any other party.” However members want to slice this debate—as Hon Colin Holt said, we can talk about the good things and put our positive slant on royalties for regions and so can the opposition—the people of Western Australia judged the former government for its poor performance as a financial manager, including the royalties for regions program, which was administered appallingly.

As Hon Colin Holt mentioned, I had some involvement because for a while I was the chair of the Wheatbelt Development Commission, and very proudly so, under both a Labor and a coalition government. I was the chairman of the Wheatbelt Development Commission but I left that post in total disillusionment after what I saw. There was no regional decision-making anymore. Every decision was made in the city. I concur with the comment made by Hon Jim Chown, which I rarely do, in that there was a division in the coalition about royalties for regions, the likes of which had never been seen. In the last days of the coalition government, it was not for the benefit of Western Australia; rather, it was all about electoral gain. It was targeted at seats and, as Hon Colin Holt said, it was all the seats he mentioned. Some were Labor-held seats, but they were target seats for the National Party. Places such as Geraldton, which the National Party will never win and had never considered a target seat, got nothing from royalties for regions. It was all targeted towards seats that the Nationals could see the possibility of an electoral win. That is a fact. Look back at where it was all spent. Now, it is a new fund; it is administered purely for the people of Western Australia, no matter which electorate they live in.

**Hon Jacqui Boydell:** Not like Local Projects, Local Jobs!

**The ACTING PRESIDENT (Hon Adele Farina):** Order!

**Hon DARREN WEST:** I will take the interjection about Local Projects, Local Jobs. Local Projects, Local Jobs was spent proportionately in the regions and was spent in seats like Geraldton that had missed out on anything under the previous government.

Several members interjected.

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**The ACTING PRESIDENT:** Order, members! The motion before us deals with royalties for regions. Can we please stay on topic.

**Hon DARREN WEST:** Thank you, Madam Acting President. I was wrong to accept that unruly interjection. We will deliver what we promised. We promised a lot of things in front of the last election, and we are delivering on them, such as the Geraldton Health Campus upgrade, which, oddly enough, members, we are funding out of royalties for regions. The long-awaited upgrade to the Geraldton regional hospital that was not considered a priority under the Liberal–National government is now being funded, as we said it would be. Members might remember the headline from the front page of *The Geraldton Guardian*, “Last-minute \$120m Hospital Plan”, promised by the Nationals WA.

**Hon Jacqui Boyde** interjected.

**The ACTING PRESIDENT:** Order, members! I think the interjections are now getting very unruly.

**Hon DARREN WEST:** We all remember this. The National Party promised that, if elected, and it was elected, it would upgrade the hospital for \$120 million, and it did not do it. It was all talk and no action. Labor promised the hospital; Labor is delivering the hospital. I am looking forward to the first work starting up there, and I am looking forward to those jobs and that work being done by local Geraldton and midwest businesses, because that is what we are about. We are about using royalties for regions for jobs and economic opportunities in regional Western Australia. Is that not what that pool of taxpayers’ money should be for? The royalties and the minerals that produce those royalties are the property of all Western Australians. I think it is right and Labor thinks it is right—we supported the legislation—to allocate \$1 billion of those royalties specifically for regional Western Australians. Here is the thing: city taxpayers are quite okay with that, but they did have an issue with the waste and the rorting of that fund by the National Party to win votes and curry favour. They did not like that and they voted overwhelmingly to end it.

This fund is now set up and used in the interests of regional Western Australians by the Minister for Regional Development on projects that will stimulate the local economy and create local jobs. We are doing that, members. In a year and a few days’ time, we will go back to the people of Western Australia and regional Western Australia and we will say to them, “Who do you think did the better job of managing royalties for regions?” I can tell members what they think.

I want to take some time to acknowledge that some good things came out of the royalties for regions program, especially in the early days. There was need. But here is another thing: we went through a mining boom that we had never seen in Western Australia before, with record royalties, and we blew the lot. We came out of that in the worst financial position in Australia. We went from the number one economy in Australia to the number eight economy in Australia during the unprecedented mining boom with the most record revenues to government that we had ever, ever seen. I think that is the previous government’s legacy and I do not think that members opposite can come in here and lecture us about how we should be spending money when we are spending it wisely and in the best interests of regional Western Australia.

Here is the other myth. This morning, I was listening to ABC Mid West and Wheatbelt on the radio, which is a media organisation that is very favourable to the National Party. They were speaking to the new Deputy Leader of the National Party. I congratulate the member for Moore and acknowledge the good work done by Hon Jacqui Boyde in that role. The member for Moore is now the Deputy Leader of the National Party, and he got a free kick this morning on the radio, with no response from government. He got a free kick, and what do members think his first utterance as Deputy Leader of the National Party might have been? Might it have been about working in the interests of regional Western Australians, or how we need to upgrade these facilities? His first utterance was to say, “We will restore royalties for regions.” That is his level of understanding. I tell members: it is still here at \$1 billion a year. It is still being spent in regional Western Australia. He wants to restore royalties for regions. His first utterance as Deputy Leader of the National Party was one of total dishonesty. I think one of the problems for members of the National Party is that no-one believes them anymore. The National Party is here because of the ultraconservative nature of some parts of my electorate and others and because of the malapportionment and vagaries of the representation of the upper house; that is why it is here.

Several members interjected.

**The ACTING PRESIDENT:** Order, members! I ask Hon Darren West to sit down. I ask members to cease the interjections to make life easier for *Hansard*, and I also ask Hon Darren West not to invite interjections and to speak to the Chair.

**Hon DARREN WEST:** Thank you, Madam Acting President. I will do my level best. The problem is that people do not believe this anymore. People do not believe that they are worse off under Labor and that it is all bad in the

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country and that there is a city–country divide. They do not believe that any more. It is a very good time to be a regional Western Australian. Our mining industry is back on the way up. Our gas industry is going gangbusters. There has never been a better time to be in agriculture. For anyone who is thinking about moving to regional WA, now is a good time to do it. People can buy a house at a very reasonable price in regional Western Australia, and they can do it with confidence that they have a government that has their back 100 per cent of the way and is supporting them with the things they need in Western Australia—not necessarily the things they would like.

Hon Martin Aldridge invited me to mention some projects that might have been done differently by this government. I will start with the Carnarvon Fascine. What a shambles that is! That has had to be completely redone. What a mess! What about the golf carts on the Denham golf course? What about the singing toilet in Bunbury? Those projects would not have been funded in that way by this government. We are about things that people need. We are about regional development, economic stimulus, and jobs, jobs, jobs. That is what we are all about. When the opposition was in government, we lost a whole electorate from the country to the city. A whole electorate worth of people moved to Perth. We are about getting those people back into regional WA, because we need them. We need those economies of scale in our schools, hospitals and workplaces. It is hard to find workers in many parts of the regions because if there are no jobs, people leave. We are creating lots and lots of jobs in the regions. We are building lots and lots of roads. Anyone who drives through the regions will see roadworks everywhere. They are an inconvenience, but they are also an employment opportunity for the people working there. I am proud of all the roadworks that we are doing around the state. I drove out to Brookton Highway the other day; there are lots of roadworks going on there. There are roadworks going up Great Eastern Highway and Toodyay Road. The Ballidu–Pithara road is finally being widened and upgraded after many, many years and lots of representations. All of this is being done under a Labor government.

I will talk about the city–country divide. I have never heard anything more nonsensical in my life. We are one state of 2.5 million people—a very small population in world terms. It is not helpful to divide the city and country apart. We are one state; we depend on one another. A lot of regional services are subsidised by the city, but, of course, the city gets the benefits of all the agricultural and mining activities that happen in our regional areas. We need to work together. If we are going to pull out of this economic mess that we have found ourselves in, we have to do it together. Members should remember that the country is on the brink of a recession, again due to incompetent coalition financial management. We all need to work together in the best interests of Western Australia to get us from eighth back to first, where we belong. That is our government's goal.

It is being suggested across the other side of the house that nothing happened in the world before royalties for regions. I go back to royalties for regions. I have read some extracts from *Hansard* from 2002 or 2003 by Larry Graham, the then member for Pilbara, bemoaning the fact that all the royalties were going out of the Pilbara and looking at ways to get some of those royalties back. He was the first person to begin to ask questions about how we might get these royalties back into regional WA. We can find a paper by the current member for Victoria Park, Ben Wyatt, about how we might use mining royalties to fund community and municipal services in remote Aboriginal communities. If members want a copy of it, I am quite happy to get them one. The idea of taking mining royalties and spending them in the regions is nothing new, but I acknowledge that the previous government was able to bring it into a very electable, saleable package, put it into legislation and make it a reality. I acknowledge that. It is what came later that I have the greatest issues with.

Regional development came before royalties for regions, and as Minister MacTiernan so eloquently put it, just look around Geraldton. The port was deepened and a massive port upgrade done, which brought the iron ore industry back to Geraldton after 40 years in the midwest. There was the Geraldton southern transport corridor and the foreshore project. The vision of Geoff Gallop was enacted and it now continues all the way up to Beresford. That was done by a Labor government. There is a new university centre with over 300 students. It was installed by Labor government. A new hospital was put in at a time when there were two fully operating hospitals, and now it is being upgraded by a Labor government. That makes the hospital scoreboard 3–nil to Labor in Geraldton. All those things were done before royalties for regions came along. We had Great Northern Highway, we had an iron ore industry in the Pilbara, we had fishing industries, we had farming and we had agriculture. There was a world before royalties for regions. Royalties for regions is not a great game changer, but it is a fund dedicated to regional Western Australia. It needs to be used wisely and it will be in the future.

The other issue that came up was underspend. I point out to members that the biggest ever underspend of royalties for regions was in 2011–12, with \$680 million underspent. That can happen for a variety of reasons, and it will happen in the future for a variety of reasons, but, ultimately, under our government, over \$4 billion of royalties for regions money will be allocated and spent in this term. That is more per year than under the previous government.

It was pointed out that I was chair of the Wheatbelt Development Commission, something I did with pride for six years. During that time, I signed the very first wheatbelt health memorandum of understanding—if members look, they will find my signature—between all the local governments, the development commission, the GPs network



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and the wheatbelt WA Country Health Service. All the players involved in the wheatbelt signed that MOU. We got together on completely reviewing the health delivery service model in the wheatbelt, because hospitals with big long corridors of empty beds were not working for us anymore. We established that we needed emergency departments. Telehealth was first getting around then. We needed ED with the possibility of telehealth, and the previous government brought that in, which is great. It saw its 100 000<sup>th</sup> patient the other day—that is, 100 000 patients seen under telehealth. We also needed some aged care and respite care. The new health facilities at Pingelly and Cunderdin that came out of that model are working really well. I acknowledge that the funds made available to make it a reality were from the next government. One government was looking at the model and how we might change health service delivery in the regions, and the next incoming government funded it. That is a great collaboration of two governments. This new Labor government is continuing with that work. Geraldton Health Campus is included, because it was not included in the Southern Inland Health Initiative. All those SIHI upgrades have been done. We are dealing with issues such as oncology services in Narrogin, and I am going to talk some more about that in the next few weeks. All the issues that have fallen out of that are being dealt with, with funds set up by this government, because we are putting patients first.

The big difference between us and the coalition is that we are getting on with doing what is needed. We are about action. We are about things that make meaningful jobs in the regions. We are about keeping things that are working and jettisoning the things that are not. I have a saying that I use, but I will save it.

**Hon Martin Aldridge:** Tell us.

**Hon DARREN WEST:** No, I will save it.

**Hon Martin Aldridge:** Tell us, come on. The suspense is killing us!

**Hon DARREN WEST:** I am going to save it for next time. I will make the opposition wait!

The big difference is jobs, economic stimulus, fixing the local economy and getting people back to work. It is not sports rorts. We have had the sports rorts scandal. That is what royalties for regions became—very, very similar. It was all about electoral favour. But it is so much more.

We are going to go back to the polls in about a year's time. We have more regional MPs than anybody else. They live in the regions. They come all the way from Kununurra right down to Albany and Esperance and everywhere in between. We have the state covered with regional MPs who live, breathe and work in their regions. I want to keep it that way, so we are delivering a royalties for regions package that is what is required in every area, because every area has a different need. We may be delivering all kinds of things right across the state. I am very proud of our record on royalties for regions. I think there has been some sustainability brought to the program. I think it is now a sustainable program under this model. As Hon Jim Chown pointed out, it was a very similar model to that proposed by the Liberals, who were the Nationals' political masters in government. I suspect that is how it would have gone if the coalition had won the election again. It is a sustainable model without the waste.

That is where we have got to. People in regional WA can see that we are not funding a government department out of royalties for regions anymore. They can see that we are putting money in. The opposition is critical of some of the projects we are putting it into, but we are putting it into projects that benefit people in regional WA, whether it be a school bus, a water project, a school project or rebuilding the department of agriculture and food or bringing back research. All these things have benefits and provide jobs to the people of Western Australia. We are not going to fund a whole department of regional development out of royalties for regions. That is not how it is going to be.

I really appreciated the passion and hard work of our Minister for Regional Development. As members can see from her contribution today, she has the facts, has her fingers on the pulse of what the regions need and she is getting it done. That is what we are about: getting the job done. It is very important that we spend taxpayers' money wisely on the things they need from us—road projects and water projects that are very important right across regional Western Australia. We have not been shy to step up and put money into carting water to water-deficient areas. We have not been shy to put money into an aviation strategy. We have not been shy to put it into all the things the people of Western Australia are asking us for. We know what they want, because they come and talk to us. We are open and we are immersed in our regions. We have offices in our regions.

**Hon Martin Aldridge:** At Woolorama?

**Hon DARREN WEST:** No, it was not at Woolorama. I was actually doing the Relay For Life in Northam. We raised over \$50 000 for cancer research in Northam. That is what I was doing.

**Hon Martin Aldridge** interjected.

**Hon DARREN WEST:** No, she did not.

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**Hon Jacqui Boydell:** Yes, she did.

**Hon DARREN WEST:** She did not.

Royalties for regions is here to stay under Labor, bigger and better than it ever was under the coalition.

**The ACTING PRESIDENT (Hon Adele Farina):** I might just remind members that under temporary order 6(1), I am required to interrupt the debate, with five minutes left, to provide the mover of the motion an opportunity to reply.

**HON DR STEVE THOMAS (South West) [3.06 pm]:** Thank you, Madam Acting President. That reminder just took about 20 per cent of my time!

**The ACTING PRESIDENT:** Sorry!

**Hon Dr STEVE THOMAS:** I want to make a couple of quick comments. The Minister for Regional Development loves to talk about Muja AB, but I do not hear her talking about the Office of Shared Services all that often, which is a fairly similar event.

This thing happens when a fund of money is developed and then a government tries to work out what to spend it on. Whether state or federal, if there is a pot of money, the government has to try to work out what to spend it on, but when that government is no longer in government, the next government will do exactly the same thing.

**The ACTING PRESIDENT:** Members, pursuant to temporary order 6(1), I am required to interrupt the debate to give the mover of the motion an opportunity to reply to the debate. If he declines, Hon Dr Steve Thomas will continue with the call.

**HON COLIN HOLT (South West) [3.07 pm] — in reply:** Just to clarify the record, indeed, I was the dux of the Goomalling high school, but it was very stiff competition in the class of 14 people, and it was a very high achieving year that year!

I would like to say thanks to all those members who contributed to the debate, including the one country Labor member who contributed just towards the end. I would also like to thank the house for rejecting the ridiculous amendment to the motion moved by the Minister for Regional Development, because, obviously, as we know, the government cannot cost shift \$500-odd million and spend \$315 million this year without it having a dramatic effect on the outcomes of the program. That is the fact of the matter. When we think about how we use the money and how we create regional jobs, the \$1 billion fund was there to do exactly that. Now we have seen a cost shift of nearly \$600 million a year that is not dedicated at all to that task. It has gone to water subsidies, regional bus services and the like. That is the government's choice to make, but, as Hon Diane Evers pointed out, that was not the intent of the program or the fund. Does Hon Jim Chown really believe that without specific focus for a royalties for regions program, a specific fund dedicated to regional outcomes, that the Southern Inland Health Initiative would have ever occurred? There is no way in the world. That is why the fund existed. Things never happen in a statewide global fund that everyone likes to let regional people compete for by which if a project floats to the top, the government funds it. We had problems in regional health because there was no focus, dedicated fund or dedicated regional development minister to ensure that that was where funding went. That is how it worked. Some people have missed the point: it was the focus on a regional development component and royalties for regions funding that brought about those changes, and to cost shift to water subsidies, school buses and TAFE subsidies takes that away. We know that people in the regional development commissions tasked with regional development cannot do any of that because they do not have the imprimatur—their imprimatur is to implement Labor's election promises—and they do not have the funds. There is no dedicated funding avenue for people with aspirations who have a great idea they want to implement. The answer is, "Sorry, we're implementing Labor election promises." Again, it is the choices and priorities of the government. We need to point that out in these debates. It will be tested in about a year's time and we will see who believes whom. Who believes that moving \$300 million of royalties for regions funds into water subsidies is a great regional outcome? That will be tested in about 12 months' time.

I thank all members who contributed to the debate. I thank the house for rejecting the Minister for Regional Development's amendment. We have concerns about long-term regional development priorities; we do not acknowledge the government's ongoing commitment to the program it sees will bring benefits to regional communities.

*Division*

Question put and a division taken, the Acting President (Hon Adele Farina) casting her vote with the noes, with the following result —

**Extract from *Hansard***  
[COUNCIL — Wednesday, 11 March 2020]  
p1128d-1145a

Hon Colin Holt; Hon Alannah MacTiernan; Hon Diane Evers; Hon James Chown; Hon Colin Tincknell; Hon Martin Aldridge; Hon Darren West; Hon Dr Steve Thomas

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Ayes (22)

Hon Martin Aldridge  
Hon Jacqui Boydell  
Hon Robin Chapple  
Hon Jim Chown  
Hon Tim Clifford  
Hon Peter Collier

Hon Colin de Grussa  
Hon Diane Evers  
Hon Donna Faragher  
Hon Nick Goiran  
Hon Colin Holt  
Hon Rick Mazza

Hon Michael Mischin  
Hon Simon O'Brien  
Hon Robin Scott  
Hon Tjorn Sibma  
Hon Charles Smith  
Hon Aaron Stonehouse

Hon Dr Steve Thomas  
Hon Colin Tincknell  
Hon Alison Xamon  
Hon Ken Baston (*Teller*)

Noes (13)

Hon Alanna Clohesy  
Hon Stephen Dawson  
Hon Sue Ellery  
Hon Adele Farina

Hon Laurie Graham  
Hon Alannah MacTiernan  
Hon Kyle McGinn  
Hon Martin Pritchard

Hon Samantha Rowe  
Hon Matthew Swinbourn  
Hon Dr Sally Talbot  
Hon Darren West

Hon Pierre Yang (*Teller*)

Question thus passed.