

INFRASTRUCTURE AND DEVELOPMENT IN RURAL AND REGIONAL WESTERN AUSTRALIA

Motion

HON NIGEL HALLETT (South West) [2.05 pm]: I move -

That this house condemns the state government for its failure to provide adequate funding for vital infrastructure and development in rural and regional Western Australia.

Although I have been a member of this place for only a very short time, the cut in funding to rural and regional areas has become very evident to me. Regional Western Australia is arguably the engine room of the state's so-called V8 economy that the government constantly claims is the result of its exemplary economic management. It is regional Western Australia that is generating the good times, and it is high time that the government began to take the regions seriously and to invest in the kinds of infrastructure and services necessary to ensure beyond doubt the future sustainability and growth of our rural and regional areas.

Our regions and the primary industries that sustain them, such as agriculture and mining, are Western Australia's economic base. With a population of just over 500 000 spread across nine regions, the regions collectively contribute approximately 30 per cent of Australian exports and 80 per cent of Western Australian exports. These industries are expanding daily, and the regions, and the resources that they produce, are the lifeblood that supports the very existence of metropolitan Perth. This being the case, one would expect that, unquestionably, there would be an equitable distribution of funds through the regional development commissions to each region to allow the regions to further build on their social and economic development and sustainability. Unfortunately, this is not the reality. Although the government has allocated some, but certainly nowhere near enough, money to regional areas, a close inspection of the finances of the regional development commissions shows that it ultimately amounts to little more than window-dressing, and at certain times in past years it has been obvious pork-barrelling. Very few of these funds are being directed to the provision of necessary infrastructure to create development and sustainability in the regions.

The purpose of the Regional Development Commissions Act 1993 was to establish regional development commissions to coordinate and promote the economic development of the regions of Western Australia. The regional investment fund was set up by the government in 2001 to assist with the economic and social development of regional Western Australia, and improve the access of regional communities to services. The fund was allocated \$75 million over four years to do that. To the credit of the present government, in May 2005 the budget was increased to \$80 million, although it was a very paltry increase in view of the good economic times. This \$80 million is to be shared across the nine regions over the ensuing four years. This small increase is nothing more than a token gesture. It demonstrates Labor's lack of commitment to Western Australia. There is little equity in the redistribution and the flow of resources back to the regional areas that generated them. This seems set to increase, particularly in light of the impending electoral redistribution. The electoral legislation will significantly increase parliamentary representation in favour of metropolitan voters. The economic, social, political and cultural priorities of the people of Perth and its surrounds will be paramount, at the further expense of the needs of those in rural, remote and regional areas where the basic requirements are fundamentally different.

The government's 2003 regional development policy states that it is imperative that the regions receive an equitable share of resources when it comes to dividing the spoils with the metropolitan area. It explains how the complexity of the provision, delivery and cost of services and infrastructure to regional areas and the dominance of Perth makes it absolutely necessary that there be good policy in place to ensure that the regions get their fair share and can develop to their full potential. What is an equitable share of resources? An equitable share is a fair share of access to essential services and the necessary infrastructure to make sure that people living in regional Western Australia continue to build their communities and quality of life with confidence and are not disadvantaged by infrastructure constraints, such as the lack of access to power, water, health, housing, transport, education etc that can significantly impede investment and development in these regions. That is what we are talking about today. There are few areas in which people are not saying that these basic services are lacking. Adequate power and water supplies, well-maintained transport routes and affordable land, whether regional or city, is lacking badly, and is a bad reflection on the government. We need to ensure that there is investment in industry and infrastructure that allows other enterprises to develop, such as gas pipelines or power stations, and provide the jobs and security necessary to bring people, families and the business opportunities naturally created by those kinds of projects out of the city and into regional areas.

What is the logical reason for starving the regions of the funding necessary to get this kind of infrastructure and development on the ground to give them vibrant and sustainable futures? Quite simply, the reason is the tight-fisted, high-taxing - we all know we have the highest taxing state in Australia - Perth-centric government that has just produced another once-in-a-generation surplus of about \$2 billion for the 2005-06 financial year. That was

four times Treasury's original forecast of \$521 million. It is now predicting another record budget surplus of more than \$1 billion. I am sure that will get closer to \$2 billion.

This government is interested only in the revenue it can rip out of the regions and spend, some would say, wastefully more often than not on some questionable metropolitan projects. We do not have to look too hard to see an expenditure blow-out on a project just south of Perth. Western Australia is in the midst of a fantastic economic boom created by the activity in regional areas. The majority of the spoils and benefits of all this hard work should be re-invested in the regions. However, the investment is predominantly concentrated in one place - the metropolitan area. We are looking at growth predictions in the Western Australian economy of around 5.25 per cent. That is driven by the resource boom that we are currently experiencing.

The chairman of the Regional Development Council, Ian Taylor, is an advocate for regional Western Australia and a key source of advice to the Premier and ministers responsible for regional development. The council strongly represents that the prosperity of the state economy is very much dependent on the resources and export performance of the regions. The Regional Development Council has rung the alarm bells loud and clear in a report entitled "Priorities 2005" where, according to my notes, it states -

The Council believes that the lack of infrastructure is threatening the future growth in all of the State's regions, and seeks to minimise these constraints and encourage a positive climate for attracting investment in regional areas.

It is apparent that the current methods and sources of infrastructure funding are not sufficiently providing for infrastructure to be in the right place at the right time.

Where is the funding and why is the government not listening to its direct line to the regions, through a former leader of its party, when it is blatantly obvious that the future of the regions is at stake? A quick example of a lack of available funding is the delay in the construction of the Peel deviation in my area. That is a classic example of the government sitting on its hands. If Labor cannot afford to spend money to build the necessary infrastructure now when the economy is strong and Treasury is awash with billions in surplus revenue, what will happen in the future when the economy is not as robust? Does the government think that the regions are undeserving and that there is insufficient money to spare to invest in the future sustainability of regional Western Australia? I believe that the government thinks that the regions are undeserving. It has demonstrated this by the fragmented and generally ineffective way in which it shows support for these areas, both financially and administratively. This is particularly evident from the fact that it has allocated portfolios covering the nine regions to four ministers. I believe there should be one minister who can dedicate all of his or her time and energy to improving and generating the future sustainability of regional areas, and making sure that they have the same access to infrastructure and essential services as those in the metropolitan area.

We are acutely aware that it is not the case that there is insufficient money to spare to invest in the infrastructure and services necessary for regional Western Australia. I will show members how any serious spending on regional development through the development commissions by this government is motivated only by the need to win elections, and that its general interest in the regions is concentrated on marginal seats. Members will clearly see patterns in the funding to regional development commissions from 2001-02 right through to the projected 2008-09 budget, which will be the run-up to the next state election. Total spending by the development commissions in 2001-02 was around \$19 million. We should bear in mind that this was one year after a state election. It then decreased - surprise, surprise - in 2002-03 to around \$17.5 million as the government started to cut back on spending in order to begin to line up its war chest for the next election, not that far away in 2004-05. A year out from the election in 2003-04, we saw a dramatic increase in the development commissions' budget allocation, with a jump from the \$17.5 million allocation in 2002-03 to a total of \$23.7 million. Not all of this was utilised, and in the end only \$22.2 million was actually spent.

Things now start to get interesting. This is a clear example of extreme pork-barrelling. The development commissions were budgeted to get about \$25.5 million in 2004-05 with a massive increase in capital expenditure, four times greater than that of the previous year, and lots of money for big-ticket items such as the Albany Entertainment Centre. I suppose we could be cynical and ask whether that is a marginal seat. This already significant increase was obviously still not enough to allay the fears of the panicking incumbents that they just might not have the election victory in their hands. The government was in serious panic mode, and actual expenditure in 2004-05 blew out from the allocated \$25.5 million to \$37 million; it was an overspend of \$11.5 million through the development commissions to the underfunded regions in order to shore up the government's support in these areas by making promises to throw lots of money around. However, this was not spent on good, sustainable infrastructure that would support the regions, provide jobs and encourage people to live there. It was spent on big-ticket, crowd-pleasing items such as town enhancement schemes and entertainment centres. While they are important, do these projects really provide the jobs, the economic base,

the expansion of essential services, infrastructure like sewerage and schools, medical services and housing to attract the doctors, teachers, professionals and tradespeople the regional areas are crying out for? I do not think so, and in this respect the government has its priorities wrong. I wonder whether the government felt that this superficial, one-off investment in votes was worth the very substantial value per vote. I suppose we can look back and say that it was - it enabled the government to remain in office.

The 2005-06 allocation to regional development commissions is even greater, amounting to \$46.2 million, reflecting very clearly the funding of all the promises made during the election campaign. The Goldfields-Esperance Development Commission highlights this in the notes to its financial statements for the year ended 30 June 2005. Under the heading of grants and subsidies a variant of \$2.517 million is shown, primarily due to grants of \$2.1 million paid out as a result of election promises made in February 2005. I wonder whether these grants went into meaningful infrastructure that will help these regions grow with future sustainability. It is interesting to look at the projections for 2006-07, and note that the allocations are reduced by almost half, to \$24.3 million. In 2007-08, 2008-09 and 2009-10, they are again reduced substantially compared to the 2005-06 figure of \$46.2 million, to \$24.6 million, removing items already budgeted for, such as the Albany convention centre at \$18 million. This shows that the government believes that it has spent everything it needs to for now. The regions get a good deal at election times, with a lot of money thrown at projects for town enhancement and minor grants. While these are necessary, there is a severe lack of infrastructure in the regions. Projects like these are just cosmetic, and blatant vote-buying exercises. Once again, the question must be asked: is this the type of infrastructure spending that will ensure the future sustainability of our regions? We all know that the answer is no, and there is no excuse for this as there is most definitely no lack of funds to invest in the infrastructure that is so necessary in the regional areas.

Following the release of the 2006-07 budget, major industry groups such as the Pastoralists and Graziers Association, the Western Australian Farmers Federation and the Chamber of Minerals and Energy, immediately rallied against the lack of budget allocations for the provision of infrastructure in regional areas. This is a pretty significant body of opinion. It will be interesting to watch the money being thrown at the development commissions, particularly those containing marginal seats, in the 2007-08 budget, and the government's overspend in the 2008-09 budget to make sure it gets all the votes necessary from the regions to win the next election. The regions do not need this token vote-buying sweetness. They need good, sustainable, coordinated infrastructure, such as the essential services we have mentioned. They need important capital works, such as power supplies, nursing homes, ports, colleges of technical and further education, universities; the list goes on and on. It appears to me that the policy is sporadic, unstructured and uncoordinated. All these things are necessary to enable people living in the regions to participate in and benefit from the ongoing economic and social development of our state. There must be a major acceleration of direct investment by the government in the regions. Once again, as the majority of Western Australia's wealth is generated in the regional areas, it is time the government began to invest seriously in the future of these regions.

I will now draw the attention of members to the goals of the development commissions, and show how each of these goals is not being achieved due to lack of necessary infrastructure. I suppose a very topical assessment process would be outcomes based, so I could probably put an outcomes-based assessment on the regional development commissions.

Hon Simon O'Brien: What level would they be?

Hon NIGEL HALLETT: None of us understand it! I will examine the first goal of the regional development commissions; that is, to maximise job creation and improve career opportunities in the regions. There is a shortage of housing for professionals and workers, which is a huge stumbling block to attracting people to the regions and providing career opportunities. We saw a story in *The West Australian* recently about people living in tents at Karratha. There is no shortage of land at Karratha, but the government has not made the necessary moves to get that land onto the market. The government needs to provide more funding to schemes such as the country housing scheme, which, in partnership with local government authorities, subsidises the cost of building homes to attract people with vital skills to particular areas in the regions. However, as with all government funding in regional Western Australia, it is just not enough. The result of this lack of funding is that some country towns are missing out on vital services such as general practitioners because the local government simply cannot afford the rising costs of building houses, and the state government will not provide the necessary funding to build these houses. The crisis in housing facing country towns is something that the majority of people do not take on board or believe in, but it is across the board and very real. To give that an assessment in the outcomes-based education language, Hon Peter Collier just held up one finger. Apparently that is the level that primary school children should be achieving.

The second goal of the regional development commissions is to develop and broaden the economic base of the regions. How can regional and rural areas even begin to develop and broaden economically when their local

businesses and tourist attractions are isolated because of substandard roads and difficult access? Some roads in regional Western Australia, such as Derby Gibb River Road and the sealed section of road north of Warmun in the Kimberley, which is a very narrow and dangerous section of road, could not be said to be safe by anyone travelling on them, particularly considering the number and size of road trains that use them. We are fortunate that the federal government has committed some serious money to widening some of the one-way bridges in the area, and it would be pleasing to see the state government jump on board and speed up this process, considering the increased traffic, whether trucks or tourists, in this region. Derby Gibb River Road is a legendary four-wheel-drive access to areas such as the Winjana Gorge and Mt Barnett, and areas to the north such as Kalumburu and east to Kununurra. This road provides the only way out for livestock from that region. When it is considered that some 80 000 head of live cattle pass through the port of Broome every year, it can be seen that these roads are of significant importance to the region. The shires that service these roads need extra funds from the state government. This is very similar to the problem that the Broome shire faces with the Cape Leveque road. It services eight communities at the end of this road, and a few pearl farms, but the tourist use of this road is high. It is costing the shire some \$300 000 annually to maintain, with no chance of cost recovery. The question must be asked: how will shires be able to continue to fund these roads given the continuing increases in costs? Increasing rates for local ratepayers is not the answer. An average block for residential housing in Broome attracts annual rates of around \$1 500. Infrastructure in rural and regional shires must be kept affordable to encourage people to live and work in those areas. Increased charges forces people to use a fly in, fly out option while maintaining a city-based residence. Western Australia's unbalanced population needs to be decentralised. People need incentives to live outside the metropolitan region. While I am on the subject of dangerous roads that take enormous amounts of traffic, let us not forget roads in the South West Region. I travel over many roads in this region. The South Western Highway is referred to all the time. We hear about the Yallingup-Augusta road, Muirs Highway and the Bridgetown-Nannup road. I could go on. In Hon Murray Criddle's area the Bindoon-Miling stretch of road takes road trains through to Great Northern Highway. The Lancelin-Cervantes road is another of many roads throughout Western Australia that is in a sorry state of disrepair and is a potential deathtrap. That is only one small example of failure to provide adequate, timely infrastructure in the right place at the right time. The government is failing the people of rural and regional Western Australia, and this failure is being repeated time and again in these areas. No doubt the government will refer to the funds earmarked for the Perth-Bunbury highway and the Karratha-Tom Price link. These two projects consumed most of the 2006 road budget for regional Western Australia.

In a recent survey undertaken by my office to find out exactly what regional shires need for infrastructure, many issues were mentioned but the number one issue highlighted by every single shire was roads. One hundred per cent of shires surveyed said that roads were the number one issue. Inadequate transport infrastructure is the major impediment to the region's economic growth. As the majority of the state's wealth is produced in the remote locations and even in not-so-remote locations, transport services and infrastructure play a crucial role in the regional development of Western Australia. While the Karratha-Tom Price link is a step in the right direction, much more needs to be done. Shires from Denmark to Derby are requesting an increase in local road funding. People ask: is the government deaf or just not interested; it has the money so what is the problem? The problem is lack of interest, lack of concentration and failure to listen. On that issue Hon Peter Collier indicated an outcomes-based assessment of one.

The third goal is to identify services to promote economic and social development within the regions. The need for this goal is clearly what I am trying to demonstrate in speaking to this motion. I believe it can be fully understood in light of the infill sewerage program. A case in point can be found in Donnybrook, because without infill sewerage to develop residential land, the Donnybrook central business district simply cannot grow. Donnybrook relies heavily on its residents to draw income. Let us not forget that Bunbury is just up the road. People will seek what is not provided in Donnybrook from other towns. This situation is not unique. Inadequate sewerage is killing development in many small towns that need development to stay alive and prosper. The other distressing point about the lack of infill sewerage in country areas is the health issue. Two areas in particular, Hyden and Derby, have raised examples of unreticulated sewerage systems and have found themselves in situations not too dissimilar to those in developing countries; namely, effluent running down the street after a downpour of rain. I ask every member in this house now: in a state as wealthy as Western Australia, is it right to put up with effluent running down a street on which children play? I do not think there is any doubt what the answer is. It is unbelievable and it is unacceptable. What has been done about it? The budget has been cut. On that issue Hon Peter Collier indicated a mark of one.

The fourth goal is to provide information and advice to promote business development within the region. This goal must be supported by a communication system that keeps country businesses in line with city technology. A better broadband service and better mobile phone services for rural areas were considered two of the most important infrastructures needed. This came through very loudly and clearly at the Small Town Survival

Conference held in York last October. When country businesses can access information and advice in a quicker, more effective way as well as have better access to potential markets, rural business development will occur in regional Western Australia. Once again, the assessment shows that this is lacking.

The fifth goal is to seek to ensure that the general standard of government services and access to services within the regions is comparable with those in the metropolitan area. All members opposite will be embarrassed by the present situation. Quite frankly, there are too many examples to choose from. Country people are disadvantaged, whether it be in the areas of health care and education or the provision of other basic services. In many country areas the disrepair of buildings in which staff must work raises a big question mark.

We have heard it said often enough that the state's population is ageing. That is backed up by tangible statistics that none of us can argue with. Seniors must already put up with a lack of support in the country generally, let alone in regional areas as they get older. The situation will not improve if serious forward planning is not done for older people in regional Western Australia. There is a lack of health-care specialists in the country regions because of the lack of infrastructure to support them. As a result, ill seniors often need treatment in Perth or at a major regional centre outside Perth such as Geraldton, Bunbury or Albany. The need for treatment often involves considerable travel. We can appreciate that that is not easy for elderly people in a fragile condition. The cost in human anxiety must be taken into account. We have seen and heard of grandmothers and grandfathers who must leave small country towns to take up accommodation in bigger regional towns. It takes them away from the close support of their family and friends. Many of those elderly people are World War II veterans and must leave their lifelong friends. Unfortunately, as old age hits people in country towns - hopefully, we will all reach that stage - they will become increasingly dependent on medical services that are not necessarily provided near where they live. They will need to rely on family and friends for transport because of the lack of public transport. In the area where my mother lives, there is no taxi service. What should people her age do if they lose their driver's licence? They must rely on other people or move out of a small country town and live in an area where those services are provided. In their remaining days, many of them become very lonely people. I have first-hand experience of people who had been very vibrant but who had to move to the bigger regional areas. That was a very sad experience for many of them. It is depressing and it is sad that our government is not working quickly enough to provide the necessary services for an ageing population in country areas. That is a symptom of the overall health system failing rural and regional people. Once again, the assessment does not look good.

The regional development commissions' sixth goal is to take steps to encourage, promote, facilitate and monitor economic development in the regions, which brings me to a crucial part of the motion. The government is taking very small steps to encourage, promote and facilitate economic growth in regional Western Australia. If we take small steps, we will not get very far because it takes too long to get from point A to point B. Many of the small towns and regional areas that are the lifeblood of the state are already dying and cannot afford to wait much longer. The government must be mature and responsible and take big steps to ensure that sustainability and growth of the regions are achieved. People regularly ask why that is not happening. The money is there and the ideas have been talked about for years. The government must get on and do it. The government has been and continues to be negligent in the provision of infrastructure to the regions. It simply does not commit funds where they are really needed. In my communication with regional shires, the message comes through loud and clear: housing is inadequate, roads are in disrepair, a lack of infill sewerage is stopping growth and limited Internet and mobile phone access is hindering local businesses. Once again, the only mark that can be given is a fail.

Although the goals of regional development are clearly spelt out to us by the Labor government, it is clear that without structured and coordinated infrastructure, there will be no regional development. If we make an outcomes-based assessment of regional development goals, the candidate - the present government of Western Australia - would receive only a level one. The government is a failure because it has failed to achieve the goals of regional Western Australia. If this government channelled more funds into vital infrastructure projects in regional Western Australia and allocated a fraction of its \$2 billion surplus to the regions - or if a fraction of the revenue generated from the regions was channelled back into regional Western Australia - there would be dramatic improvements. As a result of the government's lack of spending, it has a serious obligation to be far more diligent both now and into the future. The Labor Party, as the government of Western Australia, is being judged as arrogant and uncaring by those who live in rural and regional areas. As a result, it is certain to lose government.

HON MURRAY CRIDDLE (Agricultural) [2.44 pm]: I am pleased that Hon Nigel Hallett has moved a motion condemning the state government for its failure to provide adequate funding for vital infrastructure and development in rural and regional Western Australia. There are no structured plans in place for rural and regional Western Australia. The coalition government had structured programs in place for road funding. I refer

to the billion-dollar program and the Transform WA package. The coalition government had a 10-year program, a copy of which I still have in my office, that outlined future funding arrangements and planning. In addition to plans for roads, we had an airport development scheme, which I am pleased to say has been carried on by this government. We developed a range of plans as we went along. Ports were also an issue. A sad thing about the ports is that the local boards have been disbanded and the chairmen of the port authorities now come from Perth, which is detrimental to the local communities. I notice that the parliamentary secretary is shaking her head. I ask her to tell me why that is not so.

Hon Adele Farina interjected.

Hon MURRAY CRIDDLE: The parliamentary secretary can name one out of nine chairmen who does not come from Perth. If that gentleman comes from Bunbury, I am prepared to accept that there is one. The point I am making is that the government does not receive local feedback from a local chairman. The understanding that those people had about community requirements was absolutely paramount. The local communities of Esperance, Geraldton and Broome have a very good understanding of what is going on in those areas. We must understand the issues from a local point of view. The problem with this government is that it is not listening to any local feedback. Moreover, it has been known to scare people off sharing their opinion. That is a real concern for me because I live in a rural community. During the past couple of days, I travelled through a number of rural communities on my way to Perth. The main issues in the rural and regional areas are health care, roads and housing.

Hon Peter Collier: And schools.

Hon MURRAY CRIDDLE: Hon Peter Collier just suggested schools. He would know because he has visited a number of schools recently. In fact, although the Minister for Education and Training may not be aware of this, I visited a few local schools recently. I, too, have an understanding of school issues.

The point that I am making is that feedback from those in the country is not being heard by the minister, and it is definitely not being heard by Treasury because it is not allocating any money to get projects up and running. A lot of the royalties that are flowing back to the government are a result of many private projects. The government should put in place the infrastructure from which the private sector can generate money. Roads, ports, industrial areas - which are absolutely essential - schools and health facilities give private enterprise the opportunity to generate the wealth for this nation and state. More than \$2 billion in royalties is received by the state. At the National Party's last conference in Denmark, our leader and members agreed that 25 per cent of those royalties should be returned to country areas over and above the current budget so that there is a bit more activity in regional areas. Returning, by mandatory means, money to the areas that deserve it is a good idea. The government is awash with money. When the coalition left office, the budget was \$10 billion. In the current budget, revenue is projected to be \$16.5 billion while expenditure is expected to be \$15.2 billion. An enormous amount of money is floating around the place. One thing that concerns me is that by 2009-10 there will be a blow-out in the net public debt to \$7.7 billion which, of course, will add to the interest bill we might face later on. Having worked very hard to get that debt down to around \$4 billion when we were in government, it is distressing to see that sort of financial management. Although it might not be a problem at present, if we find ourselves in difficult times with high interest rates, it will become a substantial problem.

Funding for the capital works program in the current budget is \$5 billion. I asked a question recently of the minister representing the Treasurer about capital works expenditure in the country and in response I was told that out of that \$5 billion, the budget for the country will be \$903 million. Less than 20 per cent of the capital expenditure budget will go back into the regions. That underlines the point emphasised by Hon Nigel Hallett.

Something like 25 per cent of 175 000 kilometres of roads in Western Australia are black-topped. There is an enormous requirement to put funding into that area. I note that the government regularly blames the federal government for the lack of funding, and I agree that we do not get enough money from the federal government. However, the budget for regional transport for 2005-06 and 2006-07 is quite substantial. In fact, an enormous amount of federal money will be spent on Western Australian roads, which I am pleased to see. I only wish the state government would do the same. Regional road group funding has been set. I have been told that it will grow but it began from a very low base when we were in government. I think the figure was then something like \$88 million, and it will increase to somewhere in the \$90 millions. There will then be an opportunity for it to grow. However, it will have lost five or six years with this government being in power.

I will outline for members some of the funding that the federal government is putting into roads. An additional \$234 million will be spent on the Great Northern Highway, and over a five-year period it will take the funding to \$367 million. An additional \$75 million will be spent on the Eyre Highway, bringing the total funding over five years to \$119 million. An amount of \$14 million will be spent on the Great Eastern Highway, bringing the total spending on that highway for the five-year period to \$104 million. Nobody denies that that money should be

Hon Nigel Hallett; Hon Murray Criddle; Hon Bruce Donaldson; Hon Jon Ford; Deputy President; Hon Ken Baston

spent. In fact, the Great Northern Highway is an atrocious road north of Bindoon to Miling. Heavy haulage should be able to travel through that area. Heavy haulage is one of the engine drivers of the Western Australian economy. Everybody seems to think that much of the freight carried by heavy haulage should be carried on rail. I cannot argue with that when it is an option. However, it cannot happen everywhere, and there is no way that it can happen between the farm gate and the railhead or the railhead and the shop. Obviously, therefore, there is a real requirement for heavy haulage transport. I have said already that we could do with more funding by the federal government. However, we have to ensure that funding for roads is available from the state government.

I asked the minister a question yesterday about when tenders would be called for the Indian Ocean Drive project between Lancelin and Cervantes. I also asked when the contract would be let and whether I could be told the expected completion date. The minister has come back with a commitment for the section to the Ocean Farms Estate to be completed by 2008. Ocean Farms Estate is about 10 kilometres from the beginning of the road at Lancelin. What is to happen with the remaining 51 kilometres?

Hon Bruce Donaldson: Is she creating another cul-de-sac? She has already created the Lancelin cul-de-sac. A road to nowhere.

Hon MURRAY CRIDDLE: It is a road to Ocean Farms Estate, for sure. When the research was done on this road by the Wheatbelt Development Commission, it was found that it would generate about \$700 million. Of course, that opportunity will be only partially fulfilled because people will do a loop around it. I was in Lancelin the other day talking to people at the Chamber of Commerce and Industry, and was told that some of the businesses in that area are now struggling because they are not getting the flow through of customers that they thought they would. Obviously, they would have budgeted their businesses on a growing number of people travelling through that area. Therefore, the impact from the non-completion of that road has been quite pronounced. The completion of the first portion by 2008 will not help them at all, and they will still have to wait until 2011 for the completion of the remainder of the road. I wonder what the people who represent regional and rural Western Australia think about the Labor Party in that regard. The extension of the Kwinana Freeway is to be completed at a cost of close to half a billion dollars - \$497 million - apparently, from the answer I got to my question yesterday. It will be an extraordinarily expensive road, in the same way that the Cervantes-Lancelin road will be expensive to build. When we proposed building that road for completion in 2003 the total cost was to be \$33 million. I understand that the full cost of building that road is now approaching \$80 million. Building a small section of that road will involve deployment costs for the contractors, who will have to redeploy for the next small section and again for the next small section of the road. The cost of redeploying the work force will be enormous. God knows how many contracts will be let by the minister before that road is completed.

I say to the government that the impact of that decision on regional and rural Western Australia is enormous. I remember that everybody said we were crazy when we decided to build the road to Kalbarri. I was told that nobody would bother to travel on that road. Within no time at all, the number of vehicles travelling on that road had grown from 150 vehicles a day to 500 a day.

Hon Paul Llewellyn interjected.

Hon MURRAY CRIDDLE: The point I am making is that that road services the local community as much as it services the people travelling north. No fewer people travel north; they travel the road of convenience that services Kalbarri. Members should see Kalbarri today. It is growing magnificently. There has been enormous development. The price of land has gone through the roof; it has probably doubled in the past few years. I was there playing golf at the weekend and got as wet as a shag. However, that is beside the point. It is a vital place to visit and really is on the move. If the minister wants to develop Western Australia, she has to start putting in infrastructure.

The previous government was going to build the Tonkin Highway by 2010. I notice that the minister, in her wisdom, has built the Tonkin Highway to her electorate for \$147 million. I am not sure that that has generated any return to the state when one considers the fact that two or three housing developments were proposed for that area and the proponents are complaining about the lack of land development. I wonder whether that has been the success that she hoped it would be.

While I am on the subject of roads, the Shire of Chapman Valley suggested that it would like to bring forward funds for some road projects, of which there are a number in that area, to allow the local community to use its own machinery to build the roads. Can the minister understand what a benefit that would be to the local community? It would put money back into the local community. It could be done through the shire and, for a couple of million dollars, some roads could be built in that area. It would keep people's minds off the fact that it has been a dry year; it has been particularly bad in that area. I know it well because I live just north of that area. I know that those people are ready and willing to get on with the job. This idea does not necessarily have to be restricted to the Chapman Valley area. I am using that as an example. It could happen also in the Northampton,

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Mullewa, Morawa, and Perenjori local government areas because not a lot of harvesting will go on this year and the sheep have been moved from the area. It would give the people an opportunity to carry out some useful projects. They would have some pride in the job that they do, as they did when we gave them the opportunity to work on a number of other roads in that area.

Another area I want to touch on is ports and the infrastructure required at Fremantle. When the coalition was in power, it signed a memorandum on behalf of the government to allow James Point to be developed. That has since been held back and has stalled. In the meantime there has been the suggestion that the Fremantle Port Authority should develop an island-type port at Cockburn Sound, south of Fremantle port. The Fremantle port is certainly developing very rapidly. It is expanding at the rate of about 11 per cent a year. The container trade through the port is very prominent, and there is talk about saturation point being reached in 2015. The opportunity was there to let private enterprise invest money to build a port and expand the operation, which would have taken the live export cargo out of Fremantle and down to James Point. There would also have been the opportunity for that port to be used for cars, fertiliser and the like, and there would not have been the need for additional government expenditure. If the port authority builds this piece of infrastructure - it is an enormous amount of money - we will lose an opportunity to get private enterprise involved. I know it sticks in the minister's craw, but the fact is that efficiency would develop from competition in the work force. Container handling in the Fremantle port was greatly improved when competition was introduced there a few years ago. That is one of the opportunities this government missed.

There is now talk about the entire port facility at Oakajee being built by private enterprise. There is another issue involving the Oakajee industrial area. The government should really be putting some services in there - roads, gas, rail and water to name but four - to give people some incentive to get the industrial park up and running. Gindalbie Metals Ltd is looking at going to Meru because the park facility at Oakajee is just not developed enough, and the opportunity should be taken to develop it. I will shortly ask the minister to give some indication about endorsement of the Oakajee industrial park. I hope that it will be sooner rather than later.

I realise that other members want to talk, so I will not go on forever. There are opportunities to develop regional and rural Western Australia. The regions generate wealth; our agriculture produces something like \$4.5 billion to \$5 billion. The mining industry, including iron ore and gold, is now earning more than \$40 billion.

I hear reports about the situation of doctors in regional areas, including my local GP in Northampton. There should be some flexibility in regional health. I have spoken to health executives who have indicated to me that they want to move all the services back into regional centres. What about the GPs and those of us who live between the regional centres and in the outer agricultural and regional areas? It is a real concern. I was told to read the Reid report and I would find out that that was the recommendation. I read the Reid report and the country health services review. It talks about flexibility, getting services into remote areas and GPs. It does not indicate what I was told by health executives. This is of particular concern for those of us who live beyond some of the regional centres - I live about 120 kilometres from Geraldton. I was told the other day that if people are not dead by the time that they get to the service centre, they will get a helluva good experience in the health system. That is not much good. People from north of Carnarvon have said that decent roads have to be built so that they can travel quickly to medical facilities. The Country Housing Authority is another issue that arose recently. There is a requirement for more funding to be provided so that shires and local communities can build houses in regional areas. I think that is a very good idea.

I thank Hon Nigel Hallett for bringing forward the debate on these issues, and remind the government that although it can be elected on the basis of numbers in the city, people in regional Western Australia earn the royalties and create the wealth of this nation to make Perth a nice place to live in. One of the things I regularly note is the public transport system in Perth, which costs about \$260 million in subsidies to run. I sometimes wonder if we might be better off having a free service and seeing what happens, because the cost-recovery for that system recoups only about \$60 million of \$70 million. It is a reminder to people that while this is happening in the city, people in country areas are asked in many cases to adhere to a user-pays system. I remind the government that in regional Western Australia, where a lot of the work is done, there are people who need services.

HON BRUCE DONALDSON (Agricultural) [3.06 pm]: I congratulate Hon Nigel Hallett for raising this issue. It has become a very big talking point in rural and regional Western Australia, where people believe that the government has forgotten that people live in areas on the other side of the Darling Range - other than Bunbury or the south west corridor. I am not sure whether it is for political or voting reasons, but there has been an awful lot of government expenditure in that area. I am sure that the members for the south west must get together on a regular basis, across party lines, and take on the government in some form or get assistance to make sure this happens.

Extract from Hansard

[COUNCIL - Wednesday, 23 August 2006]

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I will begin with the road to nowhere. I call the existing Wanneroo-Lancelin road the Lancelin cul-de-sac. I have used this terminology for the past 15 years, and nothing has changed. When I heard that the plan was to build the new road about eight to ten kilometres out from Ocean Farms settlement, it was apparent that there was a second cul-de-sac in the making. There will be a you-beaut road to Ocean Farms. Some of the people at Ocean Farms are not very happy with the way it has been aligned. I know that over the years there have been hiccups with commonwealth defence land; there was a swap because it had to meet environmental guidelines. If all those people journeying north had re-elected the Court government, that road would now be open. There is \$700 million worth of infrastructure attached to that road. In *The West Australian* the other day, the government was reported as lauding itself about ensuring a big land release at Cervantes. There has not been a block of land available at Cervantes for many years because of native title and infill sewerage issues. All of a sudden, the government is going to release this land. The government is not telling people that there will not be direct access to that particular jewel in the crown.

People think that Dunsborough and Yallingup are the be-all and end-all and that that is where people should go. The average person cannot afford to go there now. People who live down there obviously have very big incomes. We poorer people go north to the untapped jewel that is the central west coast. It is a terrific opportunity. My guess is that a lot of people will live there one day. However, the government is denying the very thing that could, from its point of view, provide a return. It would receive a return through the stamp duty on housing and land taxes that are paid when building or development is taking place. The opportunity is there to open up another part of Western Australia for tourism. The commentators at present are saying that tourism is on the decline in Western Australia. Representatives of the different bus groups spoke on a radio program this morning. They said that whereas they operated 30 buses previously, now they operate only 12. The decline in the number of tourists coming to Western Australia is quite alarming, because we have a wonderful state. Either we are not selling it very well or we are making it too difficult for people to get around.

One of the great things about tourism is that not only is there a spin-off for places such as Lancelin, but also Grey and Wedge Island will eventually become town sites, I guess. Cervantes and Jurien Bay are also becoming well known around the place. People from overseas and the eastern states are buying land in Jurien Bay when it is released. At the moment, there is a queue for land. It cannot be developed quickly enough. Because of the affordability of the land, there is still the opportunity for people to access a residence, whether it be a holiday home or a place to retire to. It also spins off into places such as Leeman and Green Head. More importantly, we should consider Dongara and Port Denison. Those areas are growing anyway. However, when the previous government constructed the road from Jurien Bay to Green Head, and joined the road right through to Dongara, the caravan park owner in Green Head said that his business jumped 25 per cent in 12 months. Previously, people would not go to a caravan park in Leeman or Green Head, because they then had to travel back to get onto the Brand Highway, and they would not bring their caravans on a gravel road down to Jurien Bay.

The turn-off from Cervantes to get back to the Brand Highway - vehicles must go back because they cannot go down to Lancelin - is 50 kilometres, but it is only 61 kilometres from Cervantes to Lancelin. With the cost of fuel, we can understand why people now think about where they will travel and how they will get there. Let us face it; Brand Highway is a heavy vehicle access road, and there is always conflict between normal traffic, such as cars and caravans, and heavy road transport carrying industrial goods. As members know, the carriage of mineral sands is quite significant, and it is necessary. I think Main Roads estimated that about 3 500 light vehicles - mainly cars and caravans - would come off Brand Highway and travel along that coast road. That would separate the traffic, and it would be significant for people wanting to access other places to holiday and enjoy themselves. It would help Geraldton, for goodness sake, and places further north such as Kalbarri, Carnarvon and Shark Bay, because people would be able to access those areas along that road. It is sad, because the longer it is delayed, the dearer and dearer it will become to build the road. I believe it would have been a sound investment by the government to build that road. The Pinnacles is a great tourist spot. It is one of the most visited places in Western Australia. To me, the performance of this government in handling the roads has been pretty ordinary.

Local governments are still responsible for about 80 per cent of the road network in Western Australia. The federal government has doubled the allocation to its Roads to Recovery program to catch up on some of the maintenance and reconstruction needed on some of our local road network. The moment the federal government upped the ante with that Roads to Recovery program four years ago, the state government reduced its allocation. That money went directly to local government from the federal government. Do members know the reason? It is because there was no clawback by the state of about 12.5 per cent of the administration fee, as it is called. Therefore, the sum total of that money went from the federal government straight to local government. There was no rip-off on the way. It is very fortunate that the federal government stepped in and increased that funding. However, the sad part is that some of the money that was being allocated via the state government to the local

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road network was reduced. I think the reduction was \$18 million in one year. Hon Murray Criddle might remind me. Was \$18 million put down -

Hon Murray Criddle: I think that was changed later.

Hon BRUCE DONALDSON: It was a figure like that. The government would have been far better off adding a bit more to the funding and building Indian Ocean Drive. I will not use the Peel deviation when it is built one of these days, at a cost of \$500 million. There is a dual carriageway all the way to Bunbury now. I do not know how many more people -

Several members interjected.

Hon BRUCE DONALDSON: I will leave the issue of roads, because Hon Murray Criddle had a fair go at that. I will now deal with, as the motion states, “adequate funding for vital infrastructure and development in rural and regional Western Australia”. I will deal with Oakajee. This is a most interesting situation. In coalition, the Liberal Party was a strong advocate for the development of Oakajee and the Oakajee industrial park. To the credit of the previous government, it went ahead and bought that land. There was never any question that the government paid well and truly above the Valuer General’s valuation - it normally screws people. There were no problems with people leaving that area, and it was developed. Unfortunately, the iron and steel plant that it was envisaged would be the first tenant on that industrial site did not come to fruition, because Kingstream fell over.

Hon Clive Brown was the resources minister in the previous Labor government. I was delighted that he was a very strong advocate for Oakajee. He still is, of course; he is now the chairman of an alliance group. He said that it was one of the great things that the previous government had done. A company may arrive on the government’s doorstep and say that it would like to develop an iron and steel plant in the mid-west. The government may agree to look for a suitable site but, by the time the environmental guidelines etc have been met five years later, that company may have gone elsewhere. Hon Clive Brown said that at least the government had a start, and it could do something. In the first place, it did not need to be the elaborate port that was envisaged before the deepening of the Geraldton port. Of course, the Geraldton port has now reached saturation point, and it could not handle the iron ore that will leave the mid-west area. Its capacity is limited. Therefore, Oakajee must be developed.

I think I agree with Hon Murray Criddle. At this stage, after more negotiations, the government should be starting to put in all the other infrastructure, such as the rail links and road links. Those plans were all drawn up, for goodness sake. Engineers with Main Roads and engineers employed to work on the rail network drew up those plans some years ago. I am sure that those plans would still cater for the need today. There is an opportunity for the government to start looking, at an early stage, at some of the infrastructure that is needed. It should not leave it for too long, and hold up the export of iron ore from that area. I understand that in the next two or three years it is hoped that the port will be at a stage at which it will be able to export the first load of iron ore. That will be tremendous for that area, because it will provide the area with employment opportunities. That will make Indian Ocean Drive even more important. When a lot is happening in the area, it makes sense. Although they never admitted it, the Greens would probably agree that one of the great things the previous government did was introduce the infill sewerage program.

Hon Paul Llewellyn: It is a good thing.

Hon BRUCE DONALDSON: At the time your colleagues never acknowledged that.

Hon Paul Llewellyn: Give us some time.

Hon BRUCE DONALDSON: It probably has not sunk in that the infill sewerage program took place during that time. I am guessing that as the member reads history or goes on to Google, he might pick this up. That was a great program. It was outsourced. The first job was a bit of a worry when someone’s backyard fell in. I do not think the workers impacted some of the soil around a pipe that was put into the ground. I remember the newspaper said it was an absolute disaster and it should have been done in-house. I can remember the figures. It would have cost between \$400 million and \$500 million more to have it done in-house. Once they got the idea that they had to compact the soil around those sewerage pipes, no-one else’s backyard fell in. I think it took one of the neighbour’s fences as well. That was a very good program.

In my office I have information on infill sewerage programs for a whole lot of country towns. They were programmed to be implemented over the years, with so much money going towards the continuation of the metropolitan area and so much towards rural and regional Western Australia. One council said to me recently that its estimated project time was now out to about 2018 or 2020. That is not good enough.

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We keep worrying about people gravitating to the coast. We are an island nation and people tend to do that. It is a bit difficult when people cannot buy a block of land in places such as Cervantes. I think Broome is okay now. Does Hon Jon Ford have a big chequebook up there? A lot of small rural towns have been stymied over the sewerage program. They had an opportunity to grow with some of that development. What they thought they would well and truly have in place now has literally been extended to that future date. I say to the government that it is not good enough.

Hon Paul Llewellyn: It is not just related to a sewerage program. The health department indicated that that is the only technology you should use. If you used other technologies, you could develop lots of houses. Why don't we change that part of the law instead of talking about the sewerage program as though it is a sewerage problem. It is not; it is actually a technology choice.

Hon BRUCE DONALDSON: At present the member might be ahead of the game.

Hon Paul Llewellyn: Well, we always are.

Hon BRUCE DONALDSON: He should get into the real world. He should come out of the forest and get into the real world to see what happens outside his own domain. He would have wind farms all over Western Australia. He would not be able to sleep at night with the whooshing noise. Another interesting program - I am not blaming this government entirely for this - relates to swimming pools.

Hon Jon Ford: Thank God for that.

Hon BRUCE DONALDSON: I am always very fair and balanced. There was a \$3 000 subsidy available. When I was in local government, I remember ringing some councils to ask them to apply for their \$3 000 because the then government was saying, "Half the councils don't even apply for it; they obviously don't want it." When we got into government, I went to Hon Max Evans and said, "We ought to double this \$3 000 now, because that amount has been around since Methuselah." He said he would think about it. A couple of days later he handed me a sheet of paper listing all the councils in Western Australia that had swimming pools. Only half of them had claimed the subsidy in that financial year. I rang them all again and said, "If you want us to help you, just make it a bit easier for us." To this day, I do not know whether a lot of councils claimed that \$3 000. They probably see it as insignificant when they lose anywhere between \$50 000 and \$100 000 plus per year. All those swimming pools were built 40 to 45 years ago. Some councils have had the funds to replace those swimming pools or refurbish them. However, there are an awful lot of pools in small country towns. Irrespective of whether three or four of those towns were amalgamated, they all have swimming pools.

It has been interesting to hear from the Department of Health and people involved in sport and recreation about the concerns of obesity in our kids. Some of the issues raised relate to the incidence of diabetes in the young ones in communities in the north. It is believed that swimming pools have been of tremendous help to indigenous kids. It does not matter where people live, if there is a swimming pool, I think that \$3 000 subsidy should be scrapped altogether. That money should be used to fund sport and community facilities. Most places have established big recreational centres. The government could look at making sure that those facilities are available in rural and regional towns. Some of the bigger regional towns can afford them but a lot of small rural towns - it would not matter whether three or four were amalgamated - would all like a swimming pool. Why should people need to drive 40, 50 or 60 kilometres to have a swim? Some of the money being generated within government at the moment could go into such a program. We should forget the \$3 000 subsidy because I do not think it helps anyone. Whilst only \$300 000 or \$400 000 a year is paid out, over five years that is a couple of million dollars that could be used to assist some of the smaller councils to refurbish or replace their swimming pools.

I would like to briefly mention the residential growth in some country towns. Our government was as much at fault for this. Whilst we gave money for headworks charges for industrial estates, we never gave any money for headworks charges for residential growth. That sector could be assisted. I am not saying that we should pay the whole lot. In some country towns blocks can be sold for \$3 000 or \$4 000, maybe even \$10 000 in this day and age. It probably costs the council \$25 000 or \$30 000 per block for headworks charges. There is a big discrepancy, provided people can get hold of the land in the first place.

Hon Adele Farina: Would you make it only available to local authorities or would you also make it available to private developers?

Hon BRUCE DONALDSON: If we could encourage private development, I would be very happy to see it go to private developers as well.

Hon Adele Farina: How do you ensure that the benefit gets passed on?

Hon BRUCE DONALDSON: I had not thought about that. That is a good point. I do not think we would have too much of a problem unless it was in a town where there would be some capital growth. I do not think we would find a private developer who would want to do it. Private developers would not build in certain towns. I will not mention any of those towns because they are in my electorate, and I do not want to downgrade any of them. A private developer would laugh at the thought of going into a lot of country towns. It is usually the local authority in those areas that would build. In a place such as Geraldton, private developers are quite capable of making money. People are confident of buying a block of land but they would hardly go to some country town and pay \$35 000 or \$40 000 for a block of land. They are only paying for the headworks charges. Hon Ken Baston might own a couple of freehold blocks in the whole town, for argument's sake. He could only get between \$3 000 and \$5 000 each for them. That is something that could be worked out. I believe it is something that we erred on, and I hope this government looks at the broader picture and does not go down that same path. We are always talking about decentralising. As a government, some of the strategies or programs we put into place sometimes go against that very policy. We do not help in that respect.

The Minister for Local Government and Regional Development is here. Putting everything else to one side, I have always had a very healthy respect for the local government department. It was amalgamated with the regional development portfolio. It has never been more important to local government to have a good local government department. When the local government and regional development portfolios were amalgamated, some of the top people exited and staff numbers were reduced. For a while some of the staff did not know quite where they fitted in; they did not know whether they belonged to local government or regional development. It has represented a downsizing, which worries me for a couple of reasons. Firstly, bushfires are always occurring in local councils. The Western Australian Local Government Association has set up the mentoring system; that is fine. However, I can remember the days during my time in local government when chief executive officers - formerly known as shire clerks, managers or town clerks - could pick up the phone and talk to someone in the department. They were often able to nip things in the bud. Secondly, something that has always saddened me is the complete downsizing and almost elimination of the role of local government auditors. With all due respect to those who audit local government, hands-on experience is necessary. I talk to local government people all the time, and those who have been around for a while and have seen that downsizing all say the same thing. Some of the incidents have occurred because the audit has been done almost at arm's length from what is really required within local government. The local government auditors were not a free service; local government had to pay for them, just as they would a private auditor. Local government is a creature of the state, whether one likes it or not. Local governments work under state legislation. All of us have made a tragic mistake in the way we oversee and ensure that our local authorities are operating straight down the line and that their accounting procedures are correct and legally sound. I do not think it happens today. A lot of private auditors will probably ring me and tell me that I do not know what I am talking about; however, I do know what I am talking about in this particular area.

I know that other members are waiting to speak, so I will wind down. I will conclude on the Country Housing Authority. I was delighted that we were able to keep that separate from the big, you-beaut machinery of government proposal that embraced everything, including Homeswest. I am glad that commonsense prevailed and the Country Housing Authority remained intact. It has not cost the government much money. Perhaps a bit of this surplus money could be injected into the Country Housing Authority to assist in some of these developments in the short term. They have not received consolidated funding. They do not need it; however, this is an avenue that could be used. The parliamentary secretary talked about development. Using that base to ensure that some of those small developments can occur is possibly one way in which there could be accountability.

Hon Adele Farina: The government does provide to LandCorp \$4 million to aid community service obligations.

Hon BRUCE DONALDSON: That might be something that we could use to ensure accountability. I think there are some opportunities. It has been noted that many people feel disadvantaged at times, and they have every reason to feel that when they see a couple of billion dollars being spent on a rail line to Mandurah. We could have bought a car for everybody in Mandurah and paid for their fuel and services. I cannot wait until the government has spent \$500 million on the Peel deviation. I hope I live long enough to be able to drive along it; I would drive down there just to look at it.

Several members interjected.

Hon BRUCE DONALDSON: No; I am excited about this \$500 million road. When I used to drive to Bunbury, it was a dual carriageway almost all the way, and the speed limit changed every five kilometres.

I do not know what is happening in the north west, but Hon Jon Ford, my friend the member for the Mining and Pastoral Region, knows. Maybe the government sees that shoving extra money at the north west is a vote winner. They are very blessed up there because of the huge resource base in minerals, iron ore and gas. From that point of view, companies have put their hands in their pockets. I know what happened with the normalisation of Tom Price and the Shire of Ashburton, and the amount of money that was poured in there by Hamersley Iron through different little trust funds. Unfortunately they became a little overzealous and a few people lost their jobs and were moved on. They built a racecourse in quick time, had every bit of plant and machinery they could have and were shifting funds from accounts. They were not embezzling it, but they were very flexible with how they arranged the financing of that racecourse. They had every bit of earthmoving equipment from the mine site that they could find. They were brilliant people and their hearts were in the right place, except that they forgot to tell the big boss. That was the sad part.

HON JON FORD (Mining and Pastoral - Minister for Local Government and Regional Development) [3.37 pm]: I know other members want to talk but I would like a chance to respond as Minister for Local Government and Regional Development. I am very proud to be a regional member of a Labor government. I remember when I first took on this honoured position to represent my region and the shock of my first committee inquiry, which involved going out to the regions and talking about one vote, one value. It was quite an experience. We had only just come to power then. This will be a contentious point. I was a new member of the Legislative Council. I came into this place and started travelling all around the countryside. I admit that I had never really been down south until I was part of that committee. Apart from the arguments about one vote, one value, we heard about many years of systemic neglect. We talked about run-down infrastructure, and all the other arguments we have just heard in the chamber, and people were very down in the mouth. They were glum and depressed. In one hearing a man broke down when talking about his family leaving and moving to Perth.

Hon Murray Criddle: Why?

Hon JON FORD: Because the bush had been completely neglected.

Hon Murray Criddle: That is a very generic answer.

Hon JON FORD: I will get to the specifics.

What do we hear now when we travel around the regions? I was interested to hear members making comments that wherever they go they hear about poor road infrastructure, buildings falling down and the lack of strategic direction. What I heard in the debate is what we hear in all the regions - people talking about priorities and advocating for their own regions. However, when I travel around the regions now people tell me that this or that project is great, but more is needed in another particular area. People have a feeling for the future. The argument then is, how can we build on what is already being done?

In the past two years we have seen a real change in what is happening in the area of investment in the regions, as a result of the actions of this government. It takes a long time to turn around a public sector that has a very city-centric policy. Members who have been in government and in cabinet know the difficulties of advocating for a share of investment in the regions. However, the present government had a great ace in cabinet, and that was Geoff Gallop, who insisted on the priorities of the regions. In fact, he chaired the Regional Development Council meetings, and insisted on regional impacts. Every cabinet decision required an input from the council, from my agency or from a regional minister. Now that legacy is being carried on by Alan Carpenter, who originates from Albany, as we all know. This strikes fear into the heart of Geraldton, because people there believe that the great strategic investment that has gone into Geraldton will now automatically be transferred to Albany. We have an expectation that there will be a massive amount of investment all around the state.

It is true that we need to look at the regional development commissions and the Regional Development Council to see how they can be further focused on regional investment. I had an all-day workshop with the Regional Development Council recently. It had the primary objective of supplying good, sound policy to government. I sat in on the meeting for the first hour or two, listening to people talking about regional advocacy issues. I got involved in the discussion at that point, and it caused me to think about more strategic issues, and I will work very closely with the council now to get it focused on developing policy and giving advice to government with much broader strategic perspectives. There are fantastic people in those development commissions, with years of regional experience, and I am very glad to have the opportunity to work closely with them.

In per capita terms, the state government far outspends the commonwealth on the infrastructure. I listened to the comments about road expenditure by the commonwealth. I was in the east Kimberley the other day, and the regional roads manager there told me about the great amount of money the commonwealth has just allocated to that region. It is fantastic, but I did think that it was about time. It may have been a bit unfair with regard to the east Kimberley, but when I see the amount of money that the state government invests in common user infrastructure to attract the kind of investment we are now seeing in this - we cannot take all the credit for that,

because the Court government was involved in those sorts of things, and would have experienced exactly the same problem - I realise that the commonwealth does not take any risk at all, puts next to no money into these projects or the infrastructure investment, and takes most of the royalty income. That has not changed, and I do not see it changing in the future. That is exactly what I hear from every other regional development minister in ministerial meetings in every other state and territory. The commonwealth is not exactly playing its role, but it is good to see that it is putting some money back into the roads, and it is about time.

In 2006-07, \$2.2 billion of the \$5.5 billion capital works program can be attributed to specific locations. Of that amount, \$903.7 million, or around 40 per cent of the attributable program, is allocated to non-metropolitan regions. This government will spend \$75.5 million that can be attributed to the regions on schools in 2006-07, in addition to work being carried out to improve or upgrade current facilities. This includes funding for the construction of new primary schools all around the state. About \$74.6 million of attributable capital works related to health services will be carried out in the regions in 2006-07. This includes \$26 million being spent on significant upgrades to health facilities in the Kimberley region, as well as a further \$10 million for the continued development of the Broome regional resource centre. As a member for the Mining and Pastoral Region, it is very exciting for me to see the amount of investment in health services in the Kimberley and, further south in the Pilbara, the start of investment in that area, particularly in Port Hedland. A commitment has finally been made to rebuild the hospital there. It is fantastic. There is a lot more to be done, but it takes a long time to turn around years of lack of investment in infrastructure and maintenance, and to resume investing in the regions. Local government has just established that with its own report.

State and local road networks in the regions will benefit from a capital works program of \$256 million in 2006-07, including \$70 million to continue the construction of the new Perth to Bunbury highway in the Peel region, and \$62 million for the construction and sealing of the Karratha to Tom Price road in the Pilbara. That is a good example of a project that has been going on and on. We heard talk about building the Cape Leveque road and the Derby Gibb River Road, and it would be nice to seal that road. However we must make judgments. As I said before, after years of neglect and lack of a strategic approach, we must fix up first what has been run-down, and then make a strategic decision on what is to be done next. It is also necessary to take an equity view and make a judgment about where the balance lies.

About \$188 million of the \$620 million that will be spent on improving the state's water, waste water and drainage infrastructure can be attributed to the regions in 2006-07. This includes \$36.3 million to provide additional water storage and upgrade the Kalgoorlie pipeline in the goldfields-Esperance region, as well as \$4.4 million to provide a water supply for Coral Bay in the Gascoyne region. I am tempted to go on and on. This is not a government that takes the regions for granted. If members opposite think that for some reason regional people will suddenly stop voting for government members, they have been talking to the wrong people. I can tell members now that I get more pats on the back than fingers jabbed in the chest. I deal with fishermen and local government members and they are not backward in coming forward.

The four agencies responsible for the provision of power to the state, Horizon Power, Verve Energy, Synergy, and Western Power networks have collectively allocated \$107.2 million towards electricity infrastructure that can be attributed to the state's regional areas, including \$62.2 million for upgrading the Muja D power station in the state's south west region. Part of the strategy behind breaking up Western Power was to allow the government to take strategic control of the location of transmission and power assets. We needed to do that. Before Western Power was disaggregated, those of us who were involved in advocacy roles trying to persuade Western Power to invest in specific projects to attract investment, would have experienced frustration. To assist an emerging abalone business in Bremer Bay, I recently allocated enough money to cover the upgrade of its headworks so that that business could thrive. It was a strategic move, and in the end a fantastic export industry of abalone will emerge in that area. It is a small amount of money but a great strategic investment.

In 2006-07 the government committed \$87.6 million to increase the capacity of and provide upgrades for the state's ports. Of that funding, \$51 million was allocated to ports in the regions. The amount of \$24.5 million will be allocated in 2006-07 to the Geraldton Port Authority to increase its capacity and to allow expansion of the state's burgeoning mineral exports. If it were not for the money we are spending in Geraldton with the port authority, all the other projects east of that large, developing city would not be happening. We would not be able to meet the necessary time frames. The region is unrecognisable compared to how it looked five or six years ago. Hon Nigel Hallett described the development commissions and the regional investment fund as the only examples of government spending in the regions and called it pork-barrelling. That is an interesting argument. When the government is investing in regional Western Australia, it is called pork-barrelling, and when it is accused of not investing in the regions, it is called neglect.

Hon Murray Criddle: In Geraldton, much of those funds, including the \$100 million to deepen the port and \$24 million for Pier 5, must be fully repaid. The funding for the road was prepaid by the previous government.

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The cabinet of that government decided to fund the rail as it did the Mt Magnet road for which I called tenders. Apart from the \$10 million for the foreshore, that is about it for this government.

Hon JON FORD: I will talk about the regional investment fund.

Hon Murray Criddle: Talk about what you like. That is a fact.

Hon JON FORD: I appreciate the good work the coalition did in Geraldton, as does everyone else in that community.

Hon Murray Criddle: I am not talking about that but about where the money came from and that a substantial amount of that funding must be repaid. We welcome it, but that is a fact.

Hon JON FORD: Where did the investment come from? It was the Western Australian taxpayer.

Hon Murray Criddle: No; this government borrowed much of it and it must be paid back. That is a fact.

Hon Anthony Fels interjected.

Hon JON FORD: The regional investment fund was a major investment by this government when it was first elected in 2001. As I said earlier, we heard how the RIF scheme is an example of an inadequate response to regional investment. Before this government came to office, there was no regional investment fund.

Hon Norman Moore interjected.

The DEPUTY PRESIDENT (Hon Louise Pratt): Order! The minister has the call. He has entertained a number of interjections, but it is his call.

Hon JON FORD: The fund provided \$75 million over four years to assist in the economic and social development of regional Western Australia. The beauty of that fund is that it is largely channelled through the development commissions and, therefore, reaches local boards and gives a local focus. Given that regional investment funds must be spent in partnership, an opportunity is provided for strategic decisions for the benefit of community organisations to be driven at a local level. It has, therefore, been a great success. The funding was increased after the last election. In addition, a total of 936 projects have been funded and in excess of \$207 million has been sourced from other areas for those projects. It is estimated that regional investment funded projects have contributed to the creation of more than 4 200 jobs. As I said, after the 2005 election the fund was increased to \$80 million. Is the regional investment funding perfect? I do not think so. We are presently reviewing its structure with the regional development commissions and local government to examine whether it can be more focused or whether things are being excluded from the funding criteria that should be included. It is a moveable feast. As does everybody else, the government appreciates that the system is not perfect and we need to challenge our mechanisms to ensure that the funding is well targeted and achieving our goals.

In addition to providing that funding, this government has been regularly holding cabinet meetings in the regions. I am not quite sure whether the previous government held regional cabinet meetings.

Hon Norman Moore: If it is any help to you, it did.

Hon JON FORD: Okay. Regionally held cabinet meetings are planned and regular events. In a couple of weeks we will hold the twenty-ninth regional cabinet in Collie. The twenty-eighth regional meeting was held in Karratha recently. Regional cabinet meetings are valuable because they expose cabinet members to local people in a spontaneous way. They allow ministers to be held responsible at a local level for their decisions. When a local resident is jabbing his finger in a minister's chest telling him very clearly that one of his ministerial decisions has adversely affected him, it causes the minister to question his decision very strongly. The holding of regional cabinet meetings is a very important component of this government's policy. It is prepared to face the music and not hide in this place. This government's policy is to look around and see how its decisions impact on people's lives and what it can do better. In response to a noisy protest about Department of Health policy at Roebourne Hospital, the Premier made the call there that those people had a good case, so he changed the policy to reflect their wishes.

As I said, I could go on and on, but I have some information that might be of particular interest to the house. I seek leave to table two documents that I asked my office to prepare on specific capital works projects under the regional investment fund for 2006-07.

Leave granted. [See paper 1772.]

Hon JON FORD: I am aware that other members wish to talk to the motion. I reiterate that I have no problem with going out to the regions. It is true that we have a lot of work to do. However, I do not accept the notion that this government is neglecting the regions. The government is firmly focused on the regions. It is investing

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a large amount of money in the regions and trying very hard to be strategic with those investments. The government would love to put more money into the regions, but it is responsible for the whole of the state. In our party room the metropolitan members tell us that they want more money allocated to the regions. Money has been committed to the regions and it will stay in the regions. I am happy to be the Minister for Local Government and Regional Development.

HON KEN BASTON (Mining and Pastoral) [4.04 pm]: I was pleased that Hon Jon Ford received the call before me, because it was fantastic to hear that funds for the regions are available. It would be remiss of me not to take this opportunity to highlight where some of that funding should go and to provide examples of funding that, although committed, has not eventuated. I will do that town by town, so that I can highlight some of the issues.

As Hon Nigel Hallett and Hon Bruce Donaldson mentioned, roads are very much a part of the infrastructure of our great state and our resource wealth area. Traffic on our roads continues to increase every year and I appreciate that, as a result, so too do the demands. It would be remiss of me if I did not mention the roads that badly need some form of funding. The first is the Milya-Exmouth Road, which is a narrow road. The minister mentioned that funding has been committed for powerlines in Coral Bay. I commend that decision, although I question the fact that so much of the capital funding budget is being allocated to a project that will be of benefit to a few people.

Hon Norman Moore: The private sector would have done that for nothing.

Hon KEN BASTON: Yes.

In 2004-05, there were 22 accidents on the Milya-Exmouth Road. Of those accidents, 12 involved non-collisions, 17 were on level straight roads and 17 involved major property damage. The increased number of tourist vehicles on the road have made it an extremely dangerous road. The carting of gas for the new powerhouse will begin on Burkett Road when the powerhouse opens at the end of October. There have not been any accidents on Burkett Road. It is a much wider and more recently constructed road. However, the other road into Coral Bay and Exmouth is an old road that dates back to the late 1960s, early 1970s and the days of the American base.

Hon Norman Moore: It goes back to the previous Court government. It was a dreadful road before that.

Hon KEN BASTON: That is right. Hon Norman Moore makes a very valid point.

While I am on the subject of Exmouth, I have asked questions of the minister in this house - he actually answered them - about the sewage ponds in the heart of Exmouth. A couple of caravan parks are within the buffer zone. The completion date for their removal was 2007; however, the latest information I have received is that that has been extended some 11 to 12 years. I am sure the minister has seen the sewage ponds, which are in the centre of town. Given the scarcity of land, it would be beneficial if those sewage ponds were removed so that that land could be available. I know that the government is negotiating with the federal Department of Defence. However, I wonder whether those ponds could be removed in a more timely manner.

A town I have become more familiar with is Broome. Gubinge Road diverts around the main part of the town to service the port of Broome, a port that now has greater usage. A previous speaker said that the chairmen of the port authorities are no longer members of the local communities. Hon Adele Farina said that one port authority had a local member as its chairman. I can understand the importance of having a local person in charge of a port authority. That is certainly the case with Broome. The government promised to commit \$9.6 million to Gubinge Road. However, in the 2006-07 budget it was allocated \$5.2 million. The cheapest tender to fix that road came in somewhere around \$14 million. It has been said that the road could be fixed in part. However, until all the road is finished it cannot be used by large trucks. When I had a spare moment the other day I sat in a restaurant that is located at an intersection at which those trucks often turn. All those trucks comprise three trailers, a practice that is allowed north of Carnarvon. The rigs are some 52 metres in length, and each trailer can carry 24 tonnes. That gives a total tonnage of 72 tonnes for each road train. Main Roads' statistics suggest that a truck travelling at 40 kilometres an hour would need a distance of 70 metres in which to stop if it had to brake suddenly. The road trains cross the paths of two school crossings. A roundabout cannot be built until Gubinge Road is finished and the trucks have access to it. I reiterate the importance of Gubinge Road.

I was taken on a tour of the Broome port and its surrounding land the other day. Companies such as Shell visit the port with a tender every 72 hours to take on water and stores to service the oil rigs offshore. Interestingly, Impex and Woodside are considering using that facility. It takes something like four days to fill up those tenders because the size of the water pipe that delivers the water is not big enough. The water infrastructure will have to be upgraded right back to the water tower, which is some 3.6 kilometres away. Although some funds are available, further funding is badly needed. I think that \$1 million has been allocated but, of course, the upgrade

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will cost a lot more than that. If the upgrade does not happen, those tenders will go to the next nearest port, which is Darwin, and Western Australia will miss out on valuable input from those companies.

The Cape Leveque road was mentioned by Hon Jon Ford and Hon Nigel Hallett. I travelled on that road the other day. I have travelled on some pretty rough roads during the time I have spent in the north west; however, it is the roughest road I have ever travelled on. It carries some 50 000 vehicles a year. I know that \$1.9 million has been committed to that road in the latest budget. The shire spends \$300 000 a year on maintenance alone. However, I assure members that that is not enough. I am pleased to note that the federal minister is visiting the area, I think in September sometime, for an indigenous roads program. Of course, I will try to edge my way into those meetings. He is visiting Cape Leveque in October. I know, because there is a grader on the road now and I should tell them to pull the grader off and leave the road as it is until the minister visits. Maybe then we will have a better chance of getting some funds required to fix the road.

Hon Jon Ford: You would only have to pull it off for a week.

Hon KEN BASTON: The minister is probably correct.

There are about 1 100 people in those communities and it is also becoming an ever-increasing tourist destination. There are also a couple of pearl farms that employ people along that road. The cost of freight carried on the Broome-Cape Leveque road is equal to the cost of freight carried on the Perth-Broome road. The amount of freight on that road has increased by 20 per cent. I travelled with the member for Kimberley on the plane the other day and she told me that the weekly freight service was to cease because of the condition of the road. That will mean that everyone in those communities will have to go into Broome and, therefore, the amount of traffic will increase further.

An issue to which I referred in my speech on the budget papers and which it would be remiss of me not to mention again is the section of the Great Northern Highway from New Norcia to Wubin. It is an absolute disgrace. It is the main artery to the north and supplies all the services that are needed by the communities that provide huge amounts of resource wealth for the nation. That road definitely needs upgrading. It is extremely dangerous and is being traversed by huge numbers of road trains.

Another area dear to my heart - Hon Vince Catania will be aware of it - is the town of Carnarvon. Before the election, both parties promised that the new courthouse and police station would be built. That has not happened. Special council meetings have been held. The council has taken the initiative and purchased land. The courthouse and police station sites are very valuable sites overlooking the Fascine, which, for those who are not familiar with Carnarvon, is the waterway. Funds have been provided to build these facilities, but I believe they should be moved to another site. A stalemate has been reached on this, and I believe that the shire has offered to relocate its premises to the block it bought to allow the police station and the courthouse to be built on the shire's existing site. That will resolve the objections of the police that the Fascine site is not in the centre of town, which does not allow police to walk the beat, among other things.

Hon Vincent Catania: It will be built.

Hon KEN BASTON: I hope that Hon Vince Catania will be able to put some weight behind the government to make this happen.

Hon Vincent Catania: It will happen.

Hon KEN BASTON: Very good. It is in *Hansard* and that is fantastic.

One other issue that has always been an issue in Carnarvon is the infill sewerage project south of the town. That was stopped some years ago but it needs to recommence. There are potential sites in that area on which subdivisions could be carried out to satisfy the ever-increasing demand for land.

Everyone has referred to funds being provided to regional areas. When future state agreements with mining companies are being drawn up, consideration should be given to providing a percentage of the royalties to local governments - not to development commissions, which would mean that the money would be handled two or three times before it is able to be dispersed and thus lose value. Local governments could then distribute the funds as they see fit so that they provide some benefit to local communities. That will provide sustainable industries for regional areas.

Debate interrupted, pursuant to sessional orders.

Sitting suspended from 4.15 to 4.30 pm