

Hon Sandra Carr; Hon Peter Foster; Hon Kyle McGinn; Hon Jackie Jarvis; Hon Shelley Payne; Hon Ayor Makur Chuot; Hon James Hayward; Hon Alannah MacTiernan; Hon Darren West

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## REGIONAL ECONOMIC DEVELOPMENT GRANTS

### *Motion*

**HON SANDRA CARR (Agricultural)** [11.33 am] — without notice: I move —

That this house acknowledges the success of the regional economic development grants in supporting dynamic and innovative regional entrepreneurs in their great work stimulating and diversifying regional economies.

It was William Shakespeare who wrote these now famous words: “A rose by any other name would smell as sweet”. It has become one of the many great truisms to emerge from the writings of the Bard as, indeed, no matter the name by which we call a thing, a program or an initiative, the sweetness of their results remain the same, which brings me to royalties for regions. We have heard a lot of sound and fury in recent times, particularly during the election campaign, lamenting the potential loss or warning of the so-called demise of royalties for regions. The reality, of course, is substantially different from that which the sandwich board-wearing harbingers of doom would have us believe. Whether their crystal ball was in need of a bit of buff and polish or whether they were being wilfully disingenuous is not the subject of this motion.

I will take a moment to note that WA Labor has spent more in the regions than any previous government. That record is noteworthy and should of itself be sufficient to discourage people from perpetuating the myth that the McGowan government does not spend in our regions. Moreover, I highlight that this government funds programs across the regions of our state without any form of perverse self-interest and, as such, could not be accused of formalised pork-barrelling, as were previous models of royalties for regions under the Barnett government.

It is for this reason that I choose to highlight the good many benefits of the regional economic development grants program, or RED grants as they are commonly known—a program that sits under the banner of royalties for regions. It may not be loudly touted specifically as royalties for regions but, nevertheless, the unequivocally outstanding results RED grants deliver for our regions are unquestionably sweet and delivered statewide—a rose by any other name. They deliver on-ground and in-region results, and they provide opportunities for businesses to advance, innovate, deliver and develop capacity in our regions. RED grants invest in locally driven projects that contribute to economic growth and development in Western Australia, allowing businesses to access funding that they might otherwise find difficult to secure.

Since 2018, RED grants have funded 222 projects; almost \$21 million has been awarded to regional businesses, with a ratio of one to four government funding to cash contributions to projects; a total of \$83.5 million cash co-contribution is expected; and 2 657 jobs have been generated through RED grants in regions across the state. In my region alone—the midwest—20 projects have been funded, just under 100 jobs have been created and over \$2 million worth of grants have been provided.

But numbers themselves reveal only part of the story. A wide and diverse range of regional businesses throughout Western Australia that have been the recipients of RED grants to date have incredible stories of success to share. Three such businesses are Illegal Tender Rum Co, Dongara Marine and JMH Group.

Illegal Tender Rum Co is an internationally recognised award-winning Australian rum distillery based in Dongara, owned and operated by Codie and Hayley Palmer. They received a \$130 000 RED grant to increase Illegal Tender’s production capacity by 300 per cent with the purchase of additional distillery equipment and to expand tourism facilities. This has allowed them to increase production from 3 000 bottles a month to 9 000 a month. With production shored up, the business has been able to focus on international trade relationships and identify new export markets, such as Canada. The tourism facility expansion provided local employment during the construction phase and now features an outdoor dining area that can accommodate over 50 people, with ablution facilities and a commercial kitchen.

Illegal Tender has now created partnerships with local food producers as part of its tourism offerings. The expansion has facilitated upskilling of the existing workforce, with forklift tickets, brewers’ foundation qualifications and marketing training, which will enable the business to take on an employee in a traineeship role. The new production and tourism facilities are now operating at full capacity. Moreover, Codie and Hayley have demonstrated an impressive capacity to pivot their business model. During the COVID-19 pandemic lockdown, they were able to utilise their manufacturing facilities to produce hand sanitiser. Having moved beyond that phase, they are now stocking in big-name retail outlets such as Dan Murphy’s, BWS and Cellarbrations, to name a few, and they are very close to commencing export to Canada. They have won 18 world spirit awards, including world’s best column distilled rum two years in a row, and have launched a sister brand, Stable Views Distillery, which is about to launch its second gin, one of my personal favourites.

Also in Dongara is Dongara Marine, a boat-building company owned by Rohan Warr. It received a \$68 500 regional economic development grant to enhance its manufacturing capability. It purchased the region’s first independently available computer numerical control machine, which the company has applied to multiple uses in the area of

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shipbuilding. It enables the more efficient utilisation of materials, eliminates human error and frees up labour that was previously required to perform manual cutting. It has enabled the company to expand into “standard design” commercial and recreational vehicles in a cost-effective way and produce consistent fleet vessels. It has improved the business’s prospects of securing contracts in existing and adjacent markets. Dongara Marine previously outsourced all its CNC cutting to Perth, which caused delays in manufacturing and created economic leakage. All that work is now kept in the local region. The equipment has also facilitated the training and upskilling of the existing workforce to 30-plus full-time employees and six apprentices. Dongara Marine has now developed to the point that it is building a purpose-built facility in Geraldton, meaning it will have access to a heavy boat lifter, enabling the company to increase the size of the boats it builds to 35 metres. The business continues to grow.

Lastly, I would like to share the story of JMH Group, owned and operated by young Geraldton couple Jaydon and Leah Hirst. JMH Group is a one-stop shop for all mobile plant and equipment maintenance, repairs and support. A large team works in the workshops at Geraldton and Perenjori, as well as in various field placements throughout Western Australia. Jaydon and Leah shared with me that the RED grant application process provided networking opportunities for them through the Mid West Development Commission and the Mid West Chamber of Commerce and Industry, which allowed them to expand networks, knowledge and business opportunities. The grant of \$66 700 provided assistance for JMH to purchase state-of-the-art brake-testing equipment to ensure truck brakes are safe and compliant; something that surprisingly in our region was previously unavailable, given the vast quantity of trucks that travel on our roads, which is an ever-increasing number. Their application for the grant was driven by a concern for the community and road safety in the area. Interestingly, there is no regulatory requirement for annual brake testing, but they did find that truck owners wanted to volunteer for that process. Since having the brake-testing equipment, companies such as Cat West Road Services have volunteered entire vehicle fleets to be brake tested, to ensure safety on roads. This work previously had to be carried out in the city, causing economic leakage. That leakage has now been plugged by JMH.

The use of this testing equipment alone does not really generate revenue for JMH. As owner Jaydon Hirst mentioned, it is not about money; it is about safety for the community. The owners noted, however, that it does create a multiplier effect for the business, including opportunities for cross-selling and increases the likelihood that drivers will choose to stop in Geraldton to have their vehicles serviced instead of travelling elsewhere, meaning drivers will stop and stay in the region and add value to other businesses. They also note other benefits. The new equipment enabled JMH to offer entry-level career opportunities, which it was previously unable to offer due to the specialised nature of the business. The company is now able to employ a trades assistant. At the moment, it employs a young Aboriginal man who is being trained on the job, which will allow him to gain insight into the various trades it offers, to help him decide which one to pursue. Another flow-on effect is that he will adopt a leadership role in terms of him training and delivering that knowledge to the next person who comes into that ground-level entry role. The cycle of leadership, training and development in the community will continue.

Jaydon and Leah also told me of the optimism the RED grant provided during a particularly challenging time in their business. At the time of developing their submission for the grant, the region had just gone into lockdown due to COVID-19. Jaydon and Leah had just used their superannuation on new purpose-built premises. They had committed to two really large jobs for which they had brought in two D11 Dozers. Some of their clients, due to the COVID lockdown, had just gone into 40 per cent production. They told me that at one stage they found themselves with 32 employees and 25 field utes ready to head out to jobs, but only one job to fill. They told me of long nights crunching numbers. They made a commitment to utilise their personal savings to ensure they did not lose a single member of staff. Jaydon spoke of it being quite heartbreaking. They were absolutely committed to looking after the people in their region and making sure that nobody would be left without a job or a guaranteed income. They see their role as one of contribution to the community. That can be seen in the commitment of their employees and their satisfaction in working for that business.

Pre-COVID, JMH had 50 employees. Today, following the growth and development of the business, it has 80 employees. About two weeks ago, JMH Group won business of the year at the Mid West Chamber of Commerce and Industry Midwest Business Excellence Awards. The RED grants program—our red rose—unarguably delivers the sweetest of direct and tangible results for our regions, with ever-growing evidence of its multiplier effect, stimulating and diversifying regional economies and our confidence. It is a rose under the royalties for regions umbrella, bearing another name, and delivering the sweetest of results to our regions.

**HON PETER FOSTER (Mining and Pastoral)** [11.45 am]: I rise to speak in support of the motion moved by Hon Sandra Carr. As a north west resident, I have seen firsthand the positive impact that our regional economic development grants are having on the community in supporting dynamic and innovative entrepreneurs in their great work in stimulating and diversifying our Pilbara and Gascoyne regional communities. RED grants form part of the McGowan government’s job-creating royalties for regions investments right across regional WA. I would really like to emphasise that point: job-creating royalties for regions investments. These grants are boosting investment

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in local regional projects that contribute to population and economic growth initiatives and innovation pilots. Most importantly, I want to reinforce that they are driven by communities.

I would like to talk briefly about some grants in my electorate that were community driven, creating jobs and delivering economic growth. Firstly, I will refer to the Spinifex Hill Studio extension project in South Hedland. This project was allocated \$100 000 in round 2 of the regional economic development grants program through the Pilbara Development Commission to help build a new multipurpose facility for the local community and visitors alike to connect to preserve culture, heritage and traditions. Spinifex Hill Studio hosts over 100 artists from eight different language groups. The delivery of this new facility was driven by the community in response to the growth of the Spinifex Hill artist group and increasing interest from the Hedland community and visitors, who wanted to engage with artists and purchase their artworks.

The studios are an important cultural and community place for South Hedland and the wider Pilbara. Many artists have been able to build self-esteem and pride through their artworks, gaining confidence to share their stories in a culturally safe way, travel for exhibitions and art fairs, create tourism opportunities and create new income streams for their families and communities. With the building now complete, Aboriginal art workers have been involved in organising those exhibitions, including curating, assisting with art installations, receiving sales, marketing and customer relations training, as well as computer training and how to use accounting software and build websites. I encourage members to take a look at the Spinifex Hill Studio website. Art is available for purchase at the art exhibition that is on there right now.

The second project I would like to talk about is Lou's family day care in Shark Bay. As my partner and I are both regional working parents, we understand how important it is to have family day care in regional towns to support industries and small businesses, and to support parents bringing their skills back to the workforce. In 2019, Ngala Children's Services was awarded \$150 000 in round 2 of the RED grants program through the Gascoyne Development Commission for the Shark Bay early years multi-age facility. This project also leveraged funds through the Department of Education and the Shire of Shark Bay. The project's aim was to increase the number of childcare places available in Denham from the previous four that were provided. This new purpose-built facility can accommodate a range of childcare and early childhood services, including family day care, before and after school and vacation care. The project identified that there was a shortage of childcare places in Shark Bay and that availability was limited not by the skills of childcare workers, but by the facility itself; it was not big enough to accommodate more children.

The new facility is managed by Ngala in partnership with the Shire of Shark Bay. It is run by Lou Jotram, hence the name Lou's family day care, and operates four days a week providing eight childcare places for local families. I note that those local families include small business owners; people involved in the local tourism industry; people who work at the local post office, so we are supporting the post office to stay open; people who work in community services; and tradies. This great asset has enabled businesses to remain open. I am pleased to share with members that this project was delivered on time and within budget. Ngala is now looking for further funds to expand this service so that more families in town can access the childcare services.

**Hon Alannah MacTiernan:** It is a great project, member.

**Hon PETER FOSTER:** In closing, I support the motion moved by Hon Sandra Carr to acknowledge the success of the regional economic development grants in supporting our regional communities with economic and job-creating opportunities.

**HON KYLE MCGINN (Mining and Pastoral — Parliamentary Secretary)** [11.50 am]: I rise very happily to support the motion brought to the house today by Hon Sandra Carr, and I thank her for bringing such a great motion to this house. I can already see that private members' business is of great quality this term, and I am absolutely excited to get up and talk about one of my favourite grant programs.

Since coming here in 2017, it has been very clear to me that the regional economic development grant scheme has been a huge success across regional WA, driven by Hon Alannah MacTiernan, the Minister for Regional Development, who has been a huge supporter of regional economic development. Members will remember that I spoke yesterday about the migrant scheme that has been sending workers out to Kalgoorlie. Back in 2019, that scheme received \$250 000 for a community legal centre, which has been the basis for starting the transition of migrant skilled workers from Perth out to the goldfields. As I said yesterday, over 60 families have now relocated out there. It has been amazing to see. They bring their culture and diversity with them; they bring their families and fill the schools. It is absolutely amazing, and that all started with a RED grant back in 2019. That has gone from strength to strength.

I mentioned Blessings, the lady who pushes very hard at that legal centre, and I am going to mention her again, because she has worked tirelessly in connecting these families to real jobs, real outcomes, real housing and really good-quality employment in the goldfields region. A grant of \$250 000 has created a huge movement. It has given businesses the opportunity to get culturally diverse workforces and has put families in the regions in areas that, over

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the last few decades, people have moved away from. This has been a great program, supported by the development commission. I give a huge shout-out to the Goldfields–Esperance Development Commission, which has done an amazing job since 2017, in my view, in working very closely with shires and businesses. The development commissions are there for a reason—that is, to ensure that people understand their rights and eligibility in working hard to get these grants, and to assist them with their business models and help them get where they want to be as a regional business.

Another great outcome from that 2019 round concerns Carey Mining Pty Ltd. I am a huge supporter of this. As members may know, Carey Mining had very humble beginnings in Laverton. It was started by Daniel Tucker as an Aboriginal business. He has taken that business from having one contract at the Tropicana mine to now, I believe, being very close to running its own mine operation. It has had a huge success rate in Aboriginal employment. It is run by Aboriginal people. A massive number of Aboriginal people are employed, from the shop floor right up through the progression. Under the grant funding, Carey Mining received \$166 980 to undertake a study to define the education and training needs for the resources sector in the goldfields. I believe that it is on the path to achieving a huge game changer for Aboriginal employment in the mining industry, which is needed, because we are always seeing tick-and-flick operations. Most of the time I see doctored numbers on how many Aboriginal people mining corporations actually employ. I think it is amazing to see a company like Carey Mining spearheading this, with an Aboriginal mining employment school based out of the Western Australian School of Mines with the sole purpose of putting Aboriginal people through its training and education program so that they can find employment in the industry.

There are so many projects to talk about and so little time, but I want to mention the RED grant for a \$195 000 non-destructive testing facility in Kalgoorlie–Boulder. Materials were getting shipped from the goldfields to Perth, where the testing would happen, and then taken back out to the goldfields. The business identified a gap and came in with support from the Goldfields–Esperance Development Commission, and now has a strong demand for its services. It has now opened up a Perth branch to ensure that it captures a market that was trying to escape. This has all been made possible by a RED grant of \$195 000. I cannot say enough how supportive I am of this program and of the minister, who has shown how supportive she is of regional Western Australia.

**HON JACKIE JARVIS (South West) [11.56 am]:** I start by acknowledging that I am holding a media release from Hon Alannah MacTiernan that was issued in February 2019.

**Hon Alannah MacTiernan:** Is it confidential?

**Hon JACKIE JARVIS:** It is not confidential, minister. I was going to suggest to our new members on the opposition benches that perhaps they would like a pack of all Minister MacTiernan’s media statements from the last term of government, just for their own purposes.

Several members interjected.

**Hon JACKIE JARVIS:** Deputy President, I stand to speak on the motion moved by Hon Sandra Carr to acknowledge the success of regional economic grants. The reason I am holding this media release from 28 February 2019 is that it relates to the regional economic development grants that were issued back then. One grant I was particularly pleased to read about was of \$150 000 for Southern Forests Honey for the construction of the Colony Concept honey centre of excellence. This funding was announced in February. In November 2019, Simon and Sarah Green opened that facility. I know that many members like to travel to my electorate in their downtime, and if they are travelling down Mettup Road, the road that takes one to the chocolate factory, they will drive past the Colony Concept honey centre of excellence. It is a magnificent facility. As I said, they cut the ribbon on that in November 2019. It is a retail outlet that supports a number of small honey producers across the great southern and south west regions. Members may not be aware that there are one or two large players in the honey industry, but the majority of producers are small sole traders, and we also have a growing number of hobbyists, so having a facility like the Colony Concept honey centre of excellence in Mettup allows those honey producers to have an outlet for their honey.

I met Simon and Sarah Green during the winter recess. I went to the Colony Concept and had a look at it. It is a great facility. It is a retail outlet and it also has an education centre, which educates the general public about not only honey but also how important bees are to our broader agricultural industry and particularly our horticultural sector, because they pollinate the plants.

The reason I was there was not to talk about the regional economic development grant, but to talk about another grant. For the last couple of days, I have heard the idea that this government is not supporting small businesses post-COVID. I was actually there to talk to Simon and Sarah about the \$25 000 Access Asia business grant, which was given out as part of the WA COVID-19 recovery plan. Simon and Sarah told me that they will be using that money to support some research on the expansion of their distribution model. They are already looking at exports to Hong Kong, Japan, Malaysia and Singapore. This important Access Asia grant is specifically designed to provide small business support as part of the COVID-19 recovery plan. This will help them accelerate their plans to expand into those markets once more regular flights start to happen.

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As I said, I am fully supportive of the motion moved by Hon Sandra Carr. There are other grants that I would like to quickly mention. I had the opportunity earlier this year to go to the Margaret River Readers and Writers Festival, which received a \$14 000 regional economic development grant. Next week, I will represent the Minister for Culture and the Arts in Busselton at CinefestOZ, which is now an internationally renowned film festival and received money in 2019 under this grant.

I am pleased to support the motion.

**HON SHELLEY PAYNE (Agricultural)** [12.00 noon]: I rise today to support this motion and to acknowledge the positive contribution that the regional economic development grants have made to businesses in regional Western Australia, stimulating economic growth and development. I would particularly like to speak about value-adding to the fishing industry along our south coast. Western Australia has some of the cleanest and safest wild seafood in the world, and there is plenty of opportunity for us to value-add and create jobs in Western Australia.

There are a couple of fishing families on the south coast, the Westerberg family in Albany and the Gray family in Esperance, whose next generation coming up the ranks, Bryn Westerberg and David Gray, have taken hold of the opportunity to value-add. Last year, those families were the recipients of a RED grant in round 2. Albany Seafoods in Albany was awarded a RED grant for value-adding to the wild salmon that they catch, and Southern Sardines in Esperance was awarded a RED grant for value-adding to the sardines, or pilchards as we call them, that they catch.

The Gray family in Esperance, which is running Southern Sardines, is purse seine fishing for sardines off the coast of Esperance. The family has been through some really tough times. I do not know whether members remember the pilchard kill in the late 1990s, but that killed off their pilchard stock at a time when they were just starting to think about filleting out the sardines and value-adding. Twenty years later, the stock has built back up and they are getting larger pilchards, and there is now an opportunity to look at value-adding to the sardines to make a product for human consumption rather than it being used for either bait or as feed for tuna farms.

Southern Sardines received a \$150 000 RED grant in round 2 to help develop its sardine factory and purchase equipment for packaging. It is providing the product wholesale in five-kilogram packs and retailing it to local restaurants, and also supermarkets across the state. Sardines are really healthy. They are full of Omega 3s. People are looking for local product these days, and the family thinks that their local and regional sales will go very well. My husband buys the sardines in bulk and feeds them to me on toast for breakfast and with salad for lunch. Luckily, I have avoided having to have them for dinner, but I have to say that I have grown to like them and it is great to eat something that is healthy and wild and caught right off our coast. This project presents an opportunity for a value change, from the \$2.70 a kilo that they get by selling sardines as bait, to \$27 a kilo for the filleted sardines. The processing time has also increased from about six worker hours a tonne to 128 worker hours a tonne for filleting the sardines out, and that is creating jobs for our region.

Like everyone in the region, Southern Sardines has not been immune to this one-in-100-year pandemic, or the frustration that is sometimes experienced with local government approvals, or even with the variability in fish stock, much the same as farmers experience with their crop and the weather. Last season, for some reason, they did not catch the big stock that they wanted, and that affected the amount of product they could fillet. The upgrades to their building are nearly finished. The building project actually went quite well, considering the worker shortages around the state. They had a few issues at the beginning with health approvals and building compliance, but everything looks good and on track and they are close to being able to ramp up for next season.

They have also been innovative and ventured into value-adding for another undervalued fish, leatherjacket. Part of their RED grant was to help them look at filleting out leatherjacket. They will be marketing it as silver flounder, because leatherjacket is not quite the best name. It is a great tasting and healthy fish that has not been caught before commercially. They have been working closely with the Department of Primary Industries and Regional Development, and this fishery has now been set up formally. The fish is caught by putting traps on the ocean floor. One could say that leatherjacket is the south coast piranha. I have heard stories from my husband after he has been diving about how he got the bite marks on his forehead, the only part of his body that his dive suit and dive hood had not covered up, and how he had come across a school of leatherjacket that had swarmed at him and had been forced back to the boat. Here is a way in which we can value-add to this undervalued resource, which tastes really good and is a healthy, wild and safe seafood. They will be filleting it out and crumbing for sale.

**Hon Dr Steve Thomas:** If you cook it in milk, it adds to the taste.

**Hon Alannah MacTiernan:** It's a beautiful fish, member.

**Hon SHELLEY PAYNE:** It is. It is a wonderful fish. They have been producing it in small quantities to make sure that their new packaging equipment and filleting machines are working, and they expect to be fully operational with this new product in the upcoming season. I have had the opportunity to have yummy fish tacos at the local Esperance Lucky Bay Brewery. That is a great location in Esperance that has also been the recipient of a RED grant.

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Similar things are happening in Albany with value-adding to the wild salmon that the Westerbergs are catching, also with the help of a RED grant. That is also helping to increase the number of jobs in Western Australia.

The RED grants program has been really great in helping to support our regional fishing businesses. I commend the government for this successful program, and for all the hard work of our Minister MacTiernan.

**HON AYOR MAKUR CHUOT (North Metropolitan)** [12.06 pm]: I rise to support the motion moved by Hon Sandra Carr, member for the Agricultural Region, that this house acknowledges the success of the regional economic development grants program, which is supported by our great government, the McGowan government. That program is supporting dynamic and innovative regional organisations like the Goldfields Community Legal Centre to do their great work. In mid-2018, there was a conversation between Minister MacTiernan, Minister for Regional Development; Agriculture and Food, about delivering a secondary migration workforce solution. That pilot program has since developed into the Goldfields Migrant Employment Project. This project has assisted over 130 people from the culturally and linguistically diverse, or CALD, community to find jobs and obtain new life skills and opportunities in the region. This idea arose from the labour and skills shortage in the region, and a pilot program by the Goldfields–Esperance Development Commission to assist refugees on temporary protection visas. The project has also attracted people from my South Sudanese community and from the African community.

On 28 March 2019, an event was organised by the president of the South Sudanese community, along with Minister MacTiernan, to highlight the Goldfields Migrant Employment Project. I have spoken to the president of the South Sudanese community, and he wants to acknowledge Minister MacTiernan and the McGowan Labor government for this great initiative to support communities that have been struggling to get opportunities in Western Australia.

The evening event gathered employers from the goldfields, job pathway specialists, and community organisations. The night showcased the region. There were 130 participants. The project has also been designed to target job seekers directly from migrant communities in the metropolitan region.

In 2019, the Goldfields Community Legal Centre received funding of \$249 000. It received further funding through the 2020–21 midyear review budget process. It will be given funding of \$150 000 a year over the next two years from 2020 to 2022.

I would like to acknowledge the recruitment and settlement services for their great involvement in the Perth and goldfields program, as well as local employers and industry organisations. In particular, I would like to give a shout-out to MercyCare and Red Cross for getting involved.

The Goldfields Migrant Employment Project has achieved some important things. Its clients originate from 35 countries, including 18 African countries. Eighty-three clients have been successful in securing jobs—62 are working and more than 20 people have either interviews scheduled or are awaiting the outcome of an interview. This is a great project and it is a great opportunity for the community to look at. Of those who are being supported by employment, South Sudanese people take the lead, with 18 clients, and other clients come from Somalia, Congo, Eritrea, Iran and Brazil. The majority of clients were refugees or asylum seekers. Clients have varied skills, qualifications, interests and workplace experiences as well as English language skills. Employment has been attained in various sectors: mining, health, disability, childcare, community services, education, information technology, hospitality, local government, security, construction and others. The Parliament should support this motion today as it is a great motion for our community.

**HON JAMES HAYWARD (South West)** [12.11 pm]: I rise to make some comments about this issue. It is absolutely terrific to hear regional members of this house talking about what a fantastic job the rebadged royalties for regions regional economic development grants program is doing.

**Hon Alannah MacTiernan:** You didn't have a RED program.

**Hon JAMES HAYWARD:** We certainly did not have a RED program, but it is good to hear how the rebadged royalties for regions program money is now being used for local businesses. It is fantastic to hear stories about the economic development that is happening as a result of RED grants and the jobs that are being created from private investment. The government should be commended for investing this money into the regions. I certainly commend that part of the motion.

There are a couple of things I would like to say. We heard some very interesting facts this morning. We heard that we were being wilfully disingenuous when we talked about the rollout of royalties for regions. We also heard that royalties for regions money was being invested with wilful self-interest. I find those claims to be interesting. It was also claimed today that the McGowan government has spent more money in regional WA than any other state government.

**Hon Darren West:** That is a fact.

**Hon JAMES HAYWARD:** I will deal with those so-called facts in a little while.

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When I think about the fact that the government is using the word “RED” grant, I think surely RED grants are connected to the party that those members are a part of.

**Hon Jackie Jarvis:** Regional economic development.

**Hon JAMES HAYWARD:** We are talking about the red team —

Several members interjected.

**The DEPUTY PRESIDENT:** Order! There have been a number of speakers on this motion and they have all been heard in silence. I expect that same respect to be afforded to Hon James Hayward.

**Hon JAMES HAYWARD:** Members have talked about how this government has spent more money in regional WA than any other government. That includes money spent on things like the Bunbury Outer Ring Road, which is a significant investment of between \$700 million and \$800 million. Eighty per cent of that money came from the federal government, yet the government claims it as its own money because the feds delivered it to this government. There are a number of other road projects that inflate the value of money that the state has claimed it is spending when the reality is that the government has just been moving forward the investment of the federal government without any recognition of the federal government’s contribution, I might add. The federal government seems to be a target. As we move towards the federal election, I am sure we will see the federal government being used as a target more. The reality is that the federal government has made a significant contribution, which is the reason a significant amount of money has been spent in this state. That is the only reason the state can claim it is spending more money in regional WA than any other government.

In last year’s state budget, the royalties for regions budget was \$4.2 billion, \$2.7 billion of which was cost-shifted or underspent. Imagine that royalties for regions money is like water in a glass, if you like, and you consume what is in the glass but that it is capped at \$1 billion a year—just slightly over. If we consume, say, three quarters of the water in the glass, the next year that glass will be topped up to \$1 billion—another \$1 billion is not put on top of the money that is left over. The underspend comes back to consolidated revenue. According to state budget figures last year, the government planned a \$1 billion underspend, and \$1.7 billion was cost-shifted out of royalties for regions, with cost substitutions for things like water bills, in terms of the regional effect of supplying water in regional Western Australia, which is normally paid for out of consolidated revenue, and on the orange bus program, regional assistance and other things. A total of \$2.7 billion was washed out of the royalties for regions program last year. When members talk about wilful disingenuousness, or perhaps misleading, I put to them that maybe they should consider the government’s management of the royalties for regions fund. I certainly encourage you guys to spend more royalties for regions money on more things on the RED program and invest more in regional Western Australia. By their own testimony today, government members talked about the tremendous benefits that are flowing out of investment into regional Western Australia. I encourage the government to continue to do that.

Members talked about CinefestOZ. That program was invested in previously by royalties for regions. It is now funded under the RED program. It is a fantastic community event and does some wonderful things. As Hon Jackie Jarvis mentioned, it is world renowned. These types of things can happen in regional WA when the government gets excited, gets on board and starts to invest. That has certainly been the case with CinefestOZ.

Over the eight years that our side was in government, we invested \$7 billion in regional WA on well over 3 000 individual projects. I am more than happy to measure our record against this government’s any day of the week. I encourage the government to continue to spend royalties for regions money in regional Western Australia because it is a great investment.

**HON ALANNAH MacTIERNAN (South West — Minister for Regional Development)** [12.17 pm]: I thank all members who have spoken today and shown an interest and commitment in investment in regional Western Australia. I will talk a little more generally about that later, but, first, I want to relieve Hon James Haywood of so many of his misconceptions. His first misconception is that somehow or other the National Party invented the idea of investing in the regions. That could not be further from the truth. We have had a long and proud record of investment in the regions. If we go back and look over many decades of investment, we see the development of the whole concept of the South West Development Commission, which very much happened under the Labor governments of the 1980s and early 1990s. Then, of course, when we came back into government there was massive investment in regional projects under the Gallop and Carpenter governments. A brand had been developed by the National Party at the time, but it did not invent the idea of investing in the regions, and nor has it been a leader in regional investment. I presume that the majority of punters in the regions agree with us, going by the representation in this house. It is a pretty good indication that people have made a judgement about who is delivering for the regions. It is absolutely true that at every level, whether it be in schools, roads or agriculture, we are making record investments in regional Western Australia. If I were a country member from the other side and I looked at what had been done to the

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agricultural portfolio for eight years, I would hang my head in shame and ask why that was allowed to happen whilst we were going out to the regions with plastic cows and singing toilets.

The concept of the regional economic development grants started when we came into government in 2017. We had seen significant economic decline across the state and were very keen to promote economic diversification in the regions. Whilst planting petunias and making entry statements helps a little to build our regional communities, it was our assessment that creating jobs there would bring in people who could then pay the rates so that councils could plant their own petunias. We thought that that was probably a better approach to stimulate regional economic development, and the grants concept was created. We wanted to provide an opportunity for those entrepreneurs in the regions through incentivisation, sometimes with breakthrough funding, to help them take their business to another level and to expand and diversify, which picks up on some of what Hon Peter Foster spoke about. In the north and the east in particular, the focus has been on some Aboriginal businesses. Spinifex Hill Studio has been a very successful creator of economic opportunities as well as huge cultural opportunities for Aboriginal people in the Pilbara.

Members have spoken very well about all of these projects. I will just pick up one of them. Hon Ayor Makur Chuot—I am still practicing my pronunciation—talked very importantly about this program that overwhelmingly works with African communities, mostly from the northern metropolitan area, including the area that she represents. This idea first came about when a group of refugee advocates came to tell me how cruel it was that refugees were being required to go into regional areas. I said, “Well I’m not sure it’s actually cruel. From what I have seen around the state in Harvey, Katanning and the Pilbara, these are often absolutely fantastic places for refugees to move to because there is a stronger sense of community.” We had this idea that we should do that in the goldfields where there were 800 vacant positions. It has been a success and a great project, and, ultimately, as the member said, the Goldfields Community Legal Centre and the South Sudanese community and African community leaders have got on board. Some great stories have come out of that. Guys who were formerly Uber drivers and scraping together a living, now have a permanent job with Northern Star Resources. A group of women who went there now live together, sharing the childminding of their children, and are absolute ornaments to the Shire of Coolgardie and do many of the cleaning functions in that community. These have been great success stories. One guy from Uganda is finally able to afford to bring his family to Australia and provide a home for them.

I thank Hon Sandra Carr for bringing this motion forward. In Geraldton and the midwest, the grants program has been very successful. We are extraordinarily pleased to see how many of our RED grants recipients have gone on to reap rewards. I would also like to speak about a couple of projects that other members have not spoken of. Himac Attachments in Albany is a truly extraordinary enterprise. We assisted it to develop new welding capabilities so that it could create more entry-level jobs, because it was struggling to find skilled welders. This company in Albany manufactures equipment, including a rock picker that it invented, which it exports to Russia and around the world. It is extraordinary. It is a firm that is growing constantly. At the other end of the scale are companies like Bruce Rock Engineering in Bruce Rock. This company wanted to expand and we were able to put in around \$200 000 to help it get the power upgrade it required to double the size of its workshop. These grants have been part of a great program. I thank Hon Sandra Carr and all the members who have spoken about their support for this great scheme.

**HON DARREN WEST (Agricultural — Parliamentary Secretary)** [12.27 pm]: Thank you, Acting President, for the opportunity to speak to this outstanding motion that has been put to the house today by Hon Sandra Carr. We have a great story to tell in regional Western Australia. I acknowledge the member for the flying start to her career, her great advocacy work in the midwest and Geraldton regions and, of course, for bringing quality motions to the house and making strong contributions.

I would like to paint a picture of where the government found itself after the 2017 election. The state was in a recession. The former government’s fiscal carnage over eight years had put the books into an unprecedented bad state. Money was wasted like there was no tomorrow and it was not put to the best use. Drove of people were leaving the regions and moving into the metropolitan area to the point at which we lost a whole regional electorate in the following redistribution. It was a mess. The Department of Agriculture and Food had been completely gutted and was a shell of its former self. We had to pick up the pieces and find a way to rebuild a thriving regional economy. People were out of work, people were worried, people were leaving and Communities were in trouble—enter, the Minister for Regional Development, Hon Alannah MacTiernan, and the initiatives that we brought to bear over the last four years to rebuild our regional economies, a pillar of which is the regional economic development grants.

We have worked with some amazing businesses over the last four and a bit years to promote local jobs, create local employment and build great ideas into prospering industries. We are very proud of what we have achieved as a government in that place. Many members have mentioned several businesses that have been recipients of these grants and have grown their businesses and their ideas and employed local people. I just want to give a shout-out to a couple of those businesses because I know that other people want to speak.



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I want to touch on the Wheatbelt Natural Resource Management for the great work it does with its Noongar Budjar Rangers program, and the great work of Jermaine Davis, a local Noongar man, who has helped build that enterprise and business. I know Jermaine well, and I know that the Davis family are having a particularly rough week, and our thoughts are with them. This is a great program that is building capacity in the wheatbelt area. Another business is the Northern Valleys Locavore Store. If members ever go to Bindoon, do not miss the Northern Valleys Locavore Store. All the produce and everything in that store has been sourced within 100 kilometres of Bindoon, and it is going great guns. People are travelling for miles to the Northern Valleys Locavore Store. DromeDairy is a camel dairy located in Toodyay. Steve has done an amazing job building that idea into a business. It produces milk primarily for skin and hair care products and has now obtained a human consumption licence. Main Camp is a business that produces tea tree oil. It was mainly based in New South Wales, but is now moving to Western Australia thanks to the regional economic development grant. Another business is Mortlock Malt. Rex Rowles in Goomalling is growing his business to make small amounts of malting barley for the ever-burgeoning microbrewer trade because most malt is sold in large quantities. Rex has a passion for it and is doing a great job. He is also a member of the Goomalling reserves footy club and plays a mean game. Another business is Three Farmers, founded by Ashley Wiese, Garren Knell and Megan Gooding. This is a great initiative. They came together and pooled their resources to grow quinoa, because it was all imported from overseas.

Members, there are lots of good stories, and we remember the Langoulant report and the mismanagement of what was the royalties for regions fund. That has now been turned around and is actually benefiting regional communities, creating local jobs, and building local capacity where it is needed. We are particularly proud of what we have done in regional Western Australia, and I think regional Western Australia is particularly happy with us if the results of the last election are anything to go by. I thank the honourable member for bringing the motion to the house, and I support it wholeheartedly.

**HON SANDRA CARR (Agricultural)** [12.31 pm] — in reply: I thank all the honourable members for their support of the motion. We have heard a lot about some of the great benefits of the regional economic development grants and the contribution they have made to the regions.

Hon Peter Foster mentioned the great value that RED grants have added in the Pilbara and Gascoyne regions for jobs and fostering—that is not a pun on your name, honourable member—culture, preserving culture and enabling people to showcase and develop pride and self-esteem via culture. He also talked about how the family day care centre in Shark Bay allows and supports families to continue their small businesses and to work and contribute to the shire in other ways, which is a really important capacity to have in all communities. Hon Kyle McGinn spoke of the way the migrant scheme has enabled cultural diversity, brought in families and developed regional growth. We all know that that is a really important contribution in terms of putting value back into regions. Hon Jackie Jarvis spoke of the Southern Forests Honey group and how it has enabled research and development in the area and allowed it to expand into overseas markets. This is also a very important contribution. One of the things that Western Australia does very well is export its produce to the world. Hon Shelley Payne spoke about the fishing industry and contributions to the fishing industry. We are seeing a growing picture of the vast range of enterprises that our regions contribute to and the way that RED grants have allowed us to continue to support, develop and expand those enterprises.

Hon Ayor Makur Chuot spoke of the support for assisting refugees, who then access employment and make their contribution to society. This is, of course, why had they have come to this country. This country has enabled them to access programs, enter the job market and make real valued contributions, becoming valued and important parts of our community.

This brings me to Hon James Hayward and his, in inverted commas, “contribution”. Some of the musings and odd misquoting I found quite interesting, but I will say a couple of things about that. He might want to revisit history and have a look at the inquiry in 2018 that looked at how and where the money was spent and why the term “formalised pork-barrelling” emerged.

Motion lapsed, pursuant to standing orders.