

ESTIMATES OF REVENUE AND EXPENDITURE

Consideration of Tabled Papers

Resumed from 14 May on the following motion moved by Hon Helen Morton (Minister for Mental Health) —

That pursuant to standing order 69(1), the Legislative Council take note of tabled papers 1449A–E (2014–15 budget papers) laid upon the table of the house on Thursday, 8 May 2014.

HON DARREN WEST (Agricultural) [12.03 pm]: I rise today to make my contribution in response to the state budget. Events of the last few days have perhaps eclipsed the state budget, because if people thought things could not get any worse than the state budget, they were mistaken—the federal budget has been handed down and it is a far, far worse document. However, we are here today to talk about the state budget.

I would like to know how the government got things so wrong. How could the government have totally destroyed, over six years, the finances of the state of Western Australia? How did it do that? It came into government with the best set of books in Australia and a AAA credit rating that had been regained by the Gallop and Carpenter governments, with Eric Ripper as Treasurer, after having been lost under the Court Liberal government.

It is a shame that so many members have had to leave on urgent parliamentary business; I have really put a lot of time into this one!

It is impossible for those of us with a background in business to comprehend how the government could have got things so wrong. It had the best set of books in Australia and debt was at \$3.8 billion, which would probably have been less than 20 per cent of debt to government turnover. We had had one strong, consistent Treasurer over that eight-year period and the Liberal–National government inherited the best finances it could have inherited, but look at us now. We no longer have the AAA credit rating; that is gone, and we have had seven different Treasurers in six years! Clearly, there is nobody on that side of politics who is capable of handling the state's books—not one person. Debt will peak at \$30 billion, which will be approximately the turnover of the state of Western Australia at that time, which means debt to turnover will have increased to 100 per cent from about 20 per cent. How on earth could the government possibly have got things as wrong as it has? How could it have possibly gone so wrong when the government was entrusted with such an important economy by the people of Western Australia? In a little while I will go into why that may have been, but the government really has got it terribly, terribly wrong, and I do not think any members opposite could argue with that. If we had a time machine and could go back to 2008, I am sure that today's government would plot a very, very different course from the one it has taken, and it would not have had seven Treasurers in six years. I am sure things would be very different from how they are today, but the government has made those mistakes, and now we have a horror budget as a consequence.

I find that the conservative parties in Western Australia have very good plans for winning government and run very good, well marketed and well resourced election campaigns, but when they get into government, they have absolutely no plans at all, and their federal colleagues are very much in the same mould. The Liberal–National government has no plans at all to govern; it is just a dysfunctional, chaotic, fiscally mismanaged mess, and members opposite are responsible.

Hon Jim Chown interjected.

Hon DARREN WEST: Hon Jim Chown can interject as much as he likes; I am looking forward to his contribution, because he will have to stand and spend an hour somehow defending this budget, and I do not think he is able to do that. I will leave that to him. However, I make the point that yesterday Hon Mark Lewis made his contribution to the budget and we got 15 minutes—that is all we got! Fifteen minutes in defence of the Western Australian budget, and 10 of those minutes were spent agreeing with comments made by Hon Mark McGowan, Leader of the Opposition. If members opposite can really manage only five minutes for the defence and promotion of their budget, I do not think I need to speak for an hour—but I will! In fact, we could all stand and speak for two or three hours about what a poor budget this is, and what a hopeless lot of financial managers those opposite are.

We have talked about debt to turnover approaching 100 per cent. I hear that Deidre Willmott from the Chamber of Commerce and Industry of Western Australia—a well-known person in Liberal Party circles who was at one point preselected for the seat of Cottesloe and later became the Premier's chief of staff—has said that the chamber is not happy with the budget either because it is concerned about the loss of the AAA credit rating and it can see no structural reform in the way the government is conducting its finances. That should send alarm bells ringing right through the business community, because what the Liberal Party does not realise, but may learn one day, is that when the AAA credit rating is lost, it costs more to borrow money to bring into Western Australia, and that filters its way right down through the population. The government's mismanagement is now costing

everyone in the community, and it would not be if the government had been as financially prudent as the previous Labor government. I would have thought that the previous Labor government might have given the current government a lead as to how to manage the state's finances, but oh no, those opposite know it all, and now they have made some hideous mistakes.

As I mentioned earlier, the federal budget has also now been handed down in a double whammy for the people of my electorate, which I will get to soon. That should not be tolerated, and I hope there is a double dissolution in federal Parliament so that the people can say what they think about all those broken promises. The federal budget is much worse; it actually makes the state budget look a little better than it is, because it is all relative.

I have some articles here that I intend to quote from during the course of my contribution, and the first one is a press release that the shadow Treasurer, Ben Wyatt, the member for Victoria Park, released on the day of the budget. It contains some facts that I will quote to the house for the benefit of members opposite. He said —

- State debt is expected to blow out to nearly \$30 billion.

So that people know the difference between a million and a billion, a million dollars is a good accumulation for one person's lifetime of work. A million seconds is about eight days and a billion seconds is 37 years, so there is a big difference between a million and a billion, just to put that into perspective.

Hon Jim Chown: Is that an English million or an American billion?

Hon DARREN WEST: No; that is a billion—a billion is a billion. I know members opposite have trouble with numbers; we need only look at the state budget and the ballooning state debt to understand that. The honourable member should listen very carefully; he might learn something about money. The next point is —

- Families slugged with a massive \$1.1 billion worth of additional taxes and levies.

As a result of this budget the families of Western Australia have been slugged with \$1.1 billion—37 years of seconds, not eight days—worth of additional taxes and levies. Why is that? It is because the government cannot manage the state's finances; it has made a mess of the state's finances in less than six years.

The other point is —

- Colin Barnett's assault on family budgets will see household bills soar.

There is no way members opposite can argue against that. If we keep raising taxes and government charges for families, their household bills will soar. I will get to what they mean for the average family. People on the other side will not have had a lot of experience of life when there was not spare money, but I can assure them that a lot of people do. I will get to what it means for families a little later on.

Hon Jim Chown interjected.

Hon DARREN WEST: Hon Jim Chown needs to listen to what I say about money. I may not know as much as he knows, but he clearly does not have a good grasp on the state's finances; that is very clear to anyone. We do not have a AAA credit rating any more.

Hon Jim Chown interjected.

Hon DARREN WEST: He does not understand finances.

The shadow Treasurer goes on to say —

Thanks to Colin Barnett's reckless spending, it has managed a wafer-thin surplus of only \$175 million, which will drop to only \$5 million in 2015–16.

The government has not only made a complete hash of the state's finances and blown out state debt, but also it is not doing anything about reining it in. I remind members that this has been in good times; the global financial crisis is over. Western Australia has been booming. The federal government has managed to maintain its AAA credit rating, but the most prosperous state in that federation, Western Australia, has not. In my contribution, the key question that remains unanswered is: how could the government have got it so wrong—how?

The shadow Treasurer goes on to say that budget papers confirm that the Barnett government has slugged the average household an extra \$324 a year in charges. A lot of people on low incomes do not earn a lot more than that in a week. That is a significant amount for low-income earners and people on pensions. It is a lot of money for people who may not be in work and people who are disabled. He continues —

The Barnett Government's wasteful spending has outstripped strong revenue growth.

I could not argue with that. He continues —

... revenue increased by a very healthy 8.8 per cent while the Government's spending has ballooned to 9.1 per cent.

There is very little appetite from members opposite to do anything about this ballooning debt. Just keep spending and keep slugging families; they will pay! To continue —

Electricity prices will rise 4.5 per cent; water bills will rise 6 per cent;

Like many people, I can remember before the last state election watching the leaders' debate on television. Most of the debate —

Hon Jim Chown: Which you lost.

Hon DARREN WEST: I will get to that. I am told Hon Jim Chown does elections well, and I have told him that.

The Premier refused to look into the camera for most of the debate, but at the end, he was invited to look into the camera and tell people that their cost of living would not go up more than CPI. His little eyes darted all around and he would not look at the camera, and he said, "No; they won't go up any more than CPI." Here we are and they have risen by 4.5 per cent. That is 64 per cent more than CPI. The Premier was not truthful at all with the electorate during that election campaign; not at all. The shadow Treasurer continues —

... public transport fees will rise 4 per cent

It is a shame the shadow transport minister had to leave on urgent parliamentary business because it applies to his portfolio. To continue —

and car registration fees will rise 3 per cent.

That is getting close to CPI. They all incur increases on government charges. Everyone who uses power, water and public transport and who owns a car will be slugged \$324 a year on average—\$1.1 billion. The shadow Treasurer states also that the landfill levy will double, but only a quarter of the extra revenue will go into initiatives to reduce or re-use waste. That is another cash grab. People accept their landfill levy increasing, if there is an appropriate increase in spending on landfill, but there will not be. These increased charges are all on top of the 48 per cent increases to fees and charges the Barnett government has imposed since being elected. Those are the shadow Treasurer's comments, which are facts. His comments go on but I have a fair bit to get through.

The other important issue for me, of the two issues of importance in my electorate, is the crime rate in Geraldton. We have just tabled a petition in the house regarding the spikes in the crime rate in Geraldton. Geraldton's crime rate is generally no better or worse than crime rates anywhere else. In fact, country areas often have a lower crime rate, but the City of Greater Geraldton has spikes in crime rates from time to time. We are enduring one at this moment. I cannot see an allocation of any extra resources anywhere in the budget to address that, and that is very disappointing to me.

The big issue since I have been in Parliament is the closure of the tier 3 railway lines. Once again, there is nothing in the budget for this. I can talk for a long time about the stupidity of putting the equivalent of 85 000 loads of grain on our ageing road network, which was never designed or built for such a task. Once again, we have heard some feeble words such as, "Yes, we might support tier 3 railway lines", which were viable before the election. With the new rolling stock and investment by Co-operative Bulk Handling Ltd, we have shown that they are viable, but the government has turned away from that promise. Country people are angry about that. We think it is not right that our country roads, which are already the most dangerous in Western Australia, will be inflicted with 85 000 extra truck movements a year. We held some hope with the appointment of the new Minister for Transport, Hon Dean Nalder, whose family connections take him back to Wagin in the agricultural region. We were all quite pleased and thought that, now that we have a new transport minister who has a bit of an understanding of what it is like in regional Western Australia, there may be a change in the way the government views our important rail network. But no, we heard the same old, same old. The new Minister for Transport is on the record as saying that there will be no extra trucks on the road as a result of these railway line closures. That is a preposterous statement. I do not know how anyone in cabinet could think such a thing when they are directly responsible for the portfolio. He does not understand that if we close railway lines, more trucks will be driven on the most dangerous roads at 49.5 deaths per 100 000 users. They are the most dangerous roads in the state and he does not understand that if we close railway lines, more trucks will be on those roads and make them even less safe. We can talk for ages about that; it is a big issue in the agricultural region. I have not found anyone yet who thinks it is a good idea to close these lines. We all live in those regions and it is our school buses, our wives and our kids in cars on narrow roads with road trains bearing down on them who are affected. It is clearly not an issue for those on the other side.

The saddest part of the budget—I think it is fairly well accepted; the program has been well defended over the last few days, and I have raised this in the house before—is the killing off of the royalties for regions program. In 2008, royalties for regions was embraced by electors right across regional Western Australia as the hope for

the future in which 25 per cent of all mining royalties would be spent in regional Western Australia over and above normal government spending. Clearly, neither of those things is now the case. That being the way it is, I think it is right and proper to say that the royalties for regions program is finished—it is all over. What a shame. It was a once-in-a-generation opportunity during buoyant times in the economy to address the backlog of regional infrastructure issues that there has been for successive governments. I note that places such as Geraldton had a small or immediate need for infrastructure. That had been addressed by the Labor government before royalties for regions was in place. I know that all regional communities already had hospitals and schools and basic infrastructure, but there was an opportunity to put some serious dollars back into our transport infrastructure—into railway lines and roads—and some of our new technologies, such as looking at a way to embrace new digital technology and upgrade our services, which we have just been discussing, thanks to the motion moved by Hon Paul Brown. We had a real once-in-a-generation opportunity, but it has been squandered by poor financial management. Another opportunity has gone thanks to the Liberal and National government, a coalition government. The National Party has seats at the cabinet table at which these decisions are made. The Liberal–National coalition government has completely botched the state’s finances, so we find ourselves with the budget that is before us today. I will come back to royalties for regions in a while because it is quite detailed and I have quite a bit to get through.

Suffice to say, in 2016–17, the projected mining royalty from the royalties for regions program will be 12.4 per cent. I know that those on the other side of the house do not have a grasp of figures but I can tell them that 12.4 per cent is just under half of 25 per cent. The government promised us 25 per cent of the mining royalties. The National Party chose to go into government with the Liberals. The Liberals chose to go into government with the National Party. They promised us 25 per cent of mining royalties. How do they cope with the feeling of disappointment and deceit in the country areas now that we are getting only 12.4 per cent? It was slashed in half, so effectively 87.6 per cent of mining royalties has come into the city instead of 75 per cent. In 2016–17, about \$3 300 for every man, woman and child will now be spent in Perth that was promised to be spent in regional Western Australia. Deceit is good for a while; it gets governments elected, but eventually it will catch up with it. The government deceived the Western Australian people. It agreed to a program of 25 per cent of mining royalties, but in 2016–17 it will be 12.4 per cent. Worse than that, it was put to us that it would be over and above normal government expenditure. I will give a couple of examples.

I am not sure whether members are aware that the *AvonLink* train service was due to be closed on 31 December. It was given a six-month reprieve until 1 July. From then, it will be funded from royalties for regions. The *AvonLink* rail service has run for over a decade, funded, I presume, out of the Public Transport Authority’s budget, and paid for by normal government spending. Now it will be paid for by royalties for regions. It will be nice to have the royalties for regions logo on the *AvonLink*. Members of the National Party will run around and say, “Aren’t we great? We funded royalties for regions—wink, wink; nudge, nudge. That will be worth a few votes.” The fact is that we already had it. That means that \$500 000 a year has been spent on this one project. Even though our funding has been halved, \$500 000 a year will be spent on something we already had so now it will not be spent on a program over and above government spending. So, there could have been a good \$500 000-a-year program, which might have been an arts program, a new police and community youth centre in Katanning or a program like that, but it will not happen under royalties for regions because we are using its funds to replace normal government spending. That is why it is dead; it is not 25 per cent of mining royalties and it has cost shifted over into normal government spending. Another example is the community sporting and recreation facilities fund that was 100 per cent funded by the Department of Sport and Recreation. Now in regional areas, it is 50 per cent funded by the Department of Sport and Recreation and 50 per cent funded by royalties for regions. If I had time, I could give dozens more examples.

Let us face it: we all know what is going on. We have seen cost shifting and there has been a cut in the royalties for regions fund itself. I am sure that National Party members will agree with what I am about to say. Like the rest of us in regional Western Australia, they have been duded. I do not think members of the National Party get up early enough in the morning to see these things coming. They need to stand up for regional Western Australia, stand up to their cabinet colleagues, thump their fists on the table and say, “We’re not going to stand for this because we went to an election promising that 25 per cent of mining royalties would be spent over and above normal government spending.” I am sure that they are very disappointed. They may not admit it openly. I look forward to some contributions from National Party members. I am sure they are a dejected lot. They are all out of the chamber on urgent parliamentary business. They have been duded. If I were a National Party member, I would feel very embarrassed that I said one thing, only to find out that I had been done over by my own coalition colleagues and I cannot deliver on what I promised.

There is a lot of disappointment in regional Western Australia that the scheme is now effectively over. We had great hope for the royalties for regions scheme, hoping that it would continue to have a long and prosperous future. The royalties for regions legislation was supported by Labor, the Liberals and the Nationals in 2009. I question whether the Liberals had any real support for the royalties for regions scheme. They may have been

looking for ways to water it down and chop it off. Realistically, they are more focused on big business in the city.

Hon Nick Goiran: You're really good at telling half the story, aren't you?

Hon DARREN WEST: I have plenty of detail here to back this up. In the interests of a balanced debate, I look forward to hearing from Hon Nick Goiran if he has a different version of events. I hope his contribution takes more than 15 minutes.

Hon Sue Ellery: I'm sure it will.

Hon DARREN WEST: I hope so, because if I have got it wrong, I am happy to concede that I have. Deep down, those opposite know that what I am saying is absolutely correct. Royalties for regions is done.

The statement put out by the Leader of the Opposition, who is also the shadow Minister for Regional Development—I am shadow parliamentary secretary to him in that role—states —

- Royalties for Regions program is dead and buried. Regional Western Australia cheated by Liberal and National Parties

That is not a bad choice of words. Those of us in regional Western Australia have been cheated by the Liberal and National Parties when it comes to royalties for regions. They imposed a billion-dollar cap. Since when was the electorate told about this in any 2008 election material? I have kept most of it and I cannot see reference to this billion-dollar cap. If this billion-dollar cap was always planned, why not say so and point out before the election that the fund will not have 25 per cent of mining royalties; it will have only 12.4 per cent, or even less if that is the case? The Liberal and National Parties never said anything about that before the election. People went to the election thinking that 25 per cent of mining royalties would be spent in regional Western Australia. They never realised that the amount would be lower and that it would be spent on things that came under normal government spending.

Another issue of importance to us as regional members is that there is no funding in this budget for the country local government fund or the SuperTowns program. When I was chairman of the Wheatbelt Development Commission, we had very good, highly qualified staff who were capable of taking on any task we might send their way. They spent hundreds and thousands of hours working on SuperTowns' priority funding arrangements. Now the program has been cut. What an absolute waste of money that was. It explains why the state's finances are in such poor shape. I have a lot more information about that but I am sure that if people wish to go onto Mark McGowan's website at www.markmcgowan.com.au, they can find those statements for themselves and that would save me reading them out for the benefit of members. The other statement from Labor leader Mark McGowan that I will refer to is his press release headed "PAIN PAIN PAIN: Colin Barnett's horror budget targets ordinary WA families to pay for his mess". I pointed that out earlier. It states —

- Colin Barnett's horror budget hits every Western Australian
- Premier's electricity promise broken as electricity goes up 4.5 per cent

It did not go up in line with the consumer price index, as the Premier promised down the barrel of a camera before the election—a 64 per cent increase on what he said he would do. It is a \$1.1 billion tax grab. The press release continues —

- This is a budget from a government in dysfunction and disarray

I am sure that is true. The events of recent weeks would confirm that. The budget confirms that royalties for regions is officially dead. For those members who have their laptops open, they can see some more comments at www.markmcgowan.com.au.

Several members interjected.

Hon DARREN WEST: I will read it out again for Hon Phil Edman in case he wants to look at it: it is www.markmcgowan.com.au. That is where members opposite can find all the information on what a mess the government has made of the state's finances. Once again, how could the government get it so wrong? It had the best set of books in Australia six years ago, and now we have the worst. I do not know how the government could possibly do that with all the activity in Western Australia. Although government revenue has risen 9.1 per cent, we still have 10 times the state debt. How?

Another one that will probably affect government members' constituents more than ours is the blatant land tax grab. Land tax has increased by 10 per cent in this state budget. That follows a 12.5 per cent increase last year. The government is about to collect \$670 million of additional land tax. Land tax is paid by people who own land and property; I am sure they are going to be nice and pleased about this 22.5 per cent increase in land tax to fix the government's financial mess. This would not be something that a Liberal government would normally do unless there was a dire set of budget circumstances; of course, we all know there has been a tenfold increase in

state debt. This is the second land tax grab in two years. A press release of Rita Saffioti, shadow Minister for Planning; Finance, reads —

Budget papers reveal the 10 per cent increase in land tax will deliver another \$334 million in land tax to be collected over the next four years.

The latest increase comes on top of the 12.5 per cent increase last year. Meaning the Barnett Government will collect an additional \$670million in total.

Thanks very much, Barnett government. On top of the power, water, registration and public transport fares—thanks very much. That is another \$670 million that we are all going to have to pay to fix up the government's financial incompetence.

I referred earlier to what all this means for the average household, which has been slugged significantly—as we all know because we pay bills, too—with increased costs for power and water and the other charges I mentioned earlier. We have done some calculations on the average household and what that has meant since 2008. The average Western Australian household, for members opposite, is now paying—write this down—\$2 479 a year a household as a result of this government's increased taxes and charges, but debt has still increased 10 times. How? How did the government get it so wrong? That is \$2 479 that every household is paying.

As I pointed out earlier, for many households that could represent four or six weeks' income. So now people are effectively working up to four or six weeks—sometimes even more—to pay just for the government's increased charges in power, water and land tax; all the things they may be paying for. How does the government feel about the average household paying \$2 479? If we go for a drive down the street, every house we pass is paying \$2 479 that this government is grabbing out of people's budgets because it cannot manage the state's finances. Even with that, we are still not really running meaningful surpluses. There is still no real desire to structurally reform the state's finances, and we are still on this merry-go-round of Treasurers—seven Treasurers in six years.

Hon Nick Goiran: How many?

Hon DARREN WEST: Colin Barnett and the seven Treasurers; I am sure someone could make quite a good children's story out of that! If it was not so serious, it could be funny.

Hon Nick Goiran: Have the courage to tell me the seven names.

Hon DARREN WEST: I have them here somewhere—I will look them up. I have forgotten the latest guy's name because they change so often, but he does remind me a little of Ned Flanders; members opposite might be able to help me out with his real name!

The other point is that it is not just people with investment properties that this will affect; it will affect the average family household. There has been \$2 479 in extra fees and charges since this government came into power in 2008, despite inheriting the best set of books in Australia, \$3.8 billion of debt and a AAA credit rating. This government has seen fit to slug families that much money and has still made a mess of the state's finances with massive spending and wasted money.

I have a press release from the Leader of the Opposition that details a real-life scenario that I would like all members to listen to. The press release reads —

Mr McGowan joined mother Gaylia Evans at her home in Maddington today. Ms Evans and her partner, Robert Stuart, have five children and will need to make some hard decisions to cope with Colin Barnett's latest round of increases to household bills.

It goes on to outline some of the tough calls that couple will have around running their household budget, and that they have had to find an extra \$2 479 as a result of this government's mismanagement.

Hon Mark McGowan, Leader of the Opposition, also put out a small graphic that shows the 2014-15 state budget update and the cost-of-living figures that reads —

Unfortunately it was a **horror budget** that will slug Western Australians to pay for Colin Barnett's extravagances and financial mismanagement.

The facts are that the state budget is \$1.1 billion of tax grabs from Western Australians, the cost of living will increase by \$420 this year in average households, state debt has increased from \$3.6 billion in 2008 to \$25 billion this year, and will reach nearly \$30 billion in 2017-18. There has been an almost tenfold increase in state debt, which will then run almost at 100 per cent of the state budget turnover. In 2013-14, state revenue increased by a very healthy 8.8 per cent, and over the life of the government it has increased by 52 per cent, to \$28.6 billion. Revenues will be \$28.6 billion—52 per cent higher than when this government came to office—yet there is 10 times the debt. I am still not quite sure how the government has managed to do that. As I pointed out, debt will be equivalent to one year's budget turnover. There has been a lot in the media at the moment about

what a mess Western Australia is in and what a mess the Australian economy is in, but I point out to everybody that the debt-to-gross-domestic-product ratio in Australia is only about 30 per cent. Western Australia is three times worse than the so-called fiscal mess of the federal budget. That is why we do not have a AAA credit rating, and the federal government does.

Hon Helen Morton: What about debt as a percentage of revenue —

Hon DARREN WEST: I will say this to members opposite again —

Several members interjected.

The ACTING PRESIDENT (Hon Amber-Jade Sanderson): Order! There is a lot of noise and interjections and I am struggling to hear the member, as is Hansard. Hon Darren West has the call.

Hon DARREN WEST: As I said before, I know the government has trouble around figures and money—we can see that by the state budget and the mess we are in—but debt-to-GDP ratio or debt-to-budget ratio in Western Australia will be about 100 per cent by the time this government gets voted out. It will be about \$30 billion in debt and \$30 billion in budget. Federally, we are only at about 30 per cent to GDP. Our federal debt is about one-third of what it is in Western Australia in real terms. I have a lot more to say in 25 minutes, so thanks for the interjection but I really need to move on.

The other one that is a very emotive and important issue to me, because it was where my father passed away, is Royal Perth Hospital. He lived until 60 years of age after a heart transplant and a battle with leukaemia in younger life. As a result of complications from that transplant 13 years after it was performed, my father was unable to fight off the degradation in some of his organs and he passed away in 2002. In 2008, the Liberals went to the state election with a plan, which I have here—I downloaded it from the Liberal website—called the Royal Perth Hospital Protection Bill. It showed a difference of opinion from the Labor government of the day, which had decided that we should amalgamate health services in the sort of Nedlands area, and that perhaps our 100-year association with Royal Perth Hospital as a functioning tertiary hospital may have to be changed and some dramatic decisions made about its future. In response to that, the Liberals—the Nationals would have been in on it too, because they were all part of the same team—decided to put a blurb on the Liberal Party website. It stated that Alan Carpenter and Jim McGinty had ruined the health system, although they had \$1 billion put away for Fiona Stanley Hospital—its replacement. The blurb went on and on with a heap of claims—many of which I think people might now be a little embarrassed about because they are not right at all—and also stated —

Early in this election campaign, the Liberal Party committed to saving Royal Perth Hospital. A Liberal Government will transform RPH into a 400-bed trauma facility with a new emergency department and a new west wing.

A Liberal Government will also move immediately to protect the long term future of the Royal Perth Hospital by introducing into Parliament the **Royal Perth Hospital Protection Bill**.

The Royal Perth Hospital Protection Bill will ensure that RPH will be retained as a tertiary hospital.

That was a commitment made in 2008. I remember that that was a very big campaign. There were ads in newspapers in 2008 and I think we could fairly say that a result of that campaign was a win for the Liberals in the electorate of Mount Lawley. There was a lot of emotional sentiment in the community. I too had some because many of us have had a positive experience with Royal Perth Hospital due to the wonderful staff that work there and the wonderful health system that we have. A lot of people would not have liked to see Royal Perth Hospital close. Despite having better, newer facilities for our health professionals to work in, there was still a sentiment attached to Royal Perth Hospital.

That statement about Royal Perth Hospital was made in 2008 and it was a big election issue. I did a bit of research on the progress of the bill in that term of Parliament. The Royal Perth Hospital Protection Bill 2008 has passed through the Legislative Assembly. It was introduced on 11 November 2008, so we got straight onto that job, and the third reading was on 8 November 2012. It took four years to get through the Legislative Assembly. It was introduced to the Legislative Council on 8 November 2012 and it got to the second reading stage. From my information, the bill has not passed through the Legislative Council. Now we find that there is no money in the budget to fund this election commitment. I believe that the Liberals had no desire to save this hospital in 2008; otherwise they would have acted. I think it was just an election stunt and, clearly, it worked a treat. As I have said, deceit works for only a while; in the long term, it is not good for anyone.

There is nothing in the budget to fund this important commitment, which I think many people based their vote on in 2008. The government's commitment is worth about the same as these pieces of paper I am holding—nothing

or very little, less than a cent. That is another good example of the government's fiscal mismanagement, which has cost us this commitment. Whether the government meant to do it or not, it has not acted on the solemn commitment made in 2008 to the voters of Western Australia. Hon Jim Chown, who sadly is away on urgent parliamentary business, keeps going on about who won the election. For his benefit, the Liberal–National government won because it promised all these things that it had no intention of delivering and now it does not have the money to fund them through its mismanagement.

In the final time left for my contribution, I will return to my electorate, regional Western Australia and royalties for regions. I have pointed out that the Liberal–National opposition at that time went to the electorate with a plan to spend 25 per cent of mining royalties in regional Western Australia and that spending would be over and above normal government spending. I have an article here from the *Farm Weekly* of 4 September 2008, which was just before the 2008 state election. It is by a good journalist, Colin Bettles, who I believe works for Rural Press. The article is titled, “Libs in bush if win in hand: Barnett”, and it states —

OPPOSITION leader, Colin Barnett, has promised to maintain a strong Liberal party presence in regional WA if it wins Saturday's State election.

It goes on to talk about a bit of a dispute between the Liberal and National opposition parties and states that now Premier Barnett believed that then Premier Alan Carpenter committed a major error by calling the election early. I agree with Premier Barnett on that; it certainly was the view of a lot of members of the Labor Party and proved to be true. The article also states —

Mr Barnett declined to comment on allegations from a media release issued by WA National Party leader Brendon Grylls last week which suggested members of the Liberal Party's regional branches had been “spooked” by the National Party's highly publicised Royalties for Regions program.

...

Mr Grylls said the distribution of “misleading fliers” by the Liberal candidates at the Dowerin GWN Machinery Field Days last week, which attacked the WA Nationals' plan to inject —

An extra 25 per cent of mining royalties —

... annually into regional communities from the State's mining and petroleum royalties, was merely a “desperate ploy”.

The fliers pointed to Hansard statements made in the Legislative Assembly on February 27 by Treasurer Eric Ripper.

The article goes on and on, but there is a quote from the then Leader of the Opposition, Mr Barnett, that I particularly like and have highlighted. I wish National Party members were not away on urgent parliamentary business and were in this place to hear this, but I will furnish them with a copy of *Hansard* when it is published. The article went on to state —

Mr Barnett said more money was already being spent by the ALP on services and infrastructure in regional WA than what the WA Nationals were promising to deliver under their royalties for regions policy, if elected.

He said the Liberals had been running a strong campaign in regional WA and promised to maintain that agenda in government.

There it is. Before the 2008 state election the now Premier of Western Australia said that the WA Labor Party—the ALP as he called it then—was spending more money in regional Western Australia than the Nationals were promising to deliver under their royalties for regions policy. I am quite pleased that I found this quote and I am going to use it a bit because quite often what is thrown back at us across the chamber is, “What did you do when you were in government?” I have here a quote from the Premier of Western Australia saying that we were doing more than what those opposite are doing now in government, even with their royalties for regions policy.

Time seems to be getting away very quickly, so I will only briefly touch on the historical regional spending when Labor was in power. As now Premier Barnett said in September 2008—which I just quoted—the Labor Party was already spending more money on services and infrastructure in regional WA than the WA Nationals were promising to deliver under their royalties for regions policy. In 2008–09, Labor's expenditure on capital works in the metropolitan region was to be \$1 459 per person, and across regional WA Labor would spend \$3 296 per person. That is a difference of \$1 837, or 126 per cent, per person. People on the opposite side of the house get up and say that they spend more than us, but I challenge whether they would spend 126 per cent more per person in regional areas than we did when we were in government.

I refer to Geraldton because it is in my electorate and it is a wonderful place and a great place to live in. Just in Geraldton alone, this is what happened under Labor: the southern transport corridor stage 1 and work began on stage 2; the berth 5 iron ore expansion project at Geraldton port, which is now sending out millions of tonnes of iron ore for export dollars and creating royalties; Geraldton Hospital; stage 1 of Indian Ocean Drive; and the Geraldton foreshore development, which cost over \$20 million. I encourage anyone, as Hon Phil Edman has done, to spend their holidays in Western Australia. Go and spend a few days in Geraldton; it is only a four or five-hour drive. There is magnificent accommodation up there and people can see for themselves the amazing foreshore and public facilities that are now there as a result of the Gallop and Carpenter governments.

Hon Phil Edman: I have been to Geraldton.

Hon DARREN WEST: That is good, and the member should go back because there is a lot to see in Geraldton, including one of the best maritime museums outside of Perth. Geraldton is a wonderful community that has embraced the digital divide. People are very unhappy about the scrapping of the national broadband network in half of the city, but I digress.

In the four years prior to the 2008 election, the Carpenter government completed a \$2.5 million footbridge linking the waterside development with the central business district in Albany; an upgrade of the water supply in Albany at a cost of \$50 million; the Albany justice and great southern district police complex at a cost of \$20 million; stage 1 of the Albany ring-road, now known as Menang Drive, costing \$16 million; a new Albany primary school costing \$6 million; the upgrade of 10 Albany schools to turn them into high-technology schools at a cost of \$2.4 million; and a redevelopment of the Great Southern TAFE including the industrial skills training centre at a cost of more than \$3 million. The Carpenter government also allocated over \$2.3 million to the Great Southern TAFE horticulture and conservation land management centre and invested \$1.7 million to provide housing for people living with mental illness. The list goes on and on. Significant amounts of money were pumped into Bunbury, Collie and so on. As members have heard, the Premier was right; we were spending significant amounts and more per person. Do not forget, these projects are in 2008 dollars, not 2012 dollars. There were no caps on our regional investment and regional spending. Nobody told us whether we could proceed with our flagship programs; we just got in and did it. That is the history. I think it is a very worthwhile article. I might furnish members with the now Premier's comments about how much Labor was spending in regional areas compared with what was proposed under royalties for regions.

The royalties for regions program is in demise and will no longer be what it was intended to be. It will no longer meet either of the criteria that were promised, being 25 per cent of mining royalties or spending over and above normal government expenditure. The WA Nationals have come out and defended the changes to the program as a responsible cap on royalties for regions! Once the word "responsible" is used, we all know that means a cut—that is the term that is used. Labor has attacked this major broken promise. The state government has announced that the fund will be capped. Getting back to my reference to eight days and 37 years, \$3.1 billion over four years, which could have been spent in the regions, will be returned to government coffers. That means that it will be spent in the city. An amount of \$3.1 billion will come back to the city over the next four years and will not be spent in regional Western Australia as promised. Labor has attacked this as a major broken promise, but Hon Martin Aldridge has said that it is a responsible change that needs to be made. To cut the Nationals' flagship program in half has been to mislead the electorate. I think the Nationals have been duded. I would not call it a responsible change. The article runs through the uncertainty that this change brings and talks about a Growing our South fund. Nobody really knows what that means, but most of the money for it is so far out in the distance that there will be an election before it is spent and we will be able to target what that money will be spent on when we return to government. There is very little detail about some of these programs. The overall gist is that the royalties for regions program is pretty much finished as we know it. I have with me an article from *The Australian* of Friday, 9 May, written by Andrew Burrell and headed "Barnett's remote royalties 'buried'". The article states —

THE Royalties for Regions scheme that underpinned the formation of the Barnett government in 2008 has been slashed beyond recognition as new Treasurer Mike Nahan —

That is his name —

moves to cut spending in a bid to claw back the state's AAA credit rating.

Spending on the program will be capped at \$1 billion a year regardless of how much money flows into the fund. This means the scheme—once hailed as a saviour for regional communities—is expected to spend just 12 per cent of the state's mining royalties in 2016–17, instead of the 25 per cent originally promised by the Liberal–National government.

That was reported in *The Australian* newspaper. It was a big story on the front page of the general news section. It is not just me who is saying that the fund has been cut beyond recognition; *The Australian* newspaper has

reported that as well. I also have an extract from *Hansard* of Thursday, 17 October 2013—the day after my twentieth wedding anniversary, in fact. A motion was put before the house on royalties for regions, which reads —

That this house reaffirms its support for the continuation of the National Party WA royalties for regions program —

I note that Liberal members did not get a say in this —

and the role it plays in supporting regional Western Australia and the wider Western Australian economy.

During the course of that debate I made some comments about my concerns for the future of royalties for regions. I think it was the first time I pointed out to the house that royalties for regions was effectively finished as a result of the last state budget, and that view has been confirmed by this state budget. Under the last state budget there was a lot of cost shifting from the royalties for regions fund to normal government expenditure. I made some comments and put my concerns on the record. I made the comment that I thought the scheme was in trouble. I will quote part of the contribution to that debate by Hon Paul Brown from *Hansard* of Thursday, 17 October 2013. He went on to say —

I have listened intently to much of the debate we have been having across the floor this week. I would like use this opportunity to dispel some of the fearmongering that Hon Darren West spouted when he addressed the house a few nights ago. Apart from his rather lame attempt at being one of the Two Ronnies —

I suggest that Hon Paul Brown leave the comedy to the Attorney General —

only to end up looking like Mr Bean, he made some rather interesting comments. He has been quite happy to continually tell the house how he was on the Wheatbelt Development Commission ...

He went on to attack me, which is not really that important, and then there was an exchange across the chamber. About halfway down the next page Hon Paul Brown said —

That is right.

If any opportunities were missed to improve spending of royalties for regions money over the last five years, Hon Darren West must surely take the blame squarely on the chin.

Here is the bit I wanted to get to —

As for his comments that royalties for regions, as far as he is concerned, is gone, if he believes that, he believes in the tooth fairy and Santa Claus. Quite clearly, while the Nats sit on this side of the chamber, royalties for regions will continue in the form legislated for at its inception. In fact, the amount of money coming into the fund is increasing and will be approximately \$1.5 billion a year over the forward estimates.

That is what Hon Paul Brown said to the house on 17 October. I suggest that Hon Paul Brown might want to find a Santa Claus suit or perhaps a tutu and some fairy wings, because I was right—the fund as we knew it has gone. Hon Paul Brown was wrong. He said that the fund would be \$1.5 billion a year over the forward estimates. Clearly, that is not the case. The government has broken that commitment to the people of Western Australia.

Hon Col Holt: It does go to the fund.

Hon DARREN WEST: It is in *Hansard*; I can show it to the member later. Hon Paul Brown said that it would be approximately \$1.5 billion a year over the forward estimates. I think it might be National Party members who believe in the tooth fairy and Santa Claus. I look forward to the next Christmas function, because Hon Paul Brown probably has rather nice legs and I look forward to seeing him dressed in a tutu and fairy wings. I am sure that one of the other National Party members could dress up as Santa Claus.

Hon Phil Edman: I am getting worried about you!

Hon DARREN WEST: That is what he said; he believes in Santa Claus and the tooth fairy. I was right and they were wrong. I think National Party members are the ones who now believe in Santa Claus and the tooth fairy. I put on the record that even as late as October last year, the WA Nationals had no idea that this massive slash to royalties for regions was on its way. I am sure that National Party members would agree that they have been duded in all of this. I could go on about that for quite a long time. I believed in royalties for regions; I think there was a good opportunity to put in place a scheme for all time that could have served regional Western Australia very well. What a shame it became such a shambles, with funding on and then off. The country local government fund has now been cut. Quite a lot of local governments had their funds pulled; now they have had them reinstated. The government is making a big fuss about how it is giving \$20 million to

local governments, which is money that they previously had. It has been on again, off again. The SuperTowns program has gone. The country local government fund has gone. All these programs are on and then they are off. There have been plenty of levers for the Liberals to pull to water down the scheme, and that is such a shame.

There is one other thing I want to touch on in the last few minutes of my contribution to the budget debate. Members know that I think this is a very poor budget, but even worse is the way in which the electors of Western Australia have been deceived by this government. I refer to an ever-lengthening document. Those members who have a smart phone or laptop with them can go to the website brokenpromises.org.au, which outlines the promises that were made to all electorates and regions that have now been cut. I am sure that many of my colleagues will run through this list. We can start at the beginning. For instance, \$183 million has been cut from school resources; the North West Health Initiative has been gutted and delayed, with \$115 million cut from that program; the West Kimberley Aboriginal housing project has been delayed; and funding for SuperTowns has been axed. What was promised? SuperTowns was a royalties for regions' flagship initiative. It has been abolished. The website states —

SuperTowns announced as part of the Government's 'flagship' initiative in regional WA have been effectively axed as a result of the abolition of the Country Local Government Fund and a significant decrease in the funding for 'Strategic Regional Projects' over the next 4 years.

Further broken promises include cuts to funding for district hospitals in the south of WA—I have done quite a bit of media about that—with about \$30 million cut from Northam. Money for Narrogin and Merredin has been delayed to beyond the next election, so I think we can call those cuts as well. There have also been delays to the Great Eastern Highway upgrades, affecting my electorate; there is no city airport link, which is probably more high profile; and there have been funding cuts to local government road projects. I went to the Western Australian Local Government Association breakfast yesterday morning and heard WALGA president Mayor Troy Pickard express his disappointment with the state budget and how it will have an adverse effect on funding for local government roads. He then went on to point out that there was no money on the table.

Sitting suspended from 1.00 to 2.00 pm

Hon DARREN WEST: I will conclude my contribution to the budget debate by briefly running through some of the other broken promises. I will run out of time, as I often do, because there is so much wrong with this budget that it will take all of my allocated time. There is no funding for the Treendale bridge and no funding for Eaton Oval in Collie. The list of broken promises goes on and on. If members looked at the brokenpromises.org.au website, it would be with some shame, because they would see what their electorates were promised that they are missing out on.

The other thing I want to raise in my contribution today is the abhorrent possibility that we will have to pay a toll on the freight link from Midland to Fremantle. We have worked out that that is about 13c a head for every sheep that we export live. I thought members opposite supported the live export industry, but we will have to pay about 13c per head every time we send a sheep down that road. The trucks will be kicked off the roads which they currently use for free and which are not congested for 20 hours a day. However, this government is looking at pushing ahead with building this toll road. That is the thin end of the wedge. It will get only worse. This government has no desire to fund rail. As Hon Ken Travers pointed out in his contribution, there is already a link between Midland and Fremantle—it is called a railway line. The government does not have to spend hundreds of millions of dollars on a toll road.

There is very little in the budget for my area of the Agricultural Region to get excited about. The local governments feel very cheated by this government. The government said that it would not amalgamate local governments and now it intends to do just that. The state's debt is way too high and spending is unsustainable. The government needs to do much better in this area, rein in spending and act with some responsibility. It is not the government's money; it belongs to the taxpayers of Western Australia. When we take into account this very poor budget, the very poor financial management of seven Treasurers in the past six years and debt ballooning from just over \$3 billion to a projected \$30 billion, I can come to only one conclusion, and I think the people of Western Australia will agree with me when I say this: it is time for a new government.

HON COL HOLT (South West — Parliamentary Secretary) [2.03 pm]: Obviously, I will make a short contribution to the budget speech. I will talk about the very positive things in the budget and, in particular, what royalties for regions has delivered and will continue to deliver in the future. When the policy was first formulated in 2006, I think, 25 per cent of the royalties flowing into the state budget amounted to \$367 million a year. Even in our deliberations about the policy, a \$367 million investment in regional Western Australia was a very welcome thing. I do not think we predicted it would go to \$1.5 billion and above only 10 years after that point. That in itself has presented some interesting challenges for this government and the Minister for Regional Development.

I will talk about what royalties for regions has delivered to regional Western Australia to this point. There has been investment of about \$4.2 billion over the five years that the program has been running. We can throw that figure of \$4.2 billion around in this house, and big numbers such as that are thrown around in budget deliberations, but the federal government talks about 10 to 20 times that amount in its budget deliberations. It is a massive amount of money, but we do not quite comprehend what that figure will do. I think we talk about that too much when we should concentrate much more on the projects and outcomes that that sort of funding can deliver. In a royalties for regions sense, it is about the outcomes that can be delivered for communities and the lives of the people who live in regional Western Australia. I have no doubt in my mind that the initial investment of \$4.2 billion up to this point has played an enormous role in changing the lives of people in regional Western Australia. I think about 3 500 different projects have been funded, which is a massive amount of funding. The projects range from a sensory playground, which was a \$2 000 or \$3 000 project, to much larger investments such as Albany Hospital. From memory, there was a \$40 million contribution from royalties for regions to match the funds from the state's consolidated revenue to build a state-of-the-art health facility in Albany. Residents had been waiting for this facility for many, many years, but it had not quite got across the line, for whatever reason, when the budget considerations were made. It has been built and it is being used right now to address the health needs of people in regional Western Australia.

There has also obviously been a big investment of royalties for regions funds in some nation building-type projects. One of those is the Ord stage 2 project, which has been completed. We are moving to the next stage of developing the farmland ready for agriculture to drive some investment in the north of the state. It is the new food bowl of the north.

I looked at the royalties for regions progress report to June 2013 because I wanted to get some figures on some of the projects that have been funded. The exploration incentive scheme started in 2009 and went through to 2012, with 117 different exploration projects being funded under that scheme. That is an investment in the future of this state. We know that exploration is expensive. We are trying to get companies to explore in Western Australia, because that exploration will lead to the next resource in the future. So we must have exploration. That investment is about the nation-building role that the royalties for regions program is playing at a state level.

I was also a little surprised when I looked at the regional events scheme, which in my mind has a very different outcome from the exploration incentive scheme. It is much more about the fabric of our communities and why people choose to live in regional Western Australia. The flow from regional Western Australia into the capital city has been talked about. I think that is probably reversing now, and the south west has benefited from some of the population flow out of Perth into regional Western Australia, which is exactly what we want. To create that population flow, we must ensure that our regional towns and cities and our regional communities are great places to live. That is not just about providing the right education services, although that is very important, or the right health services to ensure that people can live safely in their communities and get the required medical treatment.

It is also much more about the fabric of how the communities operate, how they celebrate together and what they do to bring visitors to the regions to make the most of the great environment they live in. The regional events scheme is one of those schemes. It is about working with local organisations such as grassroots organisations and events organisations to have them run programs and events, and to give them an opportunity to up the size of them and get more visitors into the communities to celebrate with them. There are 123 of those projects funded through royalties for regions and I would say that most regional members in this chamber would have attended at least some of those, are appreciative of the outcomes they deliver and really recognise the great work that our volunteers in those organisations in the bush do.

I will just run through a couple of other things because I am trying to express that we are achieving great outcomes for the bush and the royalties for regions program and we will continue to do so. There is the regional airport development scheme, with 151 projects. Regional airports are an important link for the community. They provide emergency services outlets and the chance for the Royal Flying Doctor Service to land in towns closer to where the patient needs it. The Royal Flying Doctor Service itself has received a lot of royalties for regions funding, including the first ever jet to be funded by royalties for regions. Other things are being funded, such as recreational boating facilities, with, again, over 107 projects in regional Western Australia being funded.

I want to put on record that we have done a lot. We have tried to focus on those things that are important for regional communities, including health, education and services, but there is still plenty to do. In the budget papers for the next four years there is another \$4 billion of funding for regional Western Australia, again, to drive development of communities and the regions. The National Party made a number of election commitments leading up to the previous state election with the knowledge that royalties for regions was the avenue to implement many of them. I think we have talked about a few getting funded in previous budgets, but in this year's budget and next year's a lot more of those election commitments will be funded. I want to point out that the Seizing the Opportunity plan for agriculture, which was a major policy from the Nationals leading into the

last election, with a \$300 million commitment, will continue to be funded and rolled out in 2014–15. There has been \$51 million allocated in the next year. We think it is pretty exciting; it is massive investment in agriculture in the state. We all know that agriculture has an important economic role here and with the nature of societies around the world there is no doubt about the role agriculture will play in providing food, and Western Australia is well placed to make the most of those opportunities.

Another commitment we made was for the volunteer fuel card, which was in recognition of the contribution volunteers make to our emergency services in regional Western Australia. Many emergency services in Perth are often professional bodies funded by a government department. We know that volunteers in the bush providing those services are incredibly important and we need to recognise their contribution and to provide them with some reward for giving up their time and often losing many work hours through being away from their farms or businesses. In actual fact it costs them money to play those important roles in our communities, whether as volunteer ambulance drivers, bush fire brigade volunteers or emergency service workers; they volunteer simply because they love their communities and want to contribute to them. The volunteer fuel card goes to those volunteer organisations to help assist with the purchasing of fuel needed to attend training events or when they might need to go regional meetings of bush fire brigades or St John Ambulance. The card recognises the work they do and will continue to do.

Another project that I am very pleased to see this year is the first of the Boost funds being rolled out for regional arts. We took a policy to the last election to invest \$16 million over four years in helping the arts sectors of our communities. Being from the south west, they are an important part of our communities, but they are also an important part of our economies, and many people go to the south west to enjoy those specific things. That \$16 million investment has grown to a \$24 million investment, and it will start in 2014–15. I am excited about the opportunities that it will provide for greater development of the arts sector in regional Western Australia not only at the grassroots level; it will take shows and performances that would normally just come to Perth to the bush so that people living there can enjoy them just like people anywhere else.

I will just run through a couple of other things. The community pool revitalisation will be funded at the start of this year. We have also made a commitment to the regional grants scheme and we are funding that as of this year at \$10 million a year for the next four years—a \$40 million commitment. It provides the opportunity at a local level for grants from \$10 000 up to \$200 000 for local projects seen as important at all sorts of levels. It provides the opportunity for communities to apply for funds for projects that they think are important to the community at a local level. It gives them the ability to take some control. A big issue is the aspirations of our community and I have spoken about that in this house before. In the past people have come up with some good ideas and had a chook raffle or a wood raffle to try to raise some funds for their projects, often thinking that it will take them forever to get to the point at which they have enough money to implement that project. Maybe by that time they have run out of steam a bit and they have to rely on others to carry on a project. This funding gives them an opportunity and an endpoint, so if they have an idea, they want to see something happen or they want to develop a project, there is a real avenue; if they build the right business case and show the benefits, they can get funding. People in regional communities can contribute at the level that is important to them. They are just some of our election commitments for funding; some are carried over from the previous budget and they are continuing in this one.

Also in this budget there are new initiatives that are not election commitments, but that are no doubt welcomed in many parts of the state. One in particular focuses on “Growing our South”, which is a \$600 million investment over five years. It really recognises that the four development commission areas of the south of the state, being the Peel Development Commission, the South West Development Commission, the Great Southern Development Commission and the Wheatbelt Development Commission, have not had specific revitalisation plans or funding targeted at their areas. Although they have competed very well in other funding streams, including the country local government fund or regional investment schemes, this is a really specific fund recognising that there is plenty to do in the southern part of the state. It also recognises that we have had the Pilbara Cities project, the East Kimberley revitalisation, of which the Ord is a great part, the midwest investment plan and the Goldfields–Esperance revitalisation fund. This is about saying to people who live in the south west, in the great southern and in the southern half of the state that they are just as important to regional development and we want to invest in projects that will help their communities and their regions grow economically and socially. I look forward to working with local governments and community and business organisations in the southern part of the state to see how that investment can be targeted to bring about greater economic development throughout those parts of the state. People there have been calling for it for many years since the royalties for regions program started. While they have been getting some level of investment, I would say that this is probably the biggest investment of this type to go into those regions. I think they will welcome it with open arms. I will be asking them to work with us to identify exactly which projects we should be investing in to ensure that we get the greatest economic value for the state and for those regions, and the greatest social outcomes that we can also deliver so that people can continue to live, learn and work in regional

Western Australia. Unashamedly, we in the Nationals are all about developing our regions so that people will want to live there and develop them.

Another part of the new initiatives in the regional blueprints is the allocation of \$292 million over five years. We have asked the regional development commissions to work with the communities in their districts and to come up with some strategic ideas about how they can develop their regions into the future. The development commissions have played that important role for many years now since they were established, and now through the blueprints we are asking them to identify some of the key projects that will get them to the goals they have set themselves. This \$292 million initial funding boost will guide our investment into those blueprints. It will allow us to look at the blueprints and decide what the funding will mean for our regions in the long term and where we should spend it now. That is again another very important initiative. Adding those two funds together comes to \$892 million worth of new initiatives over the next five years, which is an extraordinary commitment and investment to regional Western Australia. It will go a long way to changing the way people in our communities live and how they appreciate living in regional Western Australia.

This morning we had an hour of debate on the second part of the regional mobile communications plan. It is again a new initiative in this budget that we will be rolling out, as we know how important it is for regional communities to stay connected to the world as well as to their own local communities and local community services. I will not go into too much detail on that. With the royalties for regions funds in this budget we will continue to do what we said we would do. We are backing our election commitments, which are coming to fruition in this budget and into the future as outlined in the out years, and recognising that we are investing very heavily in new initiatives that can play a role in those commitments.

I want to get a little perspective on what \$1 billion actually looks like. I was involved in negotiations for the regional investment fund that the government commenced in 2008–09 with an allocation of \$20 million a year. If we took \$1 coins—one is about 2.5 centimetres in diameter—and laid them out for 500 kilometres, we would need 20 million coins. I think my mathematics is right, but someone might want to check it. If we did that, there would be a line of coins from this place to Northampton. That is a decent-sized line of \$1 coins.

Hon Helen Morton: Is that a flat line?

Hon COL HOLT: A flat line, yes, I thank the minister.

If we laid them out, the line would reach just past Northampton, which is about \$20 million worth of investment. The \$1 billion worth of investment through the royalties for regions program is 50 times that amount. Fifty times that line on my calculation is about 25 000 kilometres long. It would reach from here to Johannesburg, from Johannesburg to Gallipoli and from Gallipoli to Karratha. It would not quite make it back to Perth. That fund of \$1 billion is for each year. Each year that is the amount of \$1 coins being invested in regional Western Australia. That is an amazing investment. It will help to drive our regional economies for many, many years. I think it is a significant investment and the Nationals will continue to fight to ensure that that sort of investment goes into the communities that we live in and love.

I do not want to go on for too much longer except to portray to members that the balance that the government continually faces, which we discuss often in this place, is about spending and not spending or paying off debt. I think the Nationals have been very responsible in government. We have asked for our fair share in the bush, it has been given and we have spent it. However, as the fund is now reaching over \$1.5 billion each year, the royalties for regions program has a much broader and more responsible role to play in government finances. That is why members will find that we are striking a balance in this budget and in future budgets to do exactly that in recognition of the times in which we find ourselves. It may be that the balance will change in the future, which is for future generations and future campaigns, but we will respond to the times, and that is what we are doing.

Debate adjourned, on motion by **Hon Samantha Rowe**.