

**COUNTRY LOCAL GOVERNMENT FUND — ALLOCATION**

*Motion*

**HON HELEN BULLOCK (Mining and Pastoral)** [10.14 am]: — without notice: I move —

That this house expresses its concern at the malapportioned allocation of the country local government fund, which sees 60 per cent allocated to five National Party electorates, 16 per cent allocated to six Liberal Party electorates, six per cent allocated to one Independent electorate and 18 per cent allocated to five Labor Party electorates.

Each year since 2008–09, about \$100 million has been allocated from royalties for regions to the country local government fund. These funds then flow to regional Western Australia. There is no doubt that it is good to spend some money in regional Western Australia to make regional Western Australia a more effective place in which to live or visit for people coming from overseas or from interstate. That is why the Labor Party supported the Royalties for Regions Bill. However, we had some concerns at the time about how the money would be spent. What we have seen so far makes us even more concerned. On the Department of Regional Development and Lands website is a list of country local government fund allocations. If we arrange those allocations into country electorates, a pattern starts to emerge.

I will use the allocation of funds from the country local government fund 2010–11 as an example. We do not know what projects the funding will be spent on but we do know where it will be spent. A total of \$96 million has been allocated across 17 country seats, of which the National Party has five. The allocation of funding is as follows: Central Wheatbelt, \$14 million; Wagin, \$14 million; Moore, \$11.664 million; Blackwood–Stirling, \$6.264 million; and the North West, \$10 million. That is \$56 million of the \$96 million of total funding, which equates to 60 per cent of the total funding. Of the country Labor electorates, Albany gets only \$1.52 million; Collie, \$4.6 million; the Pilbara, only \$4.1 million; Mandurah, \$665 000; and the Kimberley, \$6.7 million. That totals \$17 million. I have to say that the Labor country electorates are doing much better than the Liberal electorates. The funding allocated to Liberal electorates is: Dawesville, \$665 000; Murray, \$6.353 million; Vasse, \$2.3 million; Geraldton, \$1.6 million; Eyre, \$4.4 million; and Bunbury, \$1.15 million. I am not sure whether members opposite were aware of this before today. Let us look at the Independent electorates. I do not complain about Kalgoorlie, which gets \$6 million. It is no secret that Mr John Bowler is a great supporter of the National Party and is a fan of Mr Tony Crook. I suppose Mr Bowler deserves that. These figures are quite concerning. After I looked at these figures, the first thing that came to my mind was whether the National Party was using its power to provide more benefits to its electorates at the cost of the other electorates. What is the formula for calculating the distribution of the country local government fund? Is the formula used to calculate the allocation fair? I will leave that for members opposite to think about.

On the whole, the population in regional electorates varies from 29 000 to 41 000. The average of each regional electorate is about 35 000. The funding, however, varies from \$14 million for the electorates of, for example, Central Wheatbelt or Wagin to just \$1.15 million for the electorate of Bunbury. The population is similar for each of these electorates, at about 32 000. The question is: what is the legitimate reason for allocating so much funding to electorates such as the Central Wheatbelt or Wagin but not the seat of Bunbury?

**Hon Col Holt:** That is what the formula is for.

**Hon HELEN BULLOCK:** I will come to the formula. I wonder who designed the formula. I am sure there are lots of options for choosing a formula. I am sure the National Party picked the current formula because it is the best option for its purpose.

**Hon Wendy Duncan** interjected.

**Hon HELEN BULLOCK:** The member will have her moment to speak. Unless someone explains to me how the funding allocation is formulated, I must say that the National Party is misusing its power.

**Hon Robyn McSweeney** interjected.

**Hon HELEN BULLOCK:** It is misusing its power.

Several members interjected.

**The PRESIDENT:** Order! Let Hon Helen Bullock make her speech.

**Hon HELEN BULLOCK:** As I mentioned earlier, for 2010–11 there is an allocation of funding to shires across regional Western Australia. However, we do not know what sort of projects the money will be spent on. We are not talking about a small amount of money; we are talking about a total of \$56 million for National Party

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electorates. The money is sitting in the bank waiting to be withdrawn, yet no project has been proposed to use the funds.

To give members a rough idea of the scale we are talking about, I will use the Shire of Koorda in Central Wheatbelt as an example.

**Hon Wendy Duncan** interjected.

**Hon HELEN BULLOCK:** Thank you very much. I cannot wait to hear from the member. Koorda has a total population of 471.

**Hon Robyn McSweeney:** We know them all by name; they are fantastic people.

**Hon HELEN BULLOCK:** Yes; I must say that this is the next place on my agenda to visit. I want to see how the money was spent. The Shire of Koorda has an allocation of \$720 000—that is \$720 000 for a population of 471. I have a list of projects from the 2008–09 funding allocation that shows what the \$720 000 was spent on. I will take some time to go through them. The shire spent \$350 000 to construct a new building and do minor renovations to its existing community building. In that town of 471 people, \$60 000 was spent on a bit of work around the swimming pool area.

Several members interjected.

**Hon HELEN BULLOCK:** Members opposite can stand and speak after I have finished; I would love to hear from them. The shire also spent \$50 000 to construct a steel frame around the recreation facilities. I am not criticising these projects; I am just explaining what projects the money has been spent on. The amount of \$110 000 was spent on building a community shed and \$50 000 on, presumably, council staff housing. These are the projects that the shire, with a population of 471, spent \$720 000 on in 2008–09. Of course, a similar amount of money was spent on projects that I cannot find listed on the internet because I suppose they have not been published yet. The same amount of money was spent in the shire in 2009–10 and a further \$700 000 will be spent in 2010–11 on projects that are yet unknown; similarly in 2011–12 and 2012–13. The amounts to be spent will be similar because the allocation is based on the royalties for regions formula, which is based on the number of shires that are eligible in the country local government fund. I have to say that only so much money can be spent on a shire with a population of only 471. However, from 2008–09, as long as the country local government fund exists, \$700 000 will continue to be spent each year on projects. In normal circumstances, a project arises first, then a feasibility study is done. It is not normal to have the money sitting in the bank and then decide how the money will be spent. That is a luxury. The government is running the state; it cannot afford such luxury. If the government wants to spend money, it has to think about whether it is economically viable.

In my opinion the Minister for Regional Development has a conflict of interest. The royalties for regions program was established under a National Party initiative; the Minister for Regional Development is in charge of the fund and his electorate benefits from the funding. The proof of the conflict of interest is that his electorate gets the biggest share of the country local government fund. How can someone in that situation claim that he does not have a conflict of interest? His seat receives 14 per cent of the total \$96 million allocation. Can Hon Wendy Duncan provide me with an explanation to ease my concerns about that?

**Hon Wendy Duncan:** With pleasure; with absolute pleasure.

**Hon HELEN BULLOCK:** In the time I have left, I will run through how the allocation of \$14 million has been made to the shires of the Central Wheatbelt, and the population of each of those shires.

The Shire of Beverley has a population of only 1 700, and it has received a funding allocation of \$586 000; the Shire of Mt Marshall has a population of 672, and has received a funding allocation of \$746 000; the Shire of Narrogin has a population of 257 and has received a funding allocation of \$570 000; and the Shire of Westonia has a population of 212 and has received a funding allocation of \$576 000.

Hon Wendy Duncan, I am still struggling with the idea of spending half a million dollars to change the name of the telecentres to community resources centres. Can the parliamentary secretary give me an explanation for that? Can the parliamentary secretary also give me an explanation for why a quarter of a million dollars was spent building a single talking toilet in Bunbury?

**HON WENDY DUNCAN (Mining and Pastoral — Parliamentary Secretary)** [10.34 am]: I thank Hon Helen Bullock for raising this matter today. It gives me an excellent opportunity to explain to her and members of the house how the country local government fund works, and, in fact, how royalties for regions is delivering incredible benefit to regional Western Australia, bringing life, prosperity and amenity into regional Western Australia—something that was sorely missing under the former Labor government.

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The country local government fund is just one component of royalties for regions, which distributes benefits to regional communities through the country local government fund, the regional community services fund and the regional infrastructure and headworks fund, which is made up of the major regional strategic projects fund and the regional grants scheme. The country local government fund was established to not only meet the overarching objectives of royalties for regions of promoting strong and vibrant regions, local priorities and local decision making, but also address the \$1.5 billion infrastructure backlog identified by local governments through the Western Australian Local Government Association's systemic sustainability study. This backlog came about because local governments were suffering from lack of funding from cost shifting —

**Hon Jon Ford:** Inefficiency.

**Hon WENDY DUNCAN:** — from having to provide medical services, which should have been the province of the federal government; from having to provide services for the state government without having sufficient funding to cover it —

**Hon Jon Ford:** Duplication of services.

**Hon WENDY DUNCAN:** — and from the increasing burden of approvals and enforcement that was being directed towards local government. Local governments themselves identified that they had a backlog of \$1.5 billion. The local government fund was therefore established to address local infrastructure requirements; to improve asset management and capacity building; and to encourage standardisation of asset management and improve strategic regional governments. Hon Jon Ford talked about efficiency, which is something that the country local government fund has strongly encouraged.

**Hon Jon Ford:** Strongly propped up inefficient, ineffective local governments; head in the sand!

**Hon WENDY DUNCAN:** Hon Helen Bullock does not seem to realise that the second year of the country local government funding was deferred so that each local government could be given \$35 000 to put towards capital works planning.

**Hon Jon Ford:** You guys are a joke!

**Hon WENDY DUNCAN:** Anyone with a modicum of intelligence would probably notice—because there is a bit of a hint in the title—that the country local government fund is about local governments. More of the country local government fund has gone towards the southern half of the state this year because there are more local governments in the southern half of the state; there are many more shires in the southern and Wheatbelt regions.

Several members interjected.

**Hon Helen Bullock:** How many people in the shires?

**Hon WENDY DUNCAN:** Some of the shires in the north have very few people as well; what about Halls Creek? What about some of those smaller shires?

**Hon Jon Ford:** Halls Creek got stuff-all.

**Hon WENDY DUNCAN:** I must confess that I was not going to do any calculations in relation to electorates because, actually, we do not do that, unlike the Labor Party with its faceless men in the backroom with the whiteboard.

Several members interjected.

**Hon WENDY DUNCAN:** But I have had some figures provided to me: the central Wheatbelt has 20 shires; Wagin has 24 shires; Moore has 17; Blackwood–Stirling has eight; North West has 12; Albany has one; Collie–Preston has four; Pilbara has four; Mandurah has one; and, Kimberley has four. That is why that proportion of the country local government fund, which is for country local governments, has gone in that direction.

I sat down last night and did a bit of a calculation.

**Hon Ljiljanna Ravlich:** You should have done it before you gave the money out!

**Hon Jon Ford:** They did a calculation!

**The PRESIDENT:** Order!

**Hon WENDY DUNCAN:** I did a calculation based on the regional development commission regions, and the average amount of funds that has gone to local governments in the Gascoyne region is \$975 000. I will not read them all out because honourable members can look that up for themselves if they want to. In the Kimberley region, the average amount for each local government is \$1.675 million, and in the Pilbara, it is \$1.625 million.

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That just shows members. The average amount for each local government in the Wheatbelt is \$663 636. Hon Helen Bullock spoke at length about the formula. Let me tell members about the formula.

**Hon Ljiljanna Ravlich:** It was rigged, wasn't it?

**Hon WENDY DUNCAN:** If it is rigged, a lot of funding is going to the regions. The formula is based on the grants commission formula; it is based on funding going to 110 very different local governments and therefore needs to reflect the different circumstances of those local governments. Hon Helen Bullock focused on population, but population is not the only factor to consider when talking about delivering services to regional areas. We need to take into account the length of road that is being managed; we need to take into account remoteness; we need to take into account disabilities—for instance, the proportion of low socioeconomic status population; and we need to take into account the Indigenous population that may need particular assistance. Therefore, the formula was based on an equalisation of need where local governments have limited capacity to fund service provision and asset preservation when reflecting on the different road lengths and the different costs associated with delivering those services and other matters. The 2008–09 formula was established based on the grants commission formula and takes into account the population and other matters. In 2008–09, a total of \$97.5 million was allocated to the country local government fund. Under that arrangement, the Shire of Derby – West Kimberley was the highest recipient, receiving 2.13 per cent or over \$2 million in 2008–09. I have simply tried to explain to members how the formula was derived and the funds allocated.

Members in the other house have raised this issue and have talked about the rorting of royalties for regions and about getting the Auditor General and the Public Accounts Committee involved. We welcome that. We welcome that because we want to see this fund continue into the future, which I do not think the Labor Party does! It does not like the country local government fund and it does not like royalties for regions. Labor wants to see the end of it. However, I will tell members that I have not heard anybody out in the regions say that they do not like royalties for regions and, in particular, I have not heard any local governments—not even the ones that members opposite say are hard done by—say that they are not happy with the formula. We have worked quite closely with local governments and with the Western Australian Local Government Association to ensure that the formula is fair and reasonable.

Several members interjected.

**The PRESIDENT:** Order, members! One at a time.

**Hon WENDY DUNCAN:** If members are saying the formula is a rort, I draw members' attention to the federal government's R-clip program. Why is it under that program the remote Shire of Halls Creek gets \$30 000 and the Shire of Northam, one hour from Perth, gets \$134 000? It is because they are working on similar formulas. We made these comparisons last year and I tabled a graph that showed the amount of money going to local governments from the country local government fund compared, quite similarly, to the money that the federal Labor government was delivering under its formula. Therefore, I do not think that members opposite have identified a rorting of the system or a problem with the allocation of funds.

**Hon Ljiljanna Ravlich:** Of course there is!

**Hon Sally Talbot:** The problem is identified in the motion. We have identified it. That problem is —

**Hon WENDY DUNCAN:** The problem is that it is not going to the electorates of members opposite. If Hon Sally Talbot continues to decry royalties for regions and continues to say that she does not support it and does not like it, no Labor Party seats will get royalties for regions money because there will be no Labor members out there.

Let us look at the royalties for regions scheme as a whole.

Several members interjected.

**The PRESIDENT:** Order! One at a time.

**Hon WENDY DUNCAN:** One of the reasons we brought royalties for regions into effect was the incredible neglect of the Kimberley and the Pilbara under the former Labor government. Royalties for regions has focused very heavily on the Pilbara, and through the Pilbara revitalisation plan \$23.3 million has been allocated for the revitalisation of South Hedland.

Let us look at some of the shires in the Pilbara. The Shire of Ashburton received an extra \$17 million over and above the country local government fund moneys for the Onslow multipurpose complex and the Tom Price town centre revitalisation. The Shire of Roebourne, over and above the country local government fund, received \$20.3 million; the Shire of East Pilbara, over and above the country local government fund, \$20 million; and the Shire of Port Hedland, over and above the country local government fund, \$20.2 million. And Pilbara-wide for

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health equipment, \$2.5 million; Pilbara-wide for water feasibility, \$2.5 million; Pilbara-wide for underground power, \$35 million—that is in fact, over the out years, \$100 million. Let us look at the Kimberley. The Ord–East Kimberley expansion project received \$220 million from royalties for regions in the first instance, followed by the Kimberley revitalisation plan, which has seen \$43 million of funding for youth justice and also funding for the Broome boat facility and the Broome justice complex.

I have a document that describes where the royalties for regions funding is going and I have made a copy for every member, should they like one. Mr President, I seek leave to table that document.

Leave granted. [See paper 2572.]

**Hon WENDY DUNCAN:** This document describes where in 2010–11 royalties for regions funding went. Into the Kimberley region, \$146.6 million; into the Pilbara region, \$334.7 million; and over four years \$1 billion into the Pilbara. Into the Gascoyne, \$42.2 million. Do members see the difference? Into the Mid West, \$27.1 million. Into the Goldfields–Esperance, \$44.8 million. Into the Wheatbelt, \$56.9 million; that is, \$56.9 million in the Wheatbelt compared with \$146 million into the Kimberley and \$334 million into the Pilbara. I continue—\$8.4 million into the Peel region, \$28.2 million into the South West and \$39.9 million into the Great Southern. The document shows that the two Labor-held regions, the Pilbara and the Kimberley—if we look at this seat by seat, which, although Labor does, we do not—receive the lion’s share of royalties for regions. And they need it! They need it because they were so sorely neglected under the former Labor government. They were milked dry. Workers were living in containers.

Several members interjected.

**Hon WENDY DUNCAN:** Thank you, very much. I was looking forward to that.

**HON JON FORD (Mining and Pastoral)** [10.50 am]: What a load of rubbish! Hon Wendy Duncan has just quoted royalties for regions figures. The National Party has tagged the patient assisted travel scheme as royalties for region money, but it is a consolidated revenue–funded project. Part of the agreement between the Nationals and the Liberal Party was to say that if one dollar goes into the system, it has to be royalties for regions money. PATS is not part of the royalties for regions scheme. Nickol Bay Hospital is not part of the royalties for region scheme. The money for that hospital is supposed to be coming out of consolidated revenue. The promise that the National Party made to the electorate was that royalties for regions would supply services and infrastructure above and beyond what one would normally expect from government. The figure to which Hon Wendy Duncan referred is a rorted and skewed figure.

I refer to the local government fund. The Liberal Party’s Minister for Local Government is trying desperately to build efficiencies into and restructure local government. He was absolutely nobbled. The country local government fund was removed from his responsibility and given to Minister Grylls because he was obviously not using it for the reasons for which it was created, which is to pork-barrel. The reason we are arguing about the country local government fund and the amount that was given to the small populations in the 40 local governments in the Wheatbelt is that the other places that generate the wealth are not getting the money that they need. It is a fact that \$55.9 million has been spent across the National Party’s five country seats; \$14.9 million has been spent across the Liberal Party’s six country seats; \$5.9 million has been spent in an Independent country seat; and \$17.3 million has been spent across Labor’s five country seats.

**Hon Ljiljanna Ravlich:** The Liberals must be seething.

**Hon JON FORD:** Yes!

Members should do a comparison between the Pilbara seat and the North West seat. Vince Catania is the stalwart of the National Party; the man of principle. Being the great country member he is, he cannot even change a tyre! Yesterday I heard a Liberal Party member say that it is lucky that Vince jumped ship, otherwise the Pilbara would not have received any money. He is such a great advocate!

**Hon Wendy Duncan:** He is doing a great job!

**Hon JON FORD:** A great job, is he? I will tell members how great Vince Catania is. Because he was forced into a position of supporting the so-called Pilbara Cities—which is absolute baloney, because the Pilbara does not have water to sustain the current population—he is now demanding that Rio find an alternative water source. He suggests that Rio should use other water to dampen the dust on its iron ore farms.

**Hon Wendy Duncan:** So the multinationals should use our potable water?

**Hon JON FORD:** So Hon Wendy Duncan does not think that the mining companies are contributing to Western Australia. They are the same companies that the Liberal-National government is milking to pay for infrastructure in inefficient and ineffective local government areas. The government is propping up inefficiency. If it was not,

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it would be using the fund to help with the restructure of local government and to build infrastructure. The fact of the matter is that salt water cannot be used because it wrecks the specification. The government must build another water source because there is not enough groundwater. It should build a desalination plant. Why does Mr Catania think that these companies should invest another \$40 million or \$50 million to support an unsustainable National Party policy when the government already has the money? The reason is that the National Party is wasting that money. There is not a strategic bone in the National Party's body to deliver good infrastructure to the state. It is all about moving from a situation of desperation to building up the National Party as a representative party for the bush. The National Party has only just discovered the bush, which is why it was nearly voted out of existence! It got its seats only on Labor's preferences. That will not happen again. We would much rather deal with the Liberal Party, because at least we know where it stands. Nobody knows where the National Party stands. Hon Wendy Duncan cannot describe what is going in the Kimberley. The figure that the member referred to as having been spent in the Kimberley was skewed because that money was spent in Kununurra.

I visited Mt Pierre Station, which is just out of Halls Creek and in an area that is one of the National Party's natural constituencies. It wants a 19-kilometre stretch of dirt road that is used by tourists and that provides access to the station to be graded. The station supplies good rehabilitation services to troubled youth, yet it cannot get the road graded. Given that I was on my way to visit the Shire of Halls Creek, the station asked whether I would raise the issue. Staff at the Halls Creek local government work seven days a week even though they are paid to work only five days a week. They work seven days a week because they are desperately trying to provide an effective service. They are in desperate need of money. People can blame the federal government for that; I am quite prepared to agree with them. I do not like the commonwealth grant scheme. Every member agrees with that sentiment. The government has the money to fix those problems. The Halls Creek local government cannot afford to grade a road that extends 19 kilometres to what is a well used public infrastructure.

**Hon Wendy Duncan:** It can less afford it without the country local government fund.

**Hon JON FORD:** I was told that it does not have enough money to grade the road. The member should not tell me that she supports local government. The National Party is pork-barrelling its seats. National Party members have the poor blokes sitting next to them, who believe in responsible government, over a barrel. The Liberal part of the government had to pull away from restructuring local governments because of the threat that the Nationals would take their bat and ball and play with someone else. It will not play with us. As I said before in this house, I am very, very happy that the National Party has finally discovered the bush outside the Wheatbelt. However, it needs to do a better job.

I refer to the North West. It is good to see it is getting a crack. Next door to the seat of North West is the seat of Pilbara, which is a Labor seat. It will hardly receive a cracker. Pilbara will probably have one of the biggest ports in the world, if not the biggest, because it will eventually be involved in the movement of more than 800 million tonnes of ore. It will have a huge fly in, fly out population. We do not know much about the existing population that is domiciled there, because the Australian Bureau of Statistic cannot get its stats right. I understand that it is trying to address it. All the people who will move to that town will not get a cracker from the government, unlike those who live down the road in Karratha, because the seat of Pilbara is a Labor seat. The stats show it. It is a fact that \$55.9 million has been spent across the National Party's five country seats; \$14.9 million has been spent across the Liberal Party's six country seats; \$5.9 million has been spent in an Independent country seat; and \$17.3 million has been spent across Labor's five country seats. Hon Wendy Duncan can put as much make-up and lipstick on her story as she wants. However, the National Party fund is a pig.

**HON MIA DAVIES (Agricultural)** [10.59 am]: I will not be supporting this poorly researched and ill-conceived motion. I do not share the concerns of Hon Helen Bullock and the Labor Party.

Several members interjected.

**The PRESIDENT:** Order! The member is only about 20 seconds into her speech, so give her a go.

**Hon Ljiljanna Ravlich:** Sit down now!

**The PRESIDENT:** Order! Every member in this chamber has the same opportunity as everybody else to get on their feet and make a speech. It is Hon Mia Davies' turn now.

**Hon MIA DAVIES:** Thank you, Mr President and Hon Ljiljanna Ravlich!

The country local government fund is a significant part of the royalties for regions program and it was the first plank of the royalties for regions fund to be rolled out. The country local government fund was a key commitment of the National Party during the 2008 state election campaign, which recognised the burden that had been placed on country local governments over many years to provide infrastructure and services, often on a

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shoestring budget. Unlike Hon Helen Bullock, I do not think that because there are only 500, 400, 300 or 200 people living in a town, they deserve any less infrastructure or fewer services than anyone else. I am actually from one of those towns; I am from the town of Wyalkatchem. I do not think that I deserve infrastructure or services that are substandard compared with those where all the people live, as Robert Taylor said in an article last year. I do not share the member's concerns because this fund was put together to recognise that local government had for many years been doing it tough. Country local government had been neglected in favour of high-profile projects in the Perth metropolitan area. We have spoken about this many times in this house. I can only presume that country local government was neglected so that the state government could pour money into the Perth–Mandurah railway line and continue to remind voters that it was actually doing something while it was in government. The railway goes straight down the freeway to Mandurah, so everyone can see that the government did something. It is out of sight, out of mind in the country, so the previous government did not worry about it. Country MPs in this chamber will tell members that precious little was being done in regional Western Australia; we did not get a guernsey. Post-2010 we have a government that has placed regional Western Australia firmly in the centre of everyone's mind. Quite rightly, too, because regional Western Australia is the engine room of the economy, and the government should give back to where it has taken from for so long.

Members, I said before that I do not share the concerns expressed in the motion before the house. I am far more concerned to explore the intent of Hon Helen Bullock and her colleagues, particularly the shadow Treasurer, to scrap the local country local government fund. The Shadow Treasurer, Ben Wyatt, was quoted in an article in *The Sunday Times* on 7 June 2009, which stated —

Shadow treasurer Ben Wyatt said the Barnett Government was misrepresenting Labor's Budget position.

He said there had been no extra commitments by Labor, but the Liberal Government was funding many items Labor would not have.

He said \$166 million allocated for a Roe Highway extension would not be in the Budget under Labor and a \$400 million allocation to the Country Local Government Fund would also not be there.

Therefore, this is all academic because under a Labor government there would not be any money for country local governments. It would be scrapped; it would be no more, and it is there in black and white that the Labor Party does not support the country local government fund. I wonder how Hon Helen Bullock's constituents, along with those of her country colleagues, feel about this. Have members opposite spoken to their local councillors and their regional shire councils about this? I share Hon Wendy Duncan's viewpoint in that I have been across this state—my travels are not just confined to the Agricultural Region—and I am yet to find a local government that does not say in the very first moments of our meeting, "Thank you very much for the country local government fund." Therefore, I am sure that they will all be absolutely thrilled to hear that under a Labor government there will be no more country local government fund—not a dollar! I look forward to sharing that information with my local councils.

The opposition made much of the uproar in the community when the country local government fund was deferred for a year as part of broad government measures across all government departments to manage the state's finances through a difficult period. It was a responsible measure and we make no apology for it or resile from that position. I mention this because it did cause us a lot of grief because people were so attached to it. They needed the money and they had the projects planned to fill the gaps that had been left for years and years, so they were very disappointed that they were not going to get the country local government fund money for a year. Imagine what it will be like when the Labor Party says, "Well, that's it. This is not a deferral; it's actually just no more." The country local government fund will simply be no more. That is a real concern.

In this motion I think the Labor Party has simply mashed together a set of figures to suit its purposes. It is a poorly researched motion and the member who presented the motion picked her way through the facts to suit her argument. I do not suggest that she is the first member to do that in this house. Far be it from me to pass judgement, but it is telling that the Labor Party chose to analyse the country local government fund on an electorate-by-electorate basis. This is clearly how the Labor Party has determined expenditure in the past, pork-barrelling targeted seats to suit its own purposes. The National Party has not done that; the funding is distributed on a formulaic basis and it goes to every local government.

I will go through a few projects and initiatives that would not have the support of a future Labor government. I have selected a small number of projects to demonstrate the value of this important funding stream to the Agricultural Region, which I represent and which encompasses three of the nine regional development commissions or part thereof. These are projects that I have been to and seen the fruition of the funding, whether as a top-up or in getting the projects kick-started. The first project was a new medical centre, which is actually a

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very timely example, given the difficulties we are facing, particularly in the Wheatbelt, with rural doctors and attracting and retaining staff.

**Hon Wendy Duncan:** A federal government responsibility!

**Hon MIA DAVIES:** That is exactly right, Hon Wendy Duncan; it is the federal government's responsibility. However, many of my shires are putting their hands in their pockets and those of their ratepayers to build medical centres and to pay doctors to keep them in their towns. The country local government fund, along with a number of other funding sources, contributed to the new medical centre in Wongan Hills. I will read from an article in *The Central Midlands and Coastal Advocate* of Thursday, 15 July, which states —

Wongan Hills residents will have better access to medical services thanks to a new medical centre which was officially opened last week by Regional Development Minister Brendon Grylls.

The \$1.6 million medical centre which adjoins the existing Wongan Hills District Hospital will provide general practice, specialist and allied health services.

Mr Grylls said the innovative design allowed room for additional doctors to join the practice and would see ancillary health services centralised to make easier access for residents from Wongan Hills and surrounding areas.

“Providing access to quality health services is a key factor particularly when prospective employees are making the decision to relocate their families,” he said.

The minister said the project's funding of \$709,000 was provided from the Country Local Government Fund.

...

... Shire chief executive Stuart Taylor said the medical centre would be a one-stop shop for all health services.

“The shire had been planning changes to health service delivery for many years and in 2008 decided to build the medical centre,” he said.

...

“There are now plans to increase the number of doctors from one to two and to seek specialist services to the new facilities,” Mr Taylor said.

The outcome of this is more than simply a new medical centre. The group in Wongan Hills that won the bid to build the centre is made up of local residents who have come together to put back into their community. The vast majority of the tradies who were involved in the project were locals. The project created jobs and reinvested some of that funding back into the community, and it provides the community with an absolutely fantastic facility. It is worth visiting that medical centre.

There are a number of other projects. Dalwallinu launched its discovery centre a couple of weeks ago, and country local government fund money was invested in that. It is an outstanding facility, members, it is absolutely outstanding! In an article in *The Midwest Times* Councillor Nixon from the Shire of Dalwallinu said —

... the project would provide economic, environmental and social benefits for local and adjoining communities, particularly as Great Northern Hwy traffic was predicted to double in the next decade.

There are many other examples in the Agricultural Region of the country local government fund being used to not only fill the gaps in funding for the footpaths, the toilet blocks and all the rest of it, but also for strategic investment projects that will generate jobs and create better amenity for these communities.

Books are available that detail the projects that local governments have chosen to invest their money in. I emphasise that it is local governments that choose where they spend their money. It has absolutely nothing to do with me, Hon Wendy Duncan, Hon Col Holt or Hon Brendon Grylls; it comes down to how the local community wants to spend its money. That is the key to this fund; it is about local ownership. It is not subject to roting, and every time members opposite criticise a local government for spending its money on a footpath, toilet block or a talking toilet, they criticise one of their local shire councillors who do a hard job with not much money. The country local government fund was designed to give back to those councils.

I was going to speak about how the country local government fund brings shires together to work on regional projects, but I do not have much time, so I might do that in an adjournment debate.



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**HON SALLY TALBOT (South West)** [11.10 am]: It is time to get some facts on the table. I am sorry that this motion has come as such a terrible shock to the National Party. I am sorry that it did not occur to them to do these numbers on the basis of electorates. And I hope that, from now on, because their eyes have been opened by this motion, that they are profoundly disturbed by the discovery that when we do these numbers for the electorates held by the National Party and compare them with those electorates held by the non-National parties that the most amazingly blatant and sustained roting is going on. So it is time to get some facts on the table.

Is the front page of today's *South Western Times* such a shock to Hon Wendy Duncan? The front page banner headline is "Are we getting ripped off?" It is beginning to dawn on electors that Hon Wendy Duncan and her colleagues in the National Party are pulling the most enormous stunt here. It is a stunt that will come back to bite members of the National Party. It is a stunt that electors throughout regional Western Australia are gradually having exposed—thanks to the work that is being done by some of the country members who are not going to stand idly by.

**Hon Wendy Duncan:** Do away with it, see how that goes down!

**Hon SALLY TALBOT:** Hon Wendy Duncan has had her turn; let me have my say now! Hon Wendy Duncan is interjecting saying that Labor does not support this funding for the country. As I said when I started, this is the time to get the facts on the table because Hon Wendy Duncan and her colleagues in the National Party are wrong. They are absolutely 100 per cent wrong when they say that we do not support funding for regional Western Australia. We do support it. But let me make it absolutely clear that we do not support the way in which the National Party is roting it. That is why we are going after the National Party. It is not about the headline statements. It is not about supporting people who live outside the metropolitan area. It is about the way in which the National Party is doing it. It is the way in which Hon Wendy Duncan and her colleagues in the National Party are doing it.

It has obviously come as a terrible shock to Hon Wendy Duncan and her colleagues in the National Party to see the numbers that we have presented to them this week. How sad and how tragic for National Party members to see on 22 September the two items heading the afternoon news and played on the electronic media all afternoon. The first of the two big items was the royalties for regions roting by the National Party, and the second was the failure of the country health system. That must have been a very dark moment for Hon Wendy Duncan when she saw those two stories facing her on the same day. That is, the revelation about how the National Party is spending \$95 million a year, mainly on National Party electorates, with no talk of efficiency, and no talk of per capita distribution. Hon Wendy Duncan just has to look! Hon Wendy Duncan was the one who talked about per capita funding; she must look at what she is doing! I seek leave to table this document.

Leave granted. [See paper 2572.]

**Hon SALLY TALBOT:** This document is headed "Royalties to Regions Local Government Fund — Expenditure Per Person 2008–09 and 2010–11". This is going to be another terrible shock to Hon Wendy Duncan. I urge the member to look at it carefully. It shows that in the past two years the National Party has been prepared to buy the votes of people living in National Party electorates for over \$500 a year per person. How much was the National Party prepared to give to people who lived in electorates held by the Labor Party? In regional Western Australia they were prepared to give electors less than \$200 per person. That is less than half of that given to people in National Party electorates. That is the price of having the National Party sitting beside the Liberals in government. That is the price the electors of regional Western Australia have to pay.

The Labor Party is not against proper, efficient and properly audited spending in regional Western Australia. I do not have to go further than the 2008–09 capital works program, in which spending per capita in the regions under the Labor government—Hon Wendy Duncan should listen to this, because this is the point that nobody has given her; this is the fact that Hon Wendy Duncan has not yet grasped—was \$3 296 per person, compared with \$1 459 per person in the metropolitan area. Does Hon Wendy Duncan know what that figure is? It is \$1 837 more for every country elector in Western Australia than was spent on electors in the metropolitan area. That is, 126 per cent was the amount that was spent on every voter outside the metropolitan area in Western Australia under our government. That is because the Labor government was interested in efficiencies. We wanted to see that every dollar was being spent in an efficient way.

What Hon Wendy Duncan and Hon Mia Davies have done for us this morning is to show that they have no interest whatsoever in the efficiencies of the local governments to whom they are giving this money. Not once have they mentioned the word "efficiency". They are just interested in propping up their own electorates. I have given members some figures to show the extent to which the Nationals are prepared to go to buy votes in those electorates.

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As I said, this is the moment to get some facts on the table. The first fact is that the National Party is rorting royalties for regions and, particularly, this country spending program. The second fact I want to get on the table is that there is only one way it can be stopped over the next two and a half years. Only one group can stop the National Party from doing that, and that is the Liberal Party. That includes people like Hon Robyn McSweeney, who must be horrified when she looks at the spending in the South West Region and sees how much money her electors and mine are being denied by the fact that the National Party is being allowed to rort the country spending system. By the time I sit down, there will be ample opportunity for Hon Nigel Hallett to stand and explain how he is going to use his position in the Liberal Party as a member of the government to put a stop to this rorting of money that should be going to his electors, to the electors represented by Hon Robyn McSweeney and to the electors that I represent. Nowhere is that made clearer than if we look at some of the issues in the South West Region where this money needs to be spent.

At the same time that this royalties for regions rort was exposed earlier this week, we heard about the calamitous failure of the country health system. In Peel, they are very conscious of this. Do members know why? Only a matter of days ago six patients at the Peel Health Campus who required tertiary care could not be transferred to Fremantle Hospital. Why? Because of the chronic ambulance ramping problems. Where is this National Party money going? It is going to singing toilets and to plastic cows. And it is too cute by half for Hon Wendy Duncan to turn around and say that it is up to the communities to say how they will spend the money. Hon Wendy Duncan is in government. She has a voice in government, and she is allowing this to happen. Hon Wendy Duncan must face up to her responsibilities and if she will not face up to them, then I and my colleagues on this side of the house will stand here and serve it up to members opposite day after day on behalf of our constituents, who look at the situation at the Peel Health Campus and are horrified that the National Party is happy to spend money on singing toilets and plastic cows when we have sick people in hospitals in Peel who cannot get the care they deserve because the National Party will not put money their way. I say again that the only people who can change this over the next two years or so are the people sitting in the Liberal Party party room who today can call a party meeting and stand up and say that this has to stop for the sake of their constituents.

In the brief time remaining to me I will point out the terrible problems —

**Hon Wendy Duncan** interjected.

**Hon SALLY TALBOT:** I ask Hon Wendy Duncan to please listen to me! Transport in the Peel region is a disaster. Let me relay what Patrick McAllister, the manager of tourism in the Shire of Murray recently told me and Hon Ljiljanna Ravlich, who was with me at these meetings. They have only one private bus that runs once a week from Pinjarra to Mandurah. Why will the National Party not put money into that?

Hon Wendy Duncan should not tell me that it is up to the community to decide how they spend their money. Members opposite are the people with the authority. They are the people with their foot on the hose; they are stopping the money going to these projects by allowing these stupid projects. Hon Wendy Duncan is allowing this rort to continue and we are here to stop it.

**HON COL HOLT (South West)** [11.20 am]: Interestingly, the motion refers to the malapportionment of the country local government fund. All we have been presented with is a statistical measure of where the money is going. Someone once said, "Lies, damned lies and statistics." We could apply any measure to where that money is going and come up with a different answer. If we looked at which regional federal electorates that money was going to in the regions, it would be a whole different story. If we looked at which Legislative Council regional electorates the money was going to and at which members from which party represented those regions, we would get another story. What if we talked about showing where it was going to based on the number of people with dogs in the community? That would come up with a different answer again. What the opposition has not done—I have been waiting for it to come out, and maybe that is why Hon Jon Ford has left the chamber—is pull apart the formula that has been used. The opposition has talked about malapportionment. How has the program been malapportioned? All the Labor Party is showing us is an end result. Members opposite can choose any measure to show where that goes. Has the Labor Party actually picked apart the formula? Not even the lead speaker did that. The Labor Party has not shown us how the country local government fund has been fiddled or how some electorates are getting more than others. The Labor Party has not shown that because it does not have the evidence. I thought Hon Ljiljanna Ravlich would have done that because she believes that the program has been diddled, but she did not show us how we have done that. Has she looked at the formula and seen how it has been adjusted to affect the outcome? I do not think that the member has. She has not come up with an alternative about how the money should be distributed to local governments. It will be very interesting to see the Labor Party come up with a formula that it believes is better. I look forward to seeing some critical analysis of the formula that is being used now.

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There are a number of different silos of money into which the royalties for regions funding is distributed throughout the regions, and the country local government fund is just one of those. That is a good way to distribute funds because it gets down to the local decision-making level and there is local accountability for the community. Local governments can also attract funds for their projects from either their own local sources or federal sources. I will touch on the federal allocations later on. Local governments had a range of projects that were ready to be funded and developed. Those projects are making a difference in their communities. I will touch on a few local government projects that I have been involved in. I will refer to the “Royalties for Regions South West Edition 1 June 2010”. The Shire of Augusta – Margaret River used its money to implement a water recycling project. That is a good local project. It is ready to go and the shire is getting on with it. Members cannot argue that that is not a good project. The Shire of Capel has used its funding to redevelop the infant health centre and playground building, which is a good outcome for that community. This is local decision making working because local governments now have the funding to implement projects that have been sitting on their shelves underfunded for a long time. Some towns are upgrading their drainage systems and others are restoring historic buildings. People in local government are investing in a range of projects because they now have the funds to do it.

Obviously the federal government has recognised that it is good to invest in local governments too, because the federal government has invested very heavily in them. The federal government has a number of programs through which it distributes funding to country local governments. Through the Department of Infrastructure, Transport, Regional Development and Local Government, the Australian government contributes to the prosperity of the economy and the wellbeing of Australians by assisting local governments to manage their own futures, including the provision of essential services and the development of effective planning issues. That sounds like what we are trying to achieve, too. The federal government provides funding through the regional local community infrastructure program. That sounds to me like the federal government is trying to get local governments to provide infrastructure. The federal government also provides funding through financial assistance grants. The federal government uses local governments to distribute money to the regions. The regional and local community infrastructure program was announced by the Prime Minister at the Australian Council of Local Government’s inaugural meeting on 18 November 2008 as part of the federal government’s “Nation Building – Economic Stimulus Plan”. At that time we were affected by the global financial crisis and there was a need to give the community funds, to get projects going and to get people employed to drive the economy. The federal government obviously recognised that local government had the ability to get those projects going. The projects were already sitting there and the federal government funded them to stimulate the economy. Since its inception, the regional and local community infrastructure program has provided more than \$1 billion to local government authorities to build and modernise community infrastructure. That sounds like the aim of the country local government fund in WA.

I have talked about measurements before and I will touch on that again in a minute. The federal government also provides funding to local government through the financial assistance grants. Both components of the grants are untied in the hands of local government and allow councils to spend the grants according to the local priorities. The federal government allows the local governments to make their own decisions. That sounds very familiar to me. Let us look at where those grants went to. This is just another measurement. I do not know what it means, but members opposite can make their own conclusions. In 2009–10, the federal government provided \$1.9 billion to local government. New South Wales received \$605 million, Victoria received \$452 million and Queensland received \$378 million. I think they are Labor governments; I am not sure. If members want to put that measure on the funding, we can do that. Western Australia received \$225 million from the federal government, which is a fair way down the list, and South Australia received \$131 million. I have another table in front of me that I can table if members wish. To assist councils deal with the effects of the economic downturn, on 12 May 2009 the commonwealth government announced in its budget that it would bring forward for payment to all councils in June 2009 around one quarter of the 2009–10 pool. New South Wales received \$150 million, Victoria \$112 million, Queensland \$94 million and WA \$56 million. The federal government does not mind sharing the money around through local government because the federal government can see that it is an effective way to get funding on the ground in our communities when it is most needed.

The opposition has not shown us anything but a bunch of statistics. We could look at another couple of policies that show a different story and I could talk about the royalties for regions programs that Hon Wendy Duncan has already touched on. The country local government fund shows that more money is spent in those areas that have more local governments. I will look at Indigenous health and what that would have shown us if the opposition had broken that down into statistics. Where would members expect the highest proportion of those funds to go? They would probably expect it to go to those areas where there are more Indigenous people. If the opposition looked at the funding that was spent on Coastcare, how much funding do members opposite believe would have been spent on Coastcare in the Central Wheatbelt? I do not think it would be too much. I reckon that program is

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targeted at Coastcare. Where will that money be spent? It will be spent on the coast. The same is true of the country local government fund; it is a fund to support the activities of local government and therefore is spent on local government. The Pilbara Cities project has been touched on. The Ord stage 2 is another program. Where would opposition members spend the Ord stage 2 money? Would they spend it in Katanning? I do not think so. It is about developing the Ord and so the money would be spent in the Ord. The country local government fund is about developing and assisting local governments to deliver community outcomes, and so it is spent where the local governments are.

**HON NORMAN MOORE (Mining and Pastoral — Leader of the House)** [11.29 am]: The royalties for regions program resulted from a commitment made by the National Party at the last election, but it is being implemented by the Liberal–National government. Every decision about the expenditure is made by cabinet, which is made up of Liberal and National Party members, both of whom belong to the Liberal–National government of Western Australia. The money is spent in accordance with cabinet decisions. As members will be aware, there are more Liberal Party ministers than National Party ministers. To suggest that somehow the National Party ministers are the tail wagging the dog is absolute nonsense. The proposals are considered by cabinet and the funds are allocated on the basis of what we consider to be merit and need. If every project in the state had the same merit and every community had the same need, everyone would get the same amount of money. But the policy does not apply like that. As members all know, parts of the state have a desperately greater need than others.

In my experience as a member of Parliament for a long time, most parts of the state that are in greater need are in the bush. The country areas of Western Australia have been largely neglected over many, many years. One of the reasons we entered into an alliance with the National Party was because we agreed that the time had come to spend some extra money in the bush. If the Labor Party does not want to do that, its members should please say before the next election that they do not support it, and, if they do, they will be history. As the Newspoll showed yesterday, the Labor Party is already history, so it will be ancient history at the next election if they go down the path of saying that royalties for regions is no good. They should tell all those local governments that they do not need the money and those local governments will tell members opposite what they think of them. The bottom line is very simple: the fund we are talking about today, the country local government fund, is not the National Party local government fund, it is the Liberal–National local government fund, for which we take the credit that is due and of which we are part of the decision-making processes.

We have assessed the applications for funds through this project and all the other royalties for regions projects on the basis of merit and need. If anyone from the Labor Party can tell me where there is no need for those funds in the bush, and where the money that is going to places such as Koorda is being wasted, I would like to hear it. They might have a view about how the money should be spent, but if they look at it sensibly, without trying to be political, they will understand that there is merit attached to the programs that are being funded by royalties for regions.

This document, which was handed out today and which I had not seen before, details where the total royalties for regions funds are going. They are going to places in the state where the money is needed. We should remember one other thing, however; that is, the commitment made by the Liberal Party when it partnered the National Party was that the fund was to go to funding above and beyond what the government would normally spend, to provide country people with an opportunity to get a fair go from the state government's coffers.

Motion lapsed, pursuant to temporary orders.