

ROYALTIES FOR REGIONS

Motion

HON DAVE GRILLS (Mining and Pastoral) [11.25 am]: — without notice: I move —

That this house reaffirms its support for the continuation of the National Party WA royalties for regions program and the role it plays in supporting regional Western Australia and the wider Western Australian economy.

It is nice to hear such robust debate on the matter of regional hospitals, but it is one of those emotive things; we all hope it never happens, but if people are ever touring around our great state and something befalls them in regional WA, everyone would want the best care for their family and for themselves. That is what we are fighting for, and that is why I am speaking today to seek members' support to keep royalties for regions strong for regional WA and all of WA.

I refer to some comments made recently by the chief economist of the Chamber of Commerce and Industry of Western Australia, John Nicolaou. He was quoted in an ABC.net article of 15 October as saying —

“The government simply can't afford to allocate a fixed percentage of a growing revenue base to one particular program,” ...

He was referring to the National Party's royalties for regions program. I can give members a billion reasons why royalties for regions should be continued. When the opposition calls for royalties for regions to be dipped into more often to pay for key projects, it is timely to reflect on the significant role that the royalties for regions program plays in regional communities and the wider regional Western Australian economy. Mr Nicolaou says that the government cannot afford to allocate a fixed percentage of a growing revenue base to one particular program. He has some serious concerns about its long-term future. He wants the state's economic regulator to review the royalties for regions program and believes that there is no time to waste after Western Australia lost its AAA credit rating. However, in the last budget, more than \$500 million dollars was cut from the program to help improve the state's bottom line. The shadow Treasurer has also called for royalties for regions money to be dipped into for key projects, including the extra floor on the new children's hospital. He says that we need to be much more open in how we spend royalties for regions money. There are plenty of opportunities for members on the other side to get the facts, and the facts are usually pretty scarce in any debate or argument from the other side.

Hon Darren West can hold that up, and I will hold one up too; that is irrelevant to what we are talking about here.

The National Party is adamant that the program will remain in place. As our leader, Brendon Grylls, has said, he or any other of us will fight to our last political breath to ensure that happens. Although the Treasurer has said that there will be some ongoing changes, he also says that there is no need for radical reform.

We have heard the Chamber of Commerce and Industry of Western Australia's metrocentric view of the world, but the CCI and regional WA see things a little differently, especially where I live in Kalgoorlie-Boulder. The regional CCI's Hugh Gallagher has said that country Western Australia needs to send a clear message that the program has been embraced and has made significant impacts. The Perth CCI, with its metrocentric view of the world, says that it is not working, whereas we should be listening to the people from regional WA, where royalties for regions has its biggest impact and where we, as regional members, work our hardest to ensure it stays in place. These are the facts we should be listening to. I quote from an ABC.net article of 16 October which quoted Mr Gallagher as saying, in part —

“Items that are traditionally funded out of consolidated revenue now they're directing it toward Royalties for Regions if the spend is in the regions,” he said.

“Slowly but surely Royalties for Regions is changing right now but I think it's really important we as regional West Australians keep telling the decision-makers that it's working.”

Mr Gallagher says it will be an ongoing battle to keep the program in place.

“Quite obviously we can't agree with CCI WA,” he said.

“Royalties for Regions is really for the regions, it's been embraced by the regions, it's been embraced by government.

“... I can understand where CCI WA come from but I think the regions need to give a clear message to CCI WA and also the Opposition.”

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They are the people members opposite claim to speak to when they are in the country—when they cross the escarpment to regional WA—who tell members opposite this. Obviously, they do not talk to the right people or, as usual, they do not listen.

A government member: They are just making it up.

Hon DAVE GRILLS: Absolutely; it sounds good. Never let the facts stand in the way of a good argument. I am presenting some facts that are readily available for everyone to look at.

Royalties for regions is based on a simple premise that most businesses and governments will understand. It is not possible to build a business—in this instance, a state—without investment in the areas that drive the economy. We see investment as a holistic concept. It is about investment in infrastructure—ports, railways, roads—that supports the expansion of industries. Yesterday, we heard news from Broome and about the intermodal hub in Kalgoorlie–Boulder. All these facilities handle the resources in our state and move them around. There is the \$300 million Nationals’ vision for agriculture, which is about getting produce to port. These are facts. This is what royalties for regions pays for. This is what helps the economy and the state to grow.

Can we argue that the various streams that make up the royalties for regions program—infrastructure, education, health, industry and land development—are not priority areas? They are priorities for regional WA and they should be priorities for metropolitan WA. This investment stimulates private investment, as we have seen in regional WA. Disinvestment in these critical areas will eventually impact on productivity. It is harder for people to get their produce and harder for them to do things when we stand on the hose. Standing on the hose is counterproductive. We should consider that if it is good for the bush, it is good for the metro area and if it is good for the metro area, it is good for the bush.

The royalties for regions program was introduced with the passing of the Royalties for Regions Act in 2009. Royalties for regions consists of subsidiary accounts described in section 5 of the act. The accounts comprise the country local government fund —

Hon Sue Ellery: How’s that going?

Hon DAVE GRILLS: It is going well, since the member asks. If the Leader of the Opposition wants to know more about that, I have a frequently asked questions document here that answers every question she would like to ask.

Hon Sue Ellery: Who prepared that for you?

Hon Kate Doust: Why don’t you table it?

Hon DAVE GRILLS: Since 2008–09, \$750 million of royalties for regions money has been provided directly to local government, with \$320 million over four years and \$90 million over the next four years to finish programs and to top up existing programs. Other funds are the regional community services fund, the regional infrastructure and headworks fund and any other account determined by the Treasurer on the recommendation of the minister to be a subsidiary fund. That is saying that the regional infrastructure and headworks funds give people in the bush the opportunity to build there—to take their families to country towns and build a home, and for those opportunities to grow. The comments that royalties for regions funding is distributed to one program is misleading, given that these several subsidiary funds exist.

There have also been questions about the limits on royalties for regions funds—how they work, what is the fiscal responsibility and what reviews and processes apply.

Hon Ljiljanna Ravlich interjected.

Hon DAVE GRILLS: Bless you!

Hon Ljiljanna Ravlich: Thank you.

Hon DAVE GRILLS: I will touch briefly on how they work. Section 8 of the Royalties for Regions Act 2009 provides that “The Treasurer is to ensure that the amount of money standing to the credit of the Fund at any time does not exceed \$1 billion.” This ensures that regional Western Australians and the wider Western Australian economy enjoy the benefits of the fund in a timely fashion, and that the pooling of money is discouraged.

With regard to fiscal responsibility, as members are aware, following the budget announcement, the Nationals WA, as members of an alliance government, made appropriate amendments to the royalties for regions program to ensure that a sound financial budget was delivered for the state. The country local government fund was amended in a bid to save \$350 million over four years. That is a fact, Hon Darren West. This is an example of the Nationals WA acting fiscally responsibly in the best interests of the state. We are saying that we realise that

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there are things to be done. As I am fond of saying, change is a constant; development is optional. We understand that.

The Royalties for Regions Act provides for a review–audit procedure and the establishment of the Western Australian Regional Development Trust. This is all available in the act for members to read when they ask questions about this. I seem to remember—not that I was in this place at the time—that legislation that is passed by both this place and the other place must receive majority support before it becomes an act. Royalties for regions is currently the subject of a review by the Office of the Auditor General. The audit will assess whether royalties for regions projects are delivering intended benefits to regional Western Australia. If the shadow Minister for Regional Development had his way, I am sure that regional WA would lose out because the railway line in Perth would work for people from regional WA. I might come to Perth from Kalgoorlie and want to catch a train somewhere. As a regional representative, that would justify that money coming out of regional WA funds and being spent here.

I can categorically say that, in all my travels throughout the Mining and Pastoral Region, which is a fair chunk of this vast state, the overwhelming feedback I have received from people cannot be understated about how royalties for regions is benefitting regional WA socially, culturally and economically. Hon Jacqui Boydell spoke about treating sick people in their home towns in the country. It is obvious that not everyone can go to regional WA, but when we talk about treating people in their homelands—I am sure if Hon Steve Dawson were here, he would back me—the worst thing to do for an Aboriginal person who is ill is to take them away from their family and their country. Members opposite are saying that if we do not invest that back into WA, everyone would have to come here, and I am sure they will agree that is not the best option.

Hon Sue Ellery: No-one said that.

Hon DAVE GRILLS: What are they saying then?

Hon Sue Ellery: We haven't said anything. You're the one talking.

Hon DAVE GRILLS: I know what I am talking about.

Hon Sue Ellery: That's a good start.

Hon DAVE GRILLS: It is a good start, is it not?

Hon Simon O'Brien: You're setting a fine example to the Labor Party!

Hon DAVE GRILLS: Thank you very much. I happen to have worked with quite a few Aboriginal people in quite a few circumstances and in different places. I am more than qualified to talk to someone who thinks that being members of the East Metropolitan and North Metropolitan Regions qualifies them to speak on matters like that. We were talking about regional hospitals and when members opposite spoke about Armadale and Joondalup, I wondered how long before Armadale and Joondalup become regional WA.

I, along with my Nationals colleagues, welcome the release of the Auditor General's report and welcome the debate we are having in this place today. I thank members for their time.

HON DARREN WEST (Agricultural) [11.38 am]: I commend the member for moving the motion, but it is a rather curious motion to me. It reads, in part —

That this Council reaffirms its support for the continuation of the National Party WA royalties for regions ...

That indicates there is some sense of ownership of this program by the Nationals WA, which I find a little bit bizarre. As I pointed out before, the Nationals WA got 4.88 per cent of the vote in the Legislative Council. This initiative has been supported by all parties in politics. I am sure my Liberal colleagues opposite would also be somewhat aggrieved at the Nationals WA claiming this program is the Nationals WA royalties for regions program. We all know that is not the case. As I understand it, the Royalties for Regions Bill was passed by the Parliament in 2009 with support from all parties. Royalties for regions is a program that is supported of course by this side of the house. The National Party's royalties for regions model, which this motion attempts to congratulate, has been managed by the WA Nationals in a way that to me is akin to an episode of *Fawlty Towers*, starring the Minister for Regional Development as Basil Fawlty. I will leave members to speculate on who Polly, Manuel and the Major may be. Clearly it is a bungled, poorly managed program. Even more curious and quite misleading, the Nationals claim ownership of this program. I have in my pile of facts an extract from *Hansard* of 2002 that contains a question to then Premier Gallop from Mr Larry Graham, a former member from up the Pilbara way. The question to the then Premier is about Gorgon gas royalties and how they might be redirected back to the Pilbara.

Hon Martin Aldridge: When was it?

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Hon DARREN WEST: It was in 2002, so this is nothing new, guys! This has been talked about for a long time. The then Premier in his answer, if members want to check *Hansard* —

Several members interjected.

The DEPUTY PRESIDENT (Hon Liz Behjat): No! Order! This is how it is going to be: the mover of the motion was heard in silence by the other side of the house; other speakers are going to be heard in silence; and everyone will get their chance to speak.

Hon DARREN WEST: Thank you, Madam Deputy President. I did sit in silence because speakers have only 10 minutes.

I have another paper that I am sure is known to National Party members who claim to own the royalties for regions program. It is an excellent paper that was written in March 2007. When I checked through my facts, I noted that it was pretty much written by none other than Ben Wyatt, the person referred to in Hon Dave Grills' speech. It makes very interesting reading. If members read it, they will learn where the concept originated for putting royalties back into regional Western Australia through a program.

Several members interjected.

Hon DARREN WEST: Read it!

I must give National Party members their dues: they are very slick at marketing. They have come up with a very good logo and a very good campaign that 4.88 per cent of the voters in Western Australia think is excellent. I point out that 95 per cent of voters in Western Australia did not support the National Party, but more than 4.88 per cent of voters in Western Australia support regional development, including the Leader of the Opposition, Ben Wyatt and me. I urge National Party members to read this and they will find out where the first hatchings of royalties for regions came from. It did not come from the current Minister for Regional Development. I will move on because there are much more important things to talk about.

I have with me an extract of a document from Curtin University that points out the value of royalties to Western Australia. I was surprised to find in the 2013–14 budget that from own-source revenues, which comprise 65 per cent of the budget, 23 per cent of royalties come from mining companies. I also have with me a table, which I do not have time to run through but which lists all the sources of revenue. It is also an interesting read.

I want to talk a little more about the motion. Clearly the Nationals are feeling a bit of pressure after the election. That is hardly surprising because National Party members are cheering the closure of each tier 3 railway line and they are refusing to turn up to meetings. Today I organised a meeting of quite a few stakeholders in education to talk about school cuts and the transition to year 7. No member from the National Party turned up. They are clearly not interested in what the electorate has to say or in the views that the electorate thinks are important. So, here we go: they bring up a motion about royalties for regions. They say, "Let's bring up a motion about royalties for regions because that's really all we want to talk about. That's really all we've got."

Several members interjected.

Hon DARREN WEST: If regional Western Australia is so important to National Party members, why do they not show up to meetings that we go to a lot of trouble to organise and that people travel long distances to attend to meet their elected member and have their views heard? I will tell members why they do not turn up. It is because they cannot help the members of their electorates; they are not interested.

I have some more facts with me. I have been in touch with the Department of Regional Development. As members may know, I was chair of the Wheatbelt Development Commission. I had some really good contacts in that department with whom I liked to have a chat about things from time to time. It is not a happy camp there, I can tell members.

Under the Royalties for Regions Act 2009, passed by both houses of Parliament with widespread support, the appropriation for the royalties for regions fund was \$334 million. The *Fawcett Towers* regime managed to get \$197 million of that out the door; therefore, it spent only 59 per cent of the appropriation and that was only 14.7 per cent of mining royalties. National Party members went to the election in 2008 having never spent 25 per cent of mining royalties on royalties for regions; they spent 14.7 per cent. They should have had a decent regime in place, rather than the *Fawcett Towers* in Torquay arrangement that they have. They continued in 2009–10 with a \$644 million appropriation—a large chunk of mining royalties—but got only \$257 million out the door. They therefore spent only 40 per cent in that year. In 2010–11 they had an appropriation of \$818 million but spent only \$514 million. Members can see that they are getting better but after three years on the job, they are still spending only 68 per cent of the fund, or 16.9 per cent of mining royalties. They still have not quite given their electorates what they said they would give them. In 2012–13 they spent 88 per cent. That is not bad; they are

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getting close. As we are getting close to year 12 examination time, I think that would get an A. Therefore, in one year they got an A for a program that they are claiming ownership of, and they reckon that is why more than 4.88 per cent of voters should vote for the National Party. However, they still spent only 22 per cent of mining royalties. Not in one of those years were they able to spend the money that they promised they would spend.

I had a bit of a hunt through the department's annual report because I like facts. I might add that the Chamber of Commerce and Industry of Western Australia has realised, as the rest of us have, that although the concept of the program is good and the appropriations are fair and reasonable, the management and running of this program have been so appalling that it is thinking it should give away this program and find a better way. There was significant investment in regional Western Australia well before the National Party nicked Ben Wyatt's idea and came up with this program. The Pilbara was built, the Geraldton iron ore industry was alive and the grain rail infrastructure was carrying grain. There was significant infrastructure investment in regional Western Australia before the Nationals wrapped up Ben Wyatt's idea into a nice, slick marketing campaign. I just point out that as well, because to claim ownership of the program is quite misleading and quite mischievous.

I found some interesting facts in the annual report. Hon Jacqui Boydell talked about royalties for regions. I think she might have got her motions a little mixed up because she claimed that no money was spent in the city. I can tell from this report that in 2011–12 an amount of \$12.05 million was spent on consultants. In 2012–13 that figure has gone up to \$14.89 million. Therefore, almost \$15 million of royalties for regions money has been spent on consultants; that is an increase of 23 per cent. Although the Nationals are getting more money out the door, they are asking a lot of people for information on ways to do it when they could ask for that information locally. When I was chair of the Wheatbelt Development Commission, the big thing pitched to us was local decision making. That lasted only a year. The reason it lasted only a year was that local decision-makers were not that interested in making sure that National Party members won their seats. We were more interested in good outcomes for local areas. So, out went all the local decision making and now we have this pure, blatant pork-barrel from an organisation that gets around half the number of votes the Greens get but gets six times as many seats in Parliament. This program is not about regional Western Australia. This program is about the National Party. National Party members clearly have an incapacity for running this program. I think they should give the program over to someone else to have a go at running.

Why are we cheering the closure of tier 3 railway lines and essential services in regional Western Australia? I could go on. The local government fund was mentioned. I have a long list with me of local governments that have had all their funding pulled.

Hon Simon O'Brien: Give it to your greenie mates!

Hon DARREN WEST: They are all in regional areas. There is a big table of local governments on the list but I am not going to go into them all. Those local governments lost their funding because they could not meet the eligibility criteria. I can tell members from experience that the eligibility criteria changed every month. Every month there was a new list of eligibility criteria. It is no wonder these intelligent, articulate local government CEOs—smart people—were unable to follow the criteria. I reckon National Party members need to look at their criteria. Look at the list of them! Those CEOs are not idiots.

There is so much more for me to talk about. What a debacle the SuperTowns program was! It cost \$85 million. In cabinet, SuperTowns from the minister's office were being added to the list after we had all been through the process of selecting SuperTowns. Now the funding has all been pulled; it has all gone! I have a lot more to say. Sadly I have only 10 minutes, but I thank the member for the motion.

HON PAUL BROWN (Agricultural) [11.50 am]: 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, 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 prior to entering Parliament, and hooray for him. In fact, he was chairman of the WDC and so was responsible for ensuring the implementation of royalties for regions spending throughout the area covered by the WDC. I quote from *Hansard* what he said the other evening —

I can do royalties for region better than the government, because I will spend it where it is needed ...

Hon Darren West was one of the guys in the driver's seat sitting at the top of the table as chairman in the meetings to discuss the spending priorities for royalties for regions. He was in the driver's seat. When he says he could do royalties for regions better than the government, he had better take a long hard look at himself. He knows that the decisions for spending local funding, spending royalties for regions money, came from his

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decisions made at those very meetings—or is Hon Darren West saying that he just sat at those meetings and rubberstamped the decisions and rubberstamped the spending of money?

Hon Helen Morton: Did he get paid for that?

Hon PAUL BROWN: I will get on to that in a second.

Was Hon Darren West sitting there just rubberstamping all of those spending decisions? Did he stand up and rally against the funding decisions? No, he did not. Did he resign from the WDC board in protest at these totally egregious decisions made to apparently waste public money? No, he did not. Did he hand back his sitting fees or the fee he received as chairman of the WDC? Not likely! Hon Darren West is now happy to rabbit on about how he would spend the money better than Department of Regional Development.

Hon Jim Chown: Is this after he was rejected by the National Party?

Hon PAUL BROWN: Yes, after he kept saying how he wanted to be one of us. We said, “No, thanks.”

Hon Jim Chown: When he was rejected as a member for the National Party, that’s when he stepped out of the role; is that what you’re saying?

Hon PAUL BROWN: 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. 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.

Withdrawal of Remark

Hon DARREN WEST: I am terribly sorry, but Hon Jim Chown just made a statement that I would really like retracted. I have never spoken to the National Party about being a candidate; I have never been rejected; and I have never been asked to be one. It is a totally outrageous and untrue statement. It is misleading the house and I would like it withdrawn, please.

The DEPUTY PRESIDENT (Hon Liz Behjat): I do not think there is a point of order. For the statement to have been a relevant point of order, it would have to have been a personal reflection or an imputation against the reputation of the member in question. The statement may not be correct in fact, but there is no point of order.

Hon KATE DOUST: The Labor Party would take that as a direct imputation on Hon Darren West’s character. He is a longstanding member of the party, having been a member since 1999, and has acted as a candidate for us in a number of seats. He has always worn his colours as a Labor member proudly and has never deviated from that. For anyone from the other side to suggest that he has ever been enticed, encouraged or sought preselection for another party that stands on the diametrically opposite side of the political fence to him is offensive both to him and to his colleagues in this party. Therefore, we think Hon Jim Chown should retract the comments he made by interjection because we find them offensive and they impugn the character of the Hon Darren West.

Hon SIMON O’BRIEN: I know that Madam Deputy President’s concern is to quite rightly ensure that the business of the house proceeds smoothly. On the point of order I suggest that there is an avenue of recourse for Hon Darren West under standing order 112, which might be a way to address this matter. I hope I am assisting by pointing the member towards the right standing order. It is of course a bit unusual when exception is taken to an interjection, which may or may not be picked up by Hansard. I suggest that that is the more appropriate way of dealing with the matter, rather than getting into a debate about what is or is not something that people might take exception to. Perhaps when this debate is finished, it might be the appropriate break in proceedings for the member, having reflected on everything, to address his point of order.

Hon DARREN WEST: I think that may be so, not being quite across how the standing orders work. I understand that it is my right to seek leave to make a personal statement on this matter.

The DEPUTY PRESIDENT: Only when there is no other business before the house. It is not possible at this point under standing order 112. The member can do it at the end of the day. I thank Hon Simon O’Brien for his contribution to what would have been my words. That was the exact point I was going to raise. Under standing order 112 I think at this point we can continue the debate and if the member in question thinks there is something he wants to set the record straight on, we can do that under standing order 112 at the appropriate time.

Debate Resumed

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Hon PAUL BROWN: I have lost my head of steam now, so I will maybe have to start again!

Hon Robyn McSweeney: Summarise!

Hon PAUL BROWN: Summarise? No; I will continue on!

The minister and the Nats made a conscious choice to be partners in the ongoing good fiscal management of this state. We have said that royalties for regions is an evolving program and we are mindful of what we want its legacy to be. Comments were also made by Hon Darren West that he would spend the money where it is needed. I notice he has left the chamber on obviously quite important business elsewhere in the house.

Hon Adele Farina: Urgent parliamentary business.

Hon PAUL BROWN: “Urgent parliamentary business” is the term I was trying get my tongue around, I thank Hon Adele Farina!

I suggest to Hon Darren West that the \$565 million allocated over four years to the Southern Inland Health Initiative, over and above government spending, will be spent on a number of initiatives in an area south west of the line from Geraldton to Meekatharra to Kalgoorlie to Esperance. There will be upgrades to nursing posts and regional hospitals, and the attraction and employment of 44 general practitioners to the region to fill the void of GPs in that area created by the negligence the federal Labor government, 27 of which have already been provided. This is actually required spending; those things are needed in those areas. I need to highlight that the member’s comments that he would spend the money where it is needed are just fallacious. Some of those areas will have 24-hour doctor coverage, particularly in Northam and Merredin—areas that have not had that sort of facility for over 30 years. In fact, the state Labor government built the Geraldton Hospital at half the size of what the community originally wanted. It is now up to us, the Liberal–National state government to solve that problem and fill those gaps. Royalties for regions also now has to fund the gaps that the previous Labor government left by neglecting this state and more importantly the regional part of the state, which is the engine room of Australia. Royalties for regions has introduced telehealth across the wheatbelt, an initiative that is revolutionising health in the wheatbelt area and that I am sure will be rolled out across the rest of the state. I recently used telehealth. I can tell members that it is a godsend to our wheatbelt communities. Let us remember that new hospitals have been built from royalties for regions, including Albany at a cost of \$60 million, and others will be built in Karratha and Onslow. Hospitals that have been refurbished and improved include Kalgoorlie, Esperance, Carnarvon and Busselton, Hon Adele Farina. Does Hon Darren West also believe that the patient assisted travel scheme is unworthy? The scheme is estimated to provide upwards of \$50 million over the forward estimates. Nearly every resident within the honourable member’s electorate will benefit from this funding, which is revitalising services to country patients through increased subsidies and increased support for those undertaking cancer treatments and for the aged and disabled.

The Country Age Pension Fuel Card costs approximately \$23 million a year. It provides age pensioners with \$500 a year to assist with the purchase of fuel and/or taxi travel to compensate for lack of access to public transport. This will increase to \$550 in 2014 and will be linked to CPI in the future. It was such a great initiative that the Labor Party and its fearless leader, Mark McGowan, fell over themselves telling everyone they would continue the scheme. What changes did the Labor Party want to make? None! Its policy was a direct copy of the Nationals’ policy to increase the fuel card to \$550 a year a household. All that Labor wanted was to be a small target in the country electorates, similar to Kim Beazley during the 2001 federal election campaign. Labor said the policy was great, but it wanted to make a few changes to make it better. How did that go for Labor in 2001 and how did it go for it at the recent state election? Dismally! It was a travesty; Labor went backwards. It is one thing to constantly oppose everything, but its “me-too” policy was clearly seen by regional electorates to be condescending. The Labor Party got on with the job of planning to spend royalties for regions money in metropolitan areas.

I would like to reiterate the comments made by Hon Dave Grills earlier and highlight that Hugh Gallagher from the Regional Chambers of Commerce and Industries (WA) said that the royalties for regions program has been embraced by country WA and has made a significant impact. He commented last week, “Quite obviously we can’t agree with CCI WA.” If that is not an endorsement of the worthiness of royalties for regions then I do not know what is. People throughout the regions—small business owners, those with large businesses and industry representatives—have endorsed the program. Hon Darren West said that royalties for regions is spent just to win votes. That suggestion is laughable. Juvenile comments like that highlight the depth of despair that members on the other side of the chamber find themselves in. Hon Darren West was seriously delusional when he suggested that the new Merredin Residential College and the K–2 college at Merredin were built just to win votes. If the Nats attract a few more votes by having a good policy that caters to a wide range of industries, including

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businesses, services and households, then that is just a by-product of good policy. Perhaps the other side of the chamber needs to develop good policy to take to the public in order to attract some sort of support.

HON RICK MAZZA (Agricultural) [12:03 pm]: I rise today to support the motion. I support the initiatives of the royalties for regions program in building and servicing regional and rural Western Australia; they are sorely needed. I travelled to Wagin on the weekend to attend the opening of the upgraded Wagin Airport. I understood that the airport upgrade was funded by the Regional Airports Development Scheme, but when I looked into the funding behind that scheme, it was significantly funded by royalties for regions. It was very encouraging to see more than 200 people in attendance at that opening. It was opened by our very own Hon Jim Chown as parliamentary secretary representing the Minister for Transport. The upgrade brought a lot of pride to the community. It provides security and safety to that region. The Royal Flying Doctor Service is now able to land at that airport no matter what the weather conditions. Prior to that, there were problems with one end of the airport flooding after heavy rain.

I was also pleased to see in the budget papers \$297 million of royalties for regions funding allocated to developing international markets in South-East Asia. I am very pleased to see that our hardworking Minister for Agriculture and Food, Hon Ken Baston, has spent some time developing markets throughout South-East Asia, particularly the cattle market in Indonesia, and more recently, in discussions with Hon Ken Baston, Vietnam. Vietnam could be interested in some of our grain. On a recent trip to Merredin, I attended a Western Australian Farmers Federation workshop on farm management. It was very pleasing on the way out there to see the crops. There is no doubt that this year regional Western Australia, particularly the wheatbelt, will have a bumper year. Some of the tonnages talked about could be some of the best ever. There was, however, one elephant in the room at that meeting: farmers and the shire president out there are concerned about how to get the grain to port. One major concern is the tier 3 rail system. It is one thing to develop markets in South-East Asia, but at the end of the day we have to be able to service those markets. If our growers have a bumper year, they have every right to be concerned about having infrastructure in place to get that grain to market. At the moment we have a rail system that is struggling, particularly tier 3 rail lines, and we have country roads that were never designed to carry trucks of the magnitude of wheat trucks thundering up and down them dodging school buses. I have been told that in a good year—it is likely to be this year—there could be 85 000 truck movements throughout the wheatbelt. That poses many, many road safety concerns. It will cost growers an extra \$6 a tonne to transport it, totalling \$15 million. Although I applaud royalties for regions—it is something that has certainly helped our regional areas—there is no doubt that there could be some consideration given to refocusing some of that funding to ensure that if we want to take advantage of the agricultural boom, which we have all been talking about, in supplying South-East Asia and beyond, we should have more infrastructure in place whether that be rail or upgraded roads or whatever decision is made.

I support the initiatives of royalties for regions, but I ask the government, particularly the National Party in its role in royalties for regions, to look at infrastructure in regional areas.

HON ADELE FARINA (South West) [12:08 pm]: I stand to oppose this motion and to put a few things on the record. The Labor Party has been consistent in its support for royalties for regions from day one. I have been consistent in commending the National Party for the concept of royalties for regions, particularly for the marketing of royalties for regions. It was absolutely ingenious. I supported the legislation and I supported the concept that the Nationals went to the electorate with in 2008, which was to deliver 25 per cent of royalties to regional WA and to deliver projects to regional WA that were not being funded out of government department budgets. These were to be projects over and above the projects that are normally funded out of government departments. That was a promise. The second part of the promise was that decisions would be made locally. That was a very strong component and resonated very well with regional WA.

What actually happened after 2008, however, is a completely different story. Within a short period all decision making on royalties for regions was centralised. The decision making was removed from the hands of the regional development commissions, which were reduced to making recommendations, and concentrated into the hands of the Regional Development Council located in Perth, and the Minister for Regional Development. In terms of delivering on local decision making, it absolutely failed. In terms of delivering on the whole 25 per cent of royalties for regions funding to regional WA for projects that are not normally funded out of government departments, again it has been a big failure. Over the past six years we have seen cost shifting for projects. Regional projects that would normally be funded out of government departments have been shifted out of those departments' budgets and funded by royalties for regions. That was not what was promised to regional WA. Those projects were funded by the previous government out of departmental budgets. Royalties for regions was to deliver something above that, but it has failed to do so. On top of that, the Nationals have sat by and happily allowed the government to gut royalties for regions. We are not even getting the 25 per cent of the royalties that was promised. It has been totally gutted.

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National Party members interjected.

Hon ADELE FARINA: National Party members stand here and say that they defend royalties for regions, but they are not defending the principle they went to the electorate with in 2008. They stand here and suggest that it is evolving and progressing, but the reality is that they have failed to deliver on their election commitment.

Hon Jacqui Boydell interjected.

The DEPUTY PRESIDENT (Hon Liz Behjat): Order!

Hon ADELE FARINA: What was promised was that 25 per cent of royalties funding would go to regional WA for projects over and above what the government departments would fund. What the Nationals have agreed to do is to allow the government to gut royalties for regions. They have enabled in excess of \$500 million to be taken out of that fund and put into the future fund, which will deliver projects for metropolitan Perth and not for regional WA.

National Party members interjected.

Hon ADELE FARINA: How that serves the interests of the people of regional WA is something that people living in regional WA do not understand. I was at the Bunbury Chamber of Commerce and Industries —

Hon Jacqui Boydell interjected.

The DEPUTY PRESIDENT: Order! As I have said before when I have been sitting in the chair, Hansard do an incredibly good job of taking down the words that we speak. I think that we owe them the courtesy of allowing the person who is on their feet to be heard in silence.

Hon ADELE FARINA: Thank you, Madam Deputy President.

The government is gutting royalties for regions; it is removing in excess of \$500 million from royalties for regions—money that it promised it would deliver to regional WA—to fund the future fund, which will deliver projects for metropolitan Perth. That is not helping regional WA. In addition, royalties for regions funding is being used to fund the operations of the Department of Regional Development, which until this government was funded out of consolidated revenue. Now, all of a sudden, it is being funded out of royalties for regions. How is that serving the interests of the people of regional WA when it was previously funded out of consolidated revenue? This is massive cost shifting. The Nationals are failing to deliver their commitment to the people of regional WA. How they can stand in this place and pretend to defend what they are doing when they are selling short on their commitment to regional WA is something that I do not understand. The small business centres located in the metropolitan area are funded out of consolidated revenue and the relevant department. Business centres in regional WA are funded out of royalties for regions. That is another example of cost shifting. We are seeing not only the funding of projects in regional WA that would normally come out of government departments being cost shifted to royalties for regions, but also the funding of government departments and agencies located in regional WA being cost shifted from consolidated revenue to royalties for regions, yet National Party members try to stand here and tell this Parliament and the community that they are delivering and are standing firm in protecting the ideal of royalties for regions. The reality is that they are not; they are standing by and allowing the government to completely gut the royalties for regions fund and to make a joke of it. It is nothing more than a shell of what it was intended to be.

We are told that there is going to be further cost shifting; other agencies are being looked at to be funded out of royalties for regions in future years. The budget papers show what is being funded out of royalties for regions. Hospitals in the metropolitan area are funded out of consolidated revenue yet hospitals in regional areas are being funded out of royalties for regions. For years hospitals have been funded out of the Department of Health. If the Nationals had held firm to their commitment that royalties for regions would be directed to fund projects over and above what would normally be funded out of government departments, then this sort of thing would not be happening. We can look at the transport portfolio. If a road is in the metropolitan area, it is funded out of the department's funding. If a road is located in regional WA, we have seen the cost shifting that happens and it is labelled a royalties for regions project. If the government is simply going to cost shift, it is not actually delivering a benefit to regional WA. These are projects that would have been funded anyway out of consolidated revenue. The promise was to fund projects over and above what would have been funded out of consolidated revenue. That is what royalties for regions is failing to do. While National Party members stand there and say that they are defending royalties for regions and will defend it to the wire, I stand here and say that I will defend it to the wire. I do not think any of this cost shifting should be happening, because it is not what they promised to deliver when they were elected.

Hon Jacqui Boydell interjected.

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Hon ADELE FARINA: I do not know how Hon Jacqui Boydell can say that when royalties for regions is being completely gutted. The Nationals are not delivering on their election commitment at all.

Hon Jacqui Boydell: That is rubbish. You should withdraw that statement because it is disgraceful.

Hon ADELE FARINA: I am not going to withdraw it because the budget papers tell the story. The reality is that people in regional WA are beginning to understand the truth.

Several members interjected.

Point of Order

Hon KATE DOUST: I am finding it very difficult to hear Hon Adele Farina above the screeching coming from the end of the chamber.

Several members interjected.

Hon HELEN MORTON: Madam Deputy President, I do not think that the word “screeching” is appropriate and it should be withdrawn.

Hon Ljiljana Ravlich: You should be sitting here then!

The DEPUTY PRESIDENT (Hon Liz Behjat): Thank you; I am getting lots of advice from all sides of the chamber today. Obviously I need the advice of everybody who can help me! Hon Kate Doust, perhaps “screeching” was an ill-chosen word. I have already said today, on more than one occasion, that Hansard need to take down the words of people as they speak them. If members want to continue to interject and to eat into the debate time, they should actually stand and make a contribution to the debate, rather than doing it by way of very unruly interjection.

Debate Resumed

Hon ADELE FARINA: Thank you, Madam Deputy President.

In the very short time I have left I want to touch on the regional grants scheme. When it was first announced, we were promised \$63 million in the first year and \$90 million for each subsequent year. The government never delivered anywhere near that amount of money under the regional grants scheme. It fell well short of that. In fact, in two of the five years in which that money was promised, not one cent was delivered. This funding was to support regional groups and communities to run events and programs that were not being funded by government, yet for two of the years that the government promised to deliver that fund it failed to do so. We are now in the second term of this government and the community is still waiting to hear what is happening with the regional grants scheme and whether it is going to be delivered as initially promised. I support royalties for regions, but I support it in the form in which it was promised and not in the form in which it is being delivered today.

HON MARTIN ALDRIDGE (Agricultural) [12.19 pm]: I will close the debate on this motion today and will address some of the issues raised in some of the speeches of members opposite. I go first to the comments made by the Chamber of Commerce and Industry of Western Australia’s John Nicolaou on 15 October. The challenge Mr Nicolaou has is that he clearly does not understand the royalties for regions fund. He talks about it being one particular program. I think if Mr Nicolaou were to spend some time looking at the budget papers and perhaps listening to our budget estimates process, he would realise that a number of departments, a number of portfolios—in fact, probably all of them—receive some sort of funding from the royalties for regions fund to deliver multiple programs and projects across the breadth of regional Western Australia.

It was interesting to hear some of the claims today that Labor was the party that developed the concept of royalties for regions. In fact, a paper was bandied around—the member who made that claim refused to table it—about how it was one of Labor’s members who had developed the policy, yet it is interesting that in government Labor failed to implement anything. In the lead-up to the 2008 election, I remember the Treasurer of the then government saying that the royalties for regions policy put forward by the Nationals was a con because it would short-change regional Western Australians. I think it is important to reflect on what Labor did in government. Labor members come into this place taking the moral high ground, telling us how they could do it better, but when they had the opportunity, they failed.

The “2004–05 Budget Overview”, under “Regional Development”—this is only a short quote; it will not take me long—states —

In this Budget, the Government has committed to expanding and extending the Regional Investment Fund (RIF). An additional \$80 million will be made available through RIF in the four-year period from 2005–06 to 2008–09. This will stimulate regional development by funding many infrastructure projects

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and jobs, as well as enabling stronger funding partnerships between the State Government, local governments, community organisations, industry and the Commonwealth.

I spent a bit of time last night drawing a picture for members of the opposition just to put that regional development investment in context with what this Liberal–National state government has been doing. The little red line—members opposite might need some help —

Several members interjected.

The DEPUTY PRESIDENT (Hon Liz Behjat): Order! We have just about finished.

Hon MARTIN ALDRIDGE: Members opposite might need some help when they are looking at this diagram, but the little red boxes represent the Labor Party. At least its investment was consistent. It was the same paltry amount over the years that it was in government. The much bigger green bars represent the Liberal–National government’s delivery of regional development funding to the state of Western Australia.

Hon Adele Farina interjected.

Hon MARTIN ALDRIDGE: I know that Hon Adele Farina does not like hearing it, but these are the facts, and I will table the diagram for her, if she likes.

I think one of the other criticisms that were made was that we have not yet spent our 25 per cent of mining royalties. That is a fair criticism. Twenty-five per cent of mining royalties drop into the royalties for regions fund, and they keep rolling over year after year, unless we reach that \$1 billion cap. The money is still there; it has not disappeared. But after making such a paltry investment in regional development for so long, it takes a little while to get some stuff done. For a start, when we took office in 2008, there was not much to do in the Department of Regional Development. There were a few good people, but they were starting to wonder what their job actually was. They were there to deliver the token amount of \$20 million a year that the Labor Party continued to deliver budget after budget. That is an impressive record for Hon Adele Farina to stand on! Members do not have to take my word for it. Following the vein of the debate this morning about health, in an article in *The West Australian* of 26 March 2008, Labor’s own bureaucrat had something to say about its health program. Mrs Christine O’Farrell, the former chief executive of the WA Country Health Service, is quoted as saying —

Mrs O’Farrell said she was puzzled why country residents had not been vocal about the neglect of their health care at a policy level. “I wonder whether there is almost this unspoken rule now,” Mrs O’Farrell said.

“Just keep your head low, hang on to what you have got and do not make yourself a target.

“I have been in the health system for nearly 40 years and I have worked with a lot of governments, a lot of ministers, a lot of director-generals and a lot of departmental executives, and I just think there is this ongoing relentless chronic neglect. At some stage you cannot get away with this sort of neglect.”

She is then quoted as saying —

“In some areas, it is becoming blatantly bloody unsafe.”

This is Labor’s own bureaucrat from its Country Health Service saying how poorly the government had done in delivering health services to the state of Western Australia.

Motion lapsed, pursuant to standing orders.