

**RURAL AND REGIONAL WESTERN AUSTRALIA, INVESTMENT AND INFRASTRUCTURE
SUPPORT**

Motion

HON NIGEL HALLETT (South West) [2.54 pm] - without notice: I move -

That this house notes with grave concern the Gallop government's withholding and withdrawal of funds from rural and regional Western Australia.

It is always a pleasure to address the honourable members of the Legislative Council. I would like to focus on what I believe to be the Labor government's abandonment of rural and regional Western Australia, which has been further exacerbated by the recent success of the electoral reform legislation that was initiated by this present Labor government. I acknowledge that the \$10 million put aside this year and a further \$4.5 million next year will be money well spent on the Albany entertainment and convention centre, but I fear that large areas of rural and regional Western Australia, apart from those areas that hold marginal or safe Labor seats, are under threat from severe lack of investment in the infrastructure necessary to attract, maintain and service the populations of those large, very diverse and special areas. As shadow spokesman for regional development and a member for the South West Region, I want to state very strongly and clearly that we are firmly committed not only to the social but also the economic development of the rural and regional areas of Western Australia. It is absolutely imperative to acknowledge that the provision and maintenance of adequate infrastructure to support and address the needs of these areas is crucial to allow them to grow and develop, or in some cases just get back on their feet. I feel that regional areas can be classed into two distinct sections. The first section comprises the Kimberley, wheatbelt, mid-west, Gascoyne, great southern and goldfields-Esperance areas. The aforementioned areas generally have traditional farming backgrounds and, due to their economic factors, are finding that their populations are dwindling due to working-age children moving to high skilled, higher paid jobs in the metropolitan area, or to the more advantaged regional areas. I believe a lack of adequate infrastructure is significantly constraining the development in these regions. The second section comprises the advantaged areas, such as Peel, the south west and the Pilbara. These regions generally have much broader industries, based upon tourism, mining and manufacture, and are mostly increasing in population. It must be stated that those on this side of the house believe that all regional areas should be fairly and equally treated in the application of moneys from regional development funds, not simply because of expanding populations, broader economic bases or a desire by the incumbent government to buy votes.

During my brief time as a member of this house I have been out and about in the regions, speaking to the people who live and work in these areas, and during these visits I have examined the issues that are confronting the general population as best I possibly can. I confidently report that there are people and businesses out there that are willing to invest significant sums of money into projects and ventures that would go a long way towards revitalising some of what I consider to be the more special regional areas. Many of these areas are losing or have lost industries and the populations that have sustained them in the past. Northam is such a case, with a population that has dropped significantly. Private investment will again go a long way to re-establishing those centres as the vibrant towns and communities they once were. I refer to ventures such as the gas pipeline connecting Northam and the Avon Industrial Park, in which the capital required has already been identified, and with some extra input by the government and its departments we would see already noted new ventures attracted to the area. This would be excellent for an area that does not require a \$14.5 million entertainment centre. It is very difficult, and I consider it unfair, for these private enterprises with great vision to be expected to bear the burden of shouldering the costs of basic infrastructure that is the realm and responsibility of government.

Adequate power is also essential. We all know we have ageing and unreliable power infrastructure in many regional areas, and in some instances it is in excess of 40 years old. We need water supplies, well-maintained roads, affordable land, and investment in industry and infrastructure that will allow other industries to be set up, such as a gas pipeline or a power station, that will provide jobs and the necessary security to attract people, families and business opportunities that are naturally created around these kinds of projects out of the city and into these regional areas.

The development of further wharf infrastructure at many ports is required. The Geraldton port must cater for increasing demand due to iron ore production. There is also a need and a demand for large boat-lifting facilities. New projects, such as a floating wharf, are needed in Wyndham to cater for the increase in the tourism trade from cruise liners. There is a large potential for the refurbishment of not only Wyndham, but also the hinterland; that is, Kununurra and Lake Argyle. All this could be made possible with the use of small amounts of government funding. As with any good business decision, people and companies will be willing to invest, but only if the circumstances and costs are suitable. The Labor government has a responsibility to ensure that it provides to the best of its ability the infrastructure necessary to allow this kind of private investment to take

place and, hence, to allow our rural and regional areas to develop, or in some cases redevelop, to their full potential.

Land shortages for homes and industry are also being foreseen and are coming to fruition along the coastal areas of the Pilbara and Kimberley. The government, via its departments, must ensure that steps are taken to overcome hold-ups in the release of land in these areas. Moderately priced land, of which plenty should be available, is a primary concern of businesspeople looking to relocate to these areas. Taking the industry to these areas can only help promote economic and social wellbeing in regional areas. As members will know, our great state of Western Australia is a vast state and stretches across many thousands of kilometres, and a significant proportion of its wealth and production is created and concentrated in the regions. Indeed, the prosperity of all Western Australians is heavily dependent upon incomes in areas other than metropolitan Perth. Regional Western Australia generates roughly 30 per cent of our gross state product and accounts for approximately 80 per cent of our total state exports. That is massive by any stretch of the imagination; yet, this government gives a pathetic \$5 million over four years to regional development - that is not even in line with inflation. The Labor government's rural and regional development policy, which is titled "Regional Western Australia: a better place to live", states that regional development is not just about exports or economic growth, no matter how impressive the figures are; and that the development of regional Western Australia must embrace a triple bottom line approach in which economic, social and environmental issues and opportunities are integrated. It also refers to the principles of sustainability, in which the needs of both current and future generations of regional people must be taken into account. This policy is full of intentions to create and maintain the foundations necessary to create the infrastructure base to support sustainable investment in and quality of life for the communities of our region, but where is this infrastructure in reality? It is tragically lacking and generally nonexistent, if what I have seen and been told by the people in the regions - the lifeblood of these areas - is anything to go by. For example, a perusal of the region's fisheries shows that all Western Australia's commercial fisheries are being fully exploited or even over-exploited. They cannot keep growing. Should more not be done to invest in sustainable aquaculture? China has aquaculture production of 23 million tonnes; Australia produces less than 100 000 tonnes. Extra incentives should be given to our special regional areas to allow for investment in the sustainable production of higher end products. Why is this not happening when so many natural resources are available for this infrastructure? The answer surely cannot be a lack of finance. I find it very disheartening to note that the 2005-06 budget allocation for the development and promotion of the state's aquaculture industry has been cut.

This state government has more revenue tucked away in its coffers than any other state government in the history of Western Australia has had - and it just keeps coming. The money is pouring in actually, thanks to the strong resources sector, which keeps getting stronger. The money is also pouring in as a result of the various obscenely high taxes levied on the people of Western Australia through an extremely buoyant property market and very high land taxes, not to mention the windfall of approximately \$350 million in oil royalties, which keep rising due to the consistently increasing price of oil. The budget surplus seems to be getting bigger; it has gone from some \$600 million to well over \$1 billion. Where is all this money going? I suggest that it is being redirected to a railway heading south. One thing I know for certain is that only minuscule amounts of money are being invested in our regions. The government is becoming more city-centric by the day at the expense of our regions, which, as I have stated before, are being abandoned.

I noted with interest the announcement that the Premier made yesterday about the Australian Marine Complex at Henderson. It will be a magnificent boost for the community. It will have a floating dock and will be able to retrieve big ships, and the existing wharves will be extended and upgraded. All our regions are asking for is a small slice of the cake, not an \$81 million injection, as was announced yesterday.

Hon Kim Chance: You realise that shipbuilding is a major developing industry in this state.

Hon NIGEL HALLETT: I certainly do.

Hon Kim Chance: Shouldn't we invest in that infrastructure?

Hon NIGEL HALLETT: I am not saying that. I said that it is a credit to the government that it could allocate \$80 million to it. Why can we not also take on other initiatives?

Hon Kim Chance: Like the \$88 million on the southern transport corridor, for example, which is in a regional area?

Hon NIGEL HALLETT: Exactly.

Hon Murray Criddle: Which was put in place by the previous government.

Hon Kim Chance: And funded by this government.

The DEPUTY PRESIDENT (Hon Graham Giffard): Order! Hon Nigel Hallett has the call.

Hon NIGEL HALLETT: That has been done by a government that has set aside only \$5 million over four years for regional development. Obviously \$81 million was not a problem.

It seems that too much funding is being directed into feel-good exercises in the hope of winning votes for the Labor Party. Our regions are missing out not only through a lack of funding and proper planning for the creation of new and future infrastructure, but also through the delay and cost blow-outs of projects which should by now be very close to being started or, in some instances, finished or which have been moved out of regional areas altogether. The Peel deviation is a prime example of the delay in the provision of a crucial piece of regional infrastructure. The Peel Development Commission's paper on regional priority states that the extension of the Kwinana Freeway and the Peel deviation is the region's budget priority in the new infrastructure requirement. That has been said by people who are charged with understanding and prioritising the needs of the population of the Peel region. It is obvious that the government is not listening to those who we imagine would know best. We have been told the very sad and sorry tale of how the cost of construction of this vital part of our regional road network has blown out by \$100 million. That is a small percentage of a budget surplus of more than \$1 billion and rising. Maybe the possibility that half of this money could be secured from the federal government could be explored. However, by the time this government gets around to doing it, I am sure that the cost will have blown out again by some inordinate amount so that it can be put off for another lengthy and unacceptable period.

Hon Kim Chance: It has actually been explored. The federal government refused to do it.

Hon Murray Criddle: No, that is not right.

Hon NIGEL HALLETT: That is not right.

Hon Kim Chance: No. Hon Nigel Hallett is talking about funding half of the excess of the blow-out. We have approached the federal government on that and it said no.

Several members interjected.

The DEPUTY PRESIDENT: Order, members! Hon Nigel Hallett is at times struggling to make himself heard.

Hon NIGEL HALLETT: Thank you, Mr Deputy President. I will explain how I would look at it if I were a federal member. The original \$300 million for the project was an estimate. The estimate was revised to \$340 million, of which the federal government said it would pay half. We were told in the house this week that it was only an estimate. The figure is now \$450 million, and said to be accurate in 2005 dollar terms. If this is the case in 2005 dollar terms, the mind boggles at what it could actually be by the time construction starts. The government's definition of an estimate seems to be a wild guess. Meanwhile the surplus will continue to be sucked up by the grossly over-budgeted Perth to Mandurah railway. I await with anticipation to see how much the next blow-out will be on the project. Surely a project as vital as the Peel deviation to the Peel and south west regions, which contain three of the four fastest growing centres in Australia, is something that is worthy of a priority status as high as that for the Perth to Mandurah railway.

The primary reason for the immediate necessity of this piece of infrastructure is a road system that is at crisis point. The current road is now overloaded because it is carrying this large number of cars, trucks and buses generated as a result of the incredible growth experienced in these regions. The state government's arrogance in refusing to fund the cost blow-out now and further delaying the project is a prime example of its lack of desire to fund and develop infrastructure that is sorely needed in our regions.

Hon Ken Travers: You are a patsy to the federal government.

Hon NIGEL HALLETT: The federal government has nothing to do with it. The government must have a credible estimate.

Hon Kim Chance: Hang on! They take the fuel tax. They do have something to do with it. It is 38c a litre.

Hon NIGEL HALLETT: If the government had got on and built it three years ago, there would not be a blow-out. It would have been finished.

Hon Ken Travers: The federal funding is six per cent or something.

Hon Simon O'Brien: How many unexpected hundreds of millions of dollars is the state government getting back in GST?

The DEPUTY PRESIDENT (Hon Graham Giffard): Order! If members give their attention to Hon Nigel Hallett, he will be able to get on with making his contribution.

Hon NIGEL HALLETT: This government lacks foresight and planning for regional areas. Roads in Cranbrook, Plantagenet, Mt Barker and Albany shires are crying out for improvement and modification. Woodchips from plantation timber that was planted over 10 years ago are now being freighted along roads that were not expected to carry such large volumes of heavy traffic. Keep in mind that the yield over the next 10-

year period will be in excess of six times the volume of grain and 150 times the number of sheep and cattle being transported to the port of Albany. Recent studies have shown that in the long term there will be sustainable plantations in the order of 100 000 hectares, most within a 60-kilometre radius of Albany and the coast. Woodchips to the volume of 71 000 tonnes were transported in 2001-02. Production is expected to settle in 2008 at a plateau of 2.5 million tonnes, with an estimated value of \$210 million per annum. The region is asking for approximately \$20 million of instant road funding.

We must keep the impact of this constant heavy vehicle usage on local roads and infrastructure to a minimum by ensuring that suitable maintenance systems are in place and being utilised efficiently. The Mt Barker bypass and the Albany ring road projects must be acted upon now. There is a truck a minute on the Albany ring road. Further afield, major roads such as the South Western Highway and the Bridgetown bypass also require immediate attention.

Hon Ken Travers: If they were in a federal marginal seat, they would have been pork barrelled by those corrupt federal members. That's what they would have done.

Hon NIGEL HALLETT: It has nothing to do with federal funding. The state government has a \$1 billion budget surplus. Let us get some infrastructure.

Hon Ken Travers: Everywhere else in the country national highways are funded jointly with the federal government. We get nothing over here. We are ripped off. You are standing up there as an apologist for the federal government.

Hon NIGEL HALLETT: I would not be an embarrassment for a government.

Hon Ken Travers: Shame on you for being an apologist for John Howard.

Hon NIGEL HALLETT: I am not an apologist.

Hon Ken Travers: You seem to be apologising.

The DEPUTY PRESIDENT: Order! Hon Ken Travers has had a go. If we might just resume the contribution.

Hon NIGEL HALLETT: The safety aspect of these frequently used roads cannot be overlooked.

Another excellent, very recent example of funds for infrastructure earmarked for a regional area and then suddenly transferred to the metropolitan area at the expense of the region is the Collie coal-fired power station. When did the government talk about this in the election? It did not. This piece of infrastructure, which was so vital and valuable to many parts of the South West Region, would have provided jobs and security for hundreds of people and created incentives to develop businesses necessary to service this kind of industry. Perhaps the government feels that it does not need to retain this seat at the next election. In the case of Collie, the government is disadvantaging and riding roughshod over those in its regional heartland upon whom it relies for support to allow it to form government in the first place, even prompting the local Labor member to seriously question his own party's motives. Again, our regional areas are being abandoned in favour of investment in the metropolitan area. Whether in the north, south, east or west of our great state the comment is the same: infrastructure is essential for economic growth; social growth will follow. Roads, power, water etc are all currently being neglected.

In the 1960s Japan's rapid post-war industrialisation underwrote the Western Australian economy. Most industry experts are now tipping China's emergence to create a stronger-for-longer commodity demand - maybe for up to 30 years. This state government will go down in history as having squandered opportunity after opportunity to further develop the state's regions. We urgently require it to show some vision for the future, spend the money and put in place the kind of infrastructure necessary in Western Australia's regions to sustain them well into the next century for our children and our grandchildren.

The state government has record revenue and is awash with money. The state is booming and everything is going forward in the city. The regions, however, are going backwards.

HON MURRAY CRIDDLE (Agricultural) [3.17 pm]: I thank Hon Nigel Hallett for the motion that he has put before us indicating that some funds are not being spent in the country but are going into other areas.

I want to comment on some of the government members' interjections that passed across the chamber. Federal road funding is absolutely imperative. Our government had the Fix Australia, Fix the Roads campaign, which went for years. The intention of the campaign was to get moneys from the commonwealth into Western Australia's road system. Hon Ken Travers was right when he said that we get about seven per cent of the funding back into Western Australia. However, I must point out that the roads that have been talked about are not national highways but main roads, many of which are local roads, and the responsibility for their funding lies with the Western Australian government. The federal government has put an offer on the table for the Peel deviation. I would call it a road of national importance that should be funded, but an AusLink program is in

place, and the funding from the federal government can come to the states through a program developed in cooperation with the federal government.

Hon Kim Chance: A little bit comes back.

Hon MURRAY CRIDDLE: I agree that Western Australia is getting back into its road system only a small amount of the 36c or 38c a litre that Western Australians pay in tax on fuel. When we were in government a fuel levy was collected by the federal government and put back into our road system.

Hon Ken Travers: Now they take that too.

Hon MURRAY CRIDDLE: It is fed back through the goods and services tax. The member's government does not spend it on roads.

Hon Kim Chance: We spend more than your government did.

Hon MURRAY CRIDDLE: This government does not spend anywhere near the amount of money.

Hon Kim Chance: We do. I will give you the figures.

Hon MURRAY CRIDDLE: Let us look at the budget. The minister says that capital expenditure on main roads is \$301 million. I put it to the Leader of the House that it is a very small percentage of the amount of funding that was put in place when we were in government.

Hon Kim Chance: This is in 2003-04.

Hon MURRAY CRIDDLE: It is in 2005-06. It is this government's budget. When we were in government we had 101 projects on the budget papers. The Leader of the House can read the budget papers and see the number that his government has not even bothered to fund.

Hon Ken Travers interjected.

Hon MURRAY CRIDDLE: The Binu East and West Roads are good examples of what can happen when people get off their backsides and work in the community. That community worked to put the road in place. We gave it \$1 million to build 30-odd kilometres of road, and Hon Ken Travers uses it as a political opportunity. The community produces 60 000 tonnes of grain and imports into the area the produce and consumables they need to make their enterprises work; yet, Hon Ken Travers sits there and smugly says, for political reasons, that it was not a good project to put in place. That road happens to be the result of a review that I did as minister. We reviewed three separate roads and the way the traffic should flow, and the Binu East and Whelarra to Balla roads were identified as roads that should be built. Hon Ken Travers should apologise to the people in that community for the way he carries on and insults them in this place. That group of people is prepared to get off their backsides and do something. What he says is typical of the attitude that is developing in this government. It expects people in country Western Australia - volunteers - to work their backsides off without giving them any help. It is about time the government woke up to that.

I will move onto some of the other items that are of interest to me. I recently released an infrastructure plan for the mid-west in Geraldton. That plan resulted from an ongoing federal government inquiry into the upgrade of ports, roads and rail in the area. That plan is backed by the Chamber of Commerce and the Shire of Morawa. It is absolutely essential that infrastructure is put in place in Western Australia to allow mining projects to develop; in fact, some are already developing. In answer to a question I asked recently, the Minister for Planning and Infrastructure indicated that a plan that I put in place as minister in 2000 has not been added to; therefore, there is no future plan for the mid-west. Sure, the government has built the port - for which we did the preliminaries - but it used a \$100 million loan from the Western Australian Treasury Corporation to do so. Good on the government! That loan will be paid back by the producers who use the port. The road from Mt Magnet to Leinster has been built, but I was the one who called the tender on that. The blokes opposite, thankfully, funded it, and I appreciate that. The Gallop government funded the southern transport corridor, which was in the budget. The rail was not in the budget, but we had made a cabinet decision to trade land to build that particular piece of Westrail infrastructure. I return to the plan that is required for the mid-west.

Hon Ken Travers: There's the new hospital in Geraldton as well.

Hon MURRAY CRIDDLE: There is a lot of good infrastructure in Geraldton - nobody is arguing about that. However, we want more such infrastructure in the country. That is what I am trying to tell the government. The people at the end of the powerlines, the road network and other necessary infrastructure deserve the same facilities as those enjoyed in the city. The government must recognise that and provide the funding.

Hon Ken Travers interjected.

Hon MURRAY CRIDDLE: I again refer to the plan in the mid-west. I have heard enough of Hon Ken Travers' interjections - he does not know what he is talking about.

A plan is required for a substantial road and rail network in the mid-west. Before people say that there is a problem with the rail, they should remember that Australian Railway Group has spent \$700 million on maintenance and infrastructure since it took over the rail and purchased the contracts to make that work. It has spent that amount of money. I have heard the Treasurer and the Minister for Planning and Infrastructure say that it has not spent any money. However, members should ask ARG itself. It has outlined and justified that expenditure to me. It has spent that money. Despite what some people continue to say, the rail has not been sold. If the state government wants produce to be transported by rail, it must spend a few dollars on the rail. It would have to spend money for produce to go by road. A typical example is the road that goes from Morawa, through Mingenew and Dongara and into Geraldton. That will soon be used by heavy transport as contracts have been let for one million tonnes a year of iron ore. It will cost something in the vicinity of \$10 million to \$30 million. Members can ask Main Roads about this figure, which has said that it cannot identify the exact amount. It would cost \$30 million to put the same stuff on rail. The company is prepared to be involved in that investment. That is a simple thing that could be done. I know very well that when the contract for the ore was let, the rail option was cheaper than the road option. However, it did not have the rolling stock at the time to win the contract, and it would have had to upgrade the rail.

My point is that the state government will have to put money into that sort of infrastructure to make country roads safe. I get sick and tired of people saying that drivers are to blame for the crashes on country roads. The road network must be upgraded - there is no doubt about that. We had a 10-year plan in place for the roads, which identified the projects that had to be built over that period. I still have a copy of that plan in my office. Almost all those projects have yet to be built, including the Lancelin to Cervantes road, the Muirs Highway upgrade - as Hon Barry House would know - Chester Pass Road, the Albany ring road, the Hyden-Corrigin road and the Toodyay bypass. I could go on. They were all listed as projects that needed to be built. They were set out and the funding was to be made available. This government was able to build things like the southern transport corridor and the Mt Magnet to Leinster Road because they were in the budget and the money was flowing through. However, that money has been chopped off. If the government thinks there is still money flowing through, I would be absolutely amazed.

Hon Kim Chance: The facts do not agree with what you say.

Hon MURRAY CRIDDLE: I suggest that the Leader of the House have a good look at the facts.

As I said, there is an absolute necessity to put infrastructure in place in Geraldton. Hon Nigel Hallett touched on the port in Geraldton. Between \$30 million and \$40 million must be spent on berth 5 and on a loader; otherwise, there will be conflict with the way the products are loaded, whether they be iron ore or talc. That issue must be dealt with immediately. The port itself will take cargo ships for a number of years. If the iron ore mines develop as rapidly as they seem to be developing, we will have to consider another port. I think particularly of the mines at Murchison, mid-west and Mt Gibson, although there are opportunities for a raft of others. There has been talk of building ports at Oakajee and Bookara. The only thing that I would say to anyone who wants to look at those options is that after meeting with maritime people, I have learnt that they need to be absolutely sure that Oakajee can take the big ships. It is no good having a port that is not 18 metres deep; it needs to be similar to the Esperance port, which was built when I was minister and which has about 20 metres of water for draft. If the port does not have that, it cannot take caper vessels and bulk iron ore in its raw form could not be shipped from it. I suggest that anyone who wants to build a port have a good look at those ships. They need to be steered at about five to seven knots, and they must be able to stop before they hit the wall, so to speak, when they come in through some of those prevailing winds in Geraldton. Everyone knows about the southerly breeze in Geraldton. I am told that the Oakajee port can operate only 60 per cent of the time because of the prevailing wind. We must ensure that those sorts of things are correct. This is not me talking; people who have higher qualifications than I ever will have told me that there are issues with building ports there. I know the port at Bookara has deep water very close to shore, although there is the issue of ships coming through the reef. However, if we want to get close to shore, that is an option. Of course, the area is close to roads, rail and gas. It is also closer than Oakajee to some of the iron ore deposits at Koolanooka and places like that. That issue must be looked at. We need to be aware of the issues and be prepared to build those deepwater ports in the area. We also must not totally ignore the fact that private enterprise could be involved in building some of that type of infrastructure.

I will touch on a couple of other ports and some roads, and the infill sewerage program, which I asked a question about in June. I believe its completion date has blown out to 2018. The Fremantle port is developing very well. It will be very close to capacity for containers by about 2015. The last growth rate I heard was about 11 per cent per annum, which indicates a very rapid development of the container ship area. We do not want that to stall; it is a good advancement. I have some concerns about the entry to that port by road and rail, and we must seriously examine that. The prospect of 30 per cent of containers being transported by rail is interesting but that does not mean fewer containers will go by road. The increasing number of containers will still have an impact on the road network. We must bear in mind that a decent access road into the Fremantle port is important. I

would have thought Roe Highway would be a solution, but I understand it has been shelved. Is that not right Hon Simon O'Brien?

Hon Simon O'Brien: It's only a temporary set back!

Hon MURRAY CRIDDLE: Yes, for the moment. We need also to consider very carefully access to the Esperance port. Money must be spent on the access road. I am sure everyone knows the difficulties involved in getting into Esperance. Rail access into the new industrial site is also required. For just a few dollars, the state government could do itself proud by investing some money and ensuring that the new industrial site, which is about 15 kilometres out of town, functions properly. It was developed in conjunction with the Esperance Port Authority and has the potential to be a good innovation. It will be a real advancement.

As Hon Barry House knows, the 400 metre corridor into the Bunbury harbour is important. All the infrastructure, including gas, electricity, road and rail -

Hon Barry House: The estimate is \$17 million.

Hon MURRAY CRIDDLE: It is perhaps \$17 million plus.

Hon Barry House: It's been on the drawing board for 20 years.

Hon MURRAY CRIDDLE: It has been on the drawing board for a long time and should have been built.

Hon Kim Chance: Does that include port access?

Hon MURRAY CRIDDLE: Yes, it is the port access corridor. Trucking in that area will create further pressure.

Hon Kim Chance: That is essential.

Hon MURRAY CRIDDLE: Another proposal that has not been resolved is the access into the port of Broome. Gubinge Road was to be the road used. I have not followed it closely but it seems to me that the industrial area is on the wrong side of the town and it might have been better had it been situated on the outside. However, it might be too late for that now. I raise the possibility of some work being done there to sort that out. The location of the airport creates a difficulty.

I refer now to access to the Albany port. There is no doubt that Chester Pass and Lincoln George Roads should be used by heavy haulage vehicles travelling into the port of Albany. It is project worth about \$40 million. The coalition intended to organise that if it had the opportunity in government this time. There is no doubt that Albany would benefit from it. I have concerns about the Albany foreshore, close to the entrance of the town. If what appears to be the extension of the building program on the foreshore proceeds, it might create a conflict. I will watch the development with interest. They are some of the port projects around the state that I think must be dealt with. It is a critical time for most of the ports I mentioned. If we do not do something about access now, residential development will occur within very close proximity to some of the access roads and the ports. The conflict that will ensue will cause major problems.

The Lancelin-Cervantes road has been mentioned a number of times. I note that the latest budget figure for its construction is \$65 million. A contractor I spoke to the other day could not believe that amount was necessary. According to the budget for the last year that the coalition was in government, the allocation was \$30 million. The increase to \$65 million is incredible. I seriously doubt the validity of that figure. I also have doubts about the budget for the Peel deviation. I think the figure quoted was \$450 million, which is extraordinary.

Hon Kim Chance: All civil engineering costs have escalated remarkably.

Hon MURRAY CRIDDLE: I agree with that. One of the big problems is that much of the competition has been eliminated. Many of the companies working on projects during the coalition government's term left the industry not long after the Labor government took office because the projects were not coming on stream. Although the minister might disagree with that, I have spoken to some of the contractors and there are only two or three now, which are probably owned by the same parent company. I wonder whether the competition is as strong as it should be.

I refer to the costs imposed on the trucking industry in Western Australia as a result of accreditation. When the coalition was in government, accreditation was a voluntary system. We were moving towards what I call an annual single-inspection regime. In other words, all trucks were to be inspected every year. That would have created a level playing field for the whole trucking industry. Accreditation is not working. If a truck is accredited, an auditor can go to the office and look at the book, and, if all the ticks are in the right place, he does not look at a truck. He okays the form, gets on a plane and goes back to Perth. That is not good enough. Trucks should be inspected every year. Inspection stations were situated around the metropolitan area at Wangara, O'Connor and Welshpool, where trucks could access them easily. Locations in the country could be established to enable those inspections. An annual inspection system would provide the trucking industry with a level

playing field. Those competing for contracts would face the same check-list every year to get their trucks up to speed. I am sure that the whole industry would be happy with that system.

The other issue of concern is the permit system. Fifty thousand permits were given out last year or the year before. That is ridiculous. Vehicles have a right to travel anywhere; however, a network could be established to accommodate triple road trains, and that would alleviate the constant problem throughout the trucking industry of the need to obtain permits. That would be of enormous benefit. I constantly talk to some of the owner-operators, who are frustrated with the amount of paperwork they have to deal with. My wife is always frustrated by the amount of paperwork she has to complete in running the business. We must take a realistic approach to some of the unnecessary processes that industries encounter.

The other issue of grave concern in the trucking industry is the chain of responsibility for loads. We hear talk nowadays about the chap in the paddock who loads a truck being responsible for the truck when it is on the road. That will not be easily policed and dealt with through the legal system. It means that a farmer could be potentially sued for something he had no opportunity of having any control over.

Hon Kim Chance: That is why I like the Queensland system's cubic loading arrangements. You know the term. It gets over those issues, particularly for grain growers.

Hon MURRAY CRIDDLE: Responsibility for the load belongs to the people handling the vehicle. Most of them know very well what is in their load.

There is another sobering thing for anybody who wants to put rules and regulations in place. The people who drive big road trains now are very competent people. They must go through a comprehensive process to get a licence. They need to be highly skilled. I can tell the house that they are very well paid. However, one thing that must be watched is the hours of travel and so forth.

I do not want to continue any longer, because I know that other members want to contribute to the debate. I say to Hon Nigel Hallett that I welcome this debate. All people in Western Australia are closely watching the requirement for funding of infrastructure, not only in the country but also in the city. If those of us who live in the country are to do so in a safe and meaningful way, we need to make sure that the infrastructure is in place. I particularly focus on the area of safety. Our children who travel on school buses, and our wives and children who travel in cars on some of the roads, should be able to do so in a safe manner. We should always remember that safe roads are absolutely essential. On a radio program not so long ago, there was talk about health requirements in the Gascoyne. At that time, it was said that the hospital in Carnarvon was not very good. However, a lady rang and said that she did not give a damn about the hospital in Carnarvon, because she could not get in her car and drive to Carnarvon safely. Her first priority was to get there so that she could use the facility. Therefore, the government must bear in mind that it is not about just health and education; it is also about the infrastructure required for communication, roads and all the rest of it. I thank the house for the opportunity to speak.

HON KIM CHANCE (Agricultural - Leader of the House) [3.41 pm]: I really welcome this opportunity to discuss the priority commitment that the Gallop government has to remote, regional and rural Western Australians. This is a unique opportunity to explore some of these issues. Many of the matters that have been raised by members opposite are matters with which I agree. Indeed, Hon Murray Criddle made some very good points about the massive potential mineral development of the mid-west. There are some issues in that area that we need to address, similar to those issues in the timber industry in the great southern, in particular, but also in the south west, where transport issues that have arisen out of a massive growth in resource harvesting, shall I say, need to be dealt with, and we need to have a proper mechanism to deal with them. There is no animosity from our point of view when members raise issues such as that. They are serious, genuine issues, and they need to be dealt with.

However, it is a question of how we go about dealing with these matters that makes a difference. I want to explore a couple of matters and ask honourable members to think a little globally about how we get around these situations. When we talk about non-urban remote regional electorates - I guess that is what this motion is about - it is no accident that in the last election every one of those electorates returned a Labor member. Every electorate answering that description returned a Labor member. Some were re-elected and some were newly elected, as in the case -

Hon Barry House: You conveniently left the south west out of that. If you include the south west -

Hon KIM CHANCE: Every non-urban remote regional electorate, and that is four-fifths of Western Australia.

Hon Barry House: Don't you classify the south west as regional?

Hon KIM CHANCE: It also excludes Esperance, for that matter. Four-fifths of this state returned a Labor member. In every electoral district in the state, every single seat that answers that description returned a Labor member. That is not an accident. Every seat north and east of Geraldton is represented by Labor.

What makes this motion a touch puzzling is that it seems to be in denial of the facts. A casual reader of the motion - a person from another planet, for example, or somebody who was not familiar with the way in which the electorate has judged our performance - could assume that somehow Labor had lost touch with its powerhouse in regional and remote Western Australia; that somehow we had let those people down; that somehow remote and regional Western Australia had the feeling that Labor was not governing to their benefit. I am sorry, they just had the opportunity to make that judgment, and they overwhelmingly made that judgement. Did they make that judgment on an informed basis? Of course they did, and I will go into those issues shortly.

Hon Barry House: You didn't get an endorsement out of the south west.

Hon KIM CHANCE: We actually won a few seats in the south west too, as I recall.

Hon Barry House: You lost some too.

Hon Ken Travers: The member for Collie-Wellington got a swing to him.

Hon KIM CHANCE: We win some and we lose some. Some had a very strong swing to them; for example, the member for Collie-Wellington.

Hon Ken Travers: I think we got three members in the upper house from that region.

Hon KIM CHANCE: Yes, indeed. Our third member is sitting here with us.

Hon Ken Travers interjected.

Hon KIM CHANCE: Exactly. What else did the Romans do for us?

Regional Western Australians made their judgment on what they could see us doing. They made their judgment on what they know to be massive expenditure on infrastructure. In the last budget - I will confine the issue to the last budget, just as a focus point - there was a clear choice for the Gallop government and the Treasurer to make, given the fortunate circumstances the Treasurer found himself in. We do not hide behind that either, and we are not claiming all the credit. Every now and again a government has a bit of luck. We had a bit of luck, and we have had a bit of luck a few times. Presented with that fortunate situation in which he found himself - I will now personalise it and call him the Treasurer - the Treasurer had two options basically: to either thin it right down and give the electorate a holiday and deliver the tax cuts that the newspapers, for example, were crying out for, or hold our revenue at about the level that had been determined and invest in this state's future - invest in infrastructure and in our kids' jobs. That is the decision the Gallop government made.

The West Australian newspaper did not like that much, because it thought our services and infrastructure were pretty good in Perth. It said, "Why can't we have a tax cut? We've paid all this tax. Let's all take a holiday." Wrong answer for the state of Western Australia. In the current budget, we have a capital works budget of \$A4.9 billion. Do members know what the capital works budget of the state of Victoria is, a state that has three times our economy? It is about \$1.5 billion. The state of Victoria's capital works budget is about one-third of ours. That is partly because Victoria uses public-private partnerships instead of funding works off the books. However, we fund ours on the books. That is a massive expenditure on infrastructure. That is ports, water, power, roads and rail - all the things needed to make our economy go on. Can members point to areas in which those infrastructure services are still deficient? Of course they can. This is an economy that is growing and creating new demands for infrastructure all the time. Hon Murray Criddle has pointed to that very clearly. We have unmet new demand and new potential demand in the mid-west, and we need to deal with that. It is a great problem to have, just as all the infrastructure that is required in the Pilbara is a great problem to have. However, never imagine that we are not meeting that demand, and certainly never imagine that the terminology that is used in the motion in any way describes what is happening in the state of Western Australia. The capital works budget is \$4.9 billion.

Hon Murray Criddle: One day you can itemise it.

Hon KIM CHANCE: It can be itemised. It is in the budget now.

Hon Murray Criddle interjected.

Hon KIM CHANCE: I will do that for the member, if he likes.

I will correct one small mistake that I think Hon Nigel Hallett made, not in his assessment but in the assembly of the facts. He said we were spending \$5 million over four years on regional development. I do not know where that figure came from. However, the commitment to one item in the regional development infrastructure fund is \$80 million over four years.

Hon Nigel Hallett: I said that the budget increased by \$5 million.

Hon KIM CHANCE: The honourable member is right. Even so, he is only comparing the regional infrastructure fund itself. It went from \$75 million to \$80 million. Do members know what the regional

infrastructure fund allocation was in the years leading up to 2000? It was nil, there was not one. The regional infrastructure fund was actually introduced by the Gallop government.

Hon Ken Travers: How do you move a motion like this when you admit in the house adequate funds went into it?

Several members interjected.

Hon KIM CHANCE: It has actually got up. A good point was made about aquaculture and I was a part of that decision as the then Minister for Fisheries. We could see that the amount the Liberal government and this government had spent on aquaculture totalled about \$6 million. It was a considerable amount of money and it had probably achieved the only purpose it was going to achieve. Industry made the decision that the future direction for aquaculture, at least in the next few years, was to try to attract the kind of venture capital it needs. There is a point in the development of a new industry, and plantations is a classic example as well as aquaculture, into which government is expected to put the up-front money, but from that point on the private sector should pick it up and run with it. We got to that point of research and development. The Department of Fisheries and the government have not walked away from aquaculture, but are working with it to try to do more to attract venture capital. We are over the questions we needed to get over with R and D and native title, which was a major issue confronting government. We are over that now. At last count, no less than 15 projects are ready to key-start, but the only thing stopping them is venture capital. That is how we identified where we need to go next.

I saw a lovely story close to the financial pages in today's paper about Bayside Abalone Farms Pty Ltd getting up and having its first commercial crop on the market. Bayside Abalone was the recipient of a very large amount of direct government assistance. It is very rare that the Gallop government invests in a private company. However, Bayside Abalone was an example of it doing so. It did so because the other eight abalone farms that were at an earlier stage of their development than Bayside said that, if the government did not help Bayside, they did not have a hope of getting up. The whole industry depended on that one company getting up and running and that convinced the government that it had a whole-of-industry benefit. What we have done in aquaculture may or may not have been enough, but no-one can doubt it is time for a change in direction in the way we relate to that industry. It is one example out of dozens. Aquaculture is an industry with a tremendous future, but there are severe limitations, not the least of which is the banking industry's vision of the industry. If one mentions aquaculture to a banker, he thinks of rusting tanks and fugitive capital.

Over the past four years the Gallop government has certainly listened to regional communities. It has had no fewer than 24 regional cabinet meetings; that is, full cabinet has met in regional areas. It has given members of the cabinet a unique opportunity to meet face to face with people who have issues involving regional Western Australia. It has been an immensely valuable process, but it is only one way in which we have tried to keep in touch with regional areas.

Each region in Western Australia has its own minister - a minister to whom the region can relate directly and that also has been extremely valuable. The regional development commissions have been strengthened by increased funding and increased support for their roles. Also, there is a requirement on all ministers when making submissions to cabinet to include in that submission a regional impact statement.

I will cross to roads briefly. From the time of coming into government in February 2001 to 30 June 2004, a little while ago, over \$2.2 billion of state funds have been spent on Western Australian roads. People talk about \$1.4 billion for the direct southern rail route. It pales into insignificance with what we have expended on roads. In 2003-04, \$316 million was spent on roads. Fifty-six per cent of that \$316 million was allocated to rural regions. In 2004-05, \$328 million was spent on Western Australian roads. Again, 56 per cent was allocated to rural Western Australia.

Hon Bruce Donaldson: How much was given to local government with 80 per cent of the road network?

Hon KIM CHANCE: Local government roads funding increased last year.

Hon Bruce Donaldson: From the year before. You screwed them down the year before.

Hon KIM CHANCE: We have an agreement with local government and it has considerably exceeded the amount of money that was indicated as the minimum amount coming from that agreement. The level of funding for road maintenance has also increased under this government. In the last year of the coalition government, \$240 million was spent on road maintenance and, in 2003 04, the Labor government spent \$302 million. An amount of \$360 million was allocated in 2004-05 of which \$270 million, 75 per cent, was spent in regional areas. Let us get over this issue of Labor being somehow road and country unfriendly. The figures do not support that view.

The opposition's claims that the Gallop government is neglecting roads, particularly in the country, is not based on fact. Since 2001-02, well in excess of 50 per cent of road expenditure was allocated to projects in regional Western Australia. Frankly, if the best members opposite can come up with is that we still have not built the Lancelin-Cervantes Road - let me deal with that.

Several members interjected.

Hon KIM CHANCE: Would you rather us not spend -

Hon Bruce Donaldson: You had windfall revenue and you are walking away from \$700 million of infrastructure spending.

Hon KIM CHANCE: We could probably put together another 20 cases just as well. However, we have made our commitment to the Lancelin-Cervantes Road and we will honour it.

In contrast the opposition actually reduced its road budget by close to \$1 billion in the 1999-2000 budget to fill funding black holes in health and education.

Hon Murray Criddle: You've got to be dreaming.

Hon KIM CHANCE: The Liberal government reduced its road maintenance budget. It was a disgrace. A member mentioned the necessity for the Albany ring road. It is already in our major roads projects list with funding of \$7.4 million.

Hon Murray Criddle: That is not the ring road. That goes across the top. It has nothing to do with the ring road.

Hon KIM CHANCE: The construction of the Albany ring road, stage 1, will cost \$7.4 million. There is stuff happening that members opposite are not aware of.

Hon Barry House: It is not happening. It is in the figures in the budget. You have demonstrated since you have been in government that you put up the rosy figures but nothing actually happens.

Hon Ken Travers interjected.

Hon KIM CHANCE: The member needs to get out into the regions a bit more to see what is happening.

I say with all sincerity that those opposite need to understand what I will say now, so that when they speak to their federal colleagues they can remind them of some of these facts. First, Western Australia is one-third of the continent of Australia, it produces 30 per cent of the nation's exports by value, it generates \$23 billion in revenue each year for the commonwealth, it contains 25 per cent of the national highway, and it contains 10 per cent of the nation's population, but it receives only seven per cent of AusLink funding.

Hon Murray Criddle: We know that.

Hon KIM CHANCE: I have heard Hon Murray Criddle say most of those things, but there is one a lot worse. What about the AusLink rail funding? Do members know what proportion we get of the AusLink rail funding from the commonwealth? Is it five per cent, six per cent, three per cent or 10 per cent? We get 0.8 per cent of the AusLink rail funding! Although I have really appreciated a lot of the things that members opposite have said in the context of debate on the motion, I want them to be advocates for Western Australia rather than advocates for John Howard. They must get their heads around that: we are employed by the people of Western Australia.

Hon Murray Criddle: Haven't you heard about the Fix Australia Fix the Roads campaign?

Hon KIM CHANCE: I remember that. When Eric Charlton was the Minister for Transport in Western Australia he decided he would introduce a campaign called the Fix Australia Fix the Roads campaign. That was when there was a Labor government in Canberra. He ran those figures and, although things were not as bad then as they are now, they were similar. I asked him what he was going to do with those figures and he said, "I am going over to tell that Richardson bloke that he needs to get us some more money." I think Mr Richardson was then the federal minister. I said, "Gee, Eric, I would get the argument a bit more sophisticated than that if I was dealing with Richo." He said, no, that he was going to Canberra to give them those figures and things were going to get better. As a result of the Fix Australia, Fix the Roads campaign, commonwealth funding for roads in Western Australia dropped by 20 per cent and we have never got to those levels again!

Hon Bruce Donaldson: I have not heard you mention the Roads to Recovery program. and the \$2.5 billion that came straight from the federal government to the Labor government in Western Australia.

Hon KIM CHANCE: Yes, that funding used to come to the state of Western Australia and go to local government, but the problem with the Roads to Recovery program was that local government got that money directly from Canberra and then went to Perth and asked for more money. Local governments said that the state government used to give them X dollars, and that we had cut their road funding, even though the same funds

went directly from the commonwealth to local government. If the commonwealth wants to do a deal with local government, that is fine, but they should not try to double-dip.

Despite our contribution to the national economy, Western Australia will receive just seven per cent of the federal government's allocation to state and territory governments through the AusLink roads program. However, the federal government is investing \$1.8 billion in rail projects as part of AusLink's national network over the next five years, and \$1.6 billion of that amount will be spent in New South Wales, Victoria and Queensland - \$14 million out of \$1.8 billion is being allocated to Western Australia, or less than one per cent!

I am trying to wrap up my address. I am glad that we have had an opportunity to discuss these issues, because there is something inherently good in this motion. I am trying to find the right words to include in the motion. Members might be aware that the Treasurer, Hon Eric Ripper, gave a speech last week at the national infrastructure summit in Sydney, which received nationwide coverage. That address attracted a tremendous amount of attention and some of the points made by Hon Eric Ripper need repeating. I will not do that at length, but I will refer to a couple of very precise points. In that speech the Treasurer compared the state government's \$184 million investment in multi-user infrastructure to the commonwealth's record in the Burrup. He said that the state's investment will also be used to upgrade the port, to build roads, to install seawater supply facilities and to support major gas processing projects planned for the area. Despite the fact that the commonwealth is the major beneficiary of the developments on the Burrup, how much has the commonwealth contributed to the common user infrastructure required to facilitate that development? All the royalties went to Canberra. We have contributed \$184 million. Do members know what the commonwealth's contribution was?

Hon Ken Travers: I am trying to think of anything.

Hon KIM CHANCE: Was it half: did the commonwealth match us dollar for dollar? No, not quite. The commonwealth must have put up a quarter! Despite all the money it gets from the Burrup development, it is not putting up one cent. Not one cent of those royalties came to WA to support infrastructure development on the Burrup!

Hon Bruce Donaldson: Let us talk about Paul Keating's contribution to resource development in 1996.

Hon KIM CHANCE: Who did cause the Punic Wars? This is amazing: \$184 million was contributed by the state and not one cent by the commonwealth, which is the major beneficiary.

Hon Anthony Fels: What about the royalties you are picking up at the moment? You are not giving anything back to anyone.

Hon KIM CHANCE: I am not keeping it all myself.

Several members interjected.

The DEPUTY PRESIDENT (Hon Graham Giffard): Order! The Leader of the House has the floor.

Hon KIM CHANCE: I am glad that caused members opposite to think, because I want members to ponder on that one example. I will not go through any more; there are dozens of them. This state is facing major challenges by putting in place resource development infrastructure. Hon Murray Criddle gave us a very good example of that in the mid-west. Yes, it does need to be done; yes, it is the state's role to make sure that infrastructure goes in; yes, we do get some, not insignificant, royalty payments from that development; yes, we are investing in that, but where do the bulk of those royalty payments end up? I am talking about royalty payments only, not company tax or individual tax which also all goes to Canberra, and all those other elements of the \$24 billion that goes to Canberra every year, a fraction of which comes back to Western Australia.

Hon George Cash: It is distributed to all those other state Labor governments.

Hon KIM CHANCE: Surely, members of Her Majesty's opposition in the state of Western Australia also have a duty to insist that not only the government of Western Australia plays its proper role in supporting those infrastructure needs, but also that the commonwealth government plays its role. That is not a lot to ask.

Amendment to Motion

Hon KIM CHANCE: I think I have found the one tiny flaw in Hon Nigel Hallett's motion. I undertake, on behalf of the government, provided this amendment is accepted, to support his amendment. I move -

To delete the word "Gallop" in the first line and insert the word "Howard".

HON KEN BASTON (Mining and Pastoral) [4.09 pm]: I note the amendment with displeasure. I also note that the minister referred to the regions being four-fifths of Western Australia. My area, the Mining and Pastoral Region, represents 87 per cent of the landmass of Western Australia. I note the figures that have been cited. I also note that the mining and pastoral area contributes \$27.5 billion in royalties, of which \$23.4 billion is from exports, and that is 25 per cent of the national export income. I know that not all the royalties go to the state;

there are offshore royalties from commonwealth waters. However, a massive amount of royalties are raised in the mining and pastoral area.

Hon Nigel Hallett has said that only an extra \$5 million over four years has been allocated for regional development. The crux of the issue is that the allocation is not enough, bearing in mind that this state is experiencing a huge resources boom. Of course, the majority of that boom can be seen in the Mining and Pastoral Region. Many areas need infrastructure. Infrastructure will always be in demand, particularly when there is a resources boom, because there is a great need for roads etc. It is difficult for any government to keep up with that need. I have asked questions in this house about Marble Bar Road. Resources are being carted on that road, even though a six-kilometre section of the road 40 kilometres north of Marble Bar and about 139 kilometres south of Port Hedland is extremely dangerous. That is the type of infrastructure that needs immediate attention. It is not good enough to sit back and wait until an accident happens on that road.

Hon Kim Chance mentioned that Labor won all the lower house regional seats. However, the town-by-town results do not sound so good. Exmouth, Carnarvon and Denham were major wins to the Liberal Party in that sense. A courthouse complex is badly needed in Carnarvon. The police station in Exmouth is in a bad state of decay. We have already heard that there is cement cancer in that building. I have inspected that building. Another issue I raised in a question some months ago was the inequity of the water situation in the town of Denham. It has two systems of water - artesian and desalinated water. That regional town needs some help to reduce the cost of its water. If the water produced at the desalination plant that the government intends to build at Kwinana costs anywhere near a fraction of the cost those people have to pay for their water, it will never get off the ground.

Hon Nigel Hallett raised the need for resources in Wyndham. I understand that a new iron ore mine will operate in the region, and something like 50 trucks a day will travel through that town. The demand for the port will be great, because the mine will have to compete with the tourism industry in that area.

The minister raised a point about development commissions. A minister represents each of the regional areas of Western Australia and underneath those ministers sit the development commissions. I asked my electorate officer to ring the various development commissions, because the charter under which they operate has always puzzled me. I thought that the development commissions had a charter. Those development commissions told my electorate officer that they did not have a charter. Some of this extra \$5 million in funding over four years could be put towards helping development commissions develop a charter, so that people from the regions could find out the charter of those development commissions. Development commissions can play a major role in helping raise venture capital, which, as Hon Kim Chance said, was needed for many projects. These development commissions need to be dealt with in a more efficient manner, instead of just handing out bits of money on the whim of the government of the day. Both sides of politics have done it, much to my disappointment. I know that there are not enough voters in the areas in which this wealth is created to demand some return for those vast areas. If we are to commit to equity for those areas to encourage people to live there, we must ensure that more money is put into infrastructure. That infrastructure includes roads, schools, police stations, hospitals etc. I know that there will be a continuing demand, but I believe that not enough is going back in.

Debate interrupted, pursuant to sessional orders.

Sitting suspended from 4.15 to 4.30 pm