

## ROYALTIES FOR REGIONS BILL 2009

### *Second Reading*

Resumed from 13 October.

**HON JON FORD (Mining and Pastoral)** [12.10 pm]: To start, I make the point that I am not the lead speaker on the Royalties for Regions Bill 2009; that honour falls to Hon Ken Travers. However, as a regional member I would like to make some comments and observations about the bill.

I will go over some of the fairly recent history of the Liberal and National Parties' dedication to regional Western Australia. One reason that motivated me to come into this place was the fact that I thought the bush was never going to get a fair deal and a fair hearing no matter who was in power. However, I noticed that the Labor Party at least seemed to recognise the bush, and at the time had a minister from the bush, which was quite rare. That minister, of course, was Hon Ernie Bridge, who was the member for Kimberley. That was one reason I decided to join the Labor Party. When we came to government in 2001, as I have said before in this house, regional Western Australia, particularly in the wheatbelt and areas of the north west, was a very, very sad place indeed. The National Party had managed to not represent the bush so well that it had nearly driven itself into political oblivion. That was demonstrated by people who had a leaning towards conservatism voting for the Liberal Party and people who were a little redder than that voting for Labor, rather than voting for the National Party. One of the great things we did when we came into government was create the regional investment fund. For the first time in a long time there was real social investment back into the regions; so much so that within four years many places were unrecognisable. An interesting thing when we came into power was just how big the task of revitalising the bush was. We hear the Premier talk about revitalising the Pilbara, and I welcome that, but we have heard it all before. I am a little cynical when it comes to things the Premier says. One example that comes straight to mind is his great plan for the canal to take water from the Kimberley and run it down to the southern part of the state. In fact, if the Premier had been elected on that platform and that project had gone ahead, we would not have had any investment in the Ord because we would not have enough water to do so.

In the lead-up to the last election we heard very little about what the Premier wanted to do for regional Western Australia. In fact, he did not really become interested in regional Western Australia in a serious way until he was offered the prospect of taking power if he could attract the support of the National Party. Interestingly enough, although I love my whole electorate, I have a particular passion for the Pilbara. Whilst I was fighting for funding in the Pilbara, particularly for health services—we finally managed to get a commitment to build a new regional hospital in Port Hedland—I could not get support for funding in places like Newman, where women still cannot have a baby in the town; it is back to what it was like when I first moved to that area in 1981. I could not attract as much money as I wanted for places such as Carnarvon, Paraburdoo and the like because things were so bad in the Kimberley that the government took the view that that area needed real investment. As a consequence of that, the government made a real investment of more than \$80 million in capital spending to replace or refurbish every medical outpost or hospital in the Kimberley. The promise was made to me that the government's next focus would be on the Pilbara. Of course, other members had made big demands to catch up on what had been neglected in their own electorates, such as Albany and Geraldton. There was so much real expenditure in Geraldton that it is now unrecognisable from how it was in 2001.

We now have the royalties for regions program, which I am quite pleased about. We support the bill, but I will make some observations about the way the royalties for regions program is being managed. The whole scheme is being put at risk because of the sham stories that have been put about that are purely political spin and are still continuing. The overview of the bill in the explanatory memorandum states —

The object of the legislation is to promote and facilitate, economic, business and social development in regional Western Australia through the operation of the Fund.

That is good; that is what it should be —

Monies allocated from the Fund will be over and above existing or planned normal expenditure by Government agencies and will be used to ensure basic Government services and infrastructure is provided in regional areas.

There is a contradiction in that statement, but I will deal with the first bit—that is, “over and above existing or planned normal expenditure by Government agencies”. We soon saw that money was being spent on hospitals—such as the recent announcement about Nickol Bay Hospital in Karratha—in partnership with royalties for regions. I think that it could and should be expected that the running costs and the building or refurbishment of Nickol Bay Hospital be covered by normal government expenditure. I think that the supply of extra accommodation for staff and the provision of accommodation to attract specialists would be a valid exercise

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under royalties for regions. But I do not think that spending money on upgrades and refurbishments as infrastructure gets tired should be above and beyond normal government expenditure. In fact, I know that it is not. The problem is that we are seeing examples of that over and over again. Other members in this place will talk about that further. To me, that is the biggest lie about the royalties for regions policy that has been presented to the people of Western Australia.

Another issue that I want to touch on is accountability. The Auditor General states in his “Fourth Public Sector Performance Report 2009”, which examines the royalties for regions program, that money for this program is distributed through three funds—the country local government fund, the regional community services fund, and the regional infrastructure and headworks fund. The conclusion of the report states that the development and implementation of an appropriate accountability and governance framework for the royalties for regions program has lagged behind the initial disbursement of funds. It goes on to say that the Department of Regional Development and Lands is also addressing some key elements of the framework that are yet to be fully implemented. These include reporting requirements for funding recipients, a single reporting management system, and an audit and evaluation framework for the program.

We might think that accountability is a level of bureaucracy that stands in the way of putting policies in place. But accountability is very important, for a number of reasons. It is particularly important in the case of royalties for regions, because the moneys that are being used for this program are public moneys. Accountability should be the most important part of any government policy. If a government does not make accountability a part of its policies, it will leave itself open to accusations of impropriety and accusations that it does not know what it is doing with public moneys. A lack of accountability may put government programs at risk. It may put this royalties for regions program at risk. I do not want to see in this state arguments about regional investment funds or royalties for regions funds, or whatever they might be called by the government of the day. I say that because, as I have said, up until 2001, the bush was a very rough place in which to live. I am very pleased, therefore, that governments of all persuasions are now finally putting some money into the bush.

Another reason that the royalties for regions program may be put at risk is that we know it is not sustainable. When I talk to people, particularly in the north west of the state, where I tend to spend most of my time, they say, “We know that this is not sustainable, Jon, and that it will run out, but we are going to go for it for as long as we can”. I encourage people to do that, because I agree with that point of view. The bill has a nice title. It provides that 25 per cent of royalties must be allocated to the royalties for regions program. But there is nothing in the bill that guarantees that a future government will always spend this money in the regions. I am sure other members will make comments on that. I have said that I will try to keep my comments brief.

When a government does not have proper controls, and when, because of that lack of controls, we cannot point a finger at how the decision-making process is working, it leaves itself open to a debate that pits the bush against the city. I can tell members that without the support of the city, this funding will stop. The city happens to be where most of the people in this state live; and, therefore, it is also where most of the seats are. That is true. Most of the people in this state live in the city. That is a choice that people have made for short-term purposes and for long-term purposes. At the start of this program, we could have done any level of research polling on royalties for regions, and people would have said they think royalties for regions is a good thing. At the start of this program, the press stayed right off the subject. But now, all of a sudden, a public debate has been coming on about royalties for regions. That is combined with things such as the Minister for Health being caught with his hand in the statutory cookie jar, spending money on things that he is not supposed to be spending it on. It is combined with things such as the Waste Avoidance and Resource Recovery Amendment Bill, under which money that was originally intended to be used for waste management purposes will be siphoned off to be spent for other purposes. There is nothing in this Royalties for Regions Bill yet that provides for accountability and that guarantees when and how the money for royalties for regions will be spent. If people think that royalties for regions will go on forever just because we pass a bill, they are wrong. The royalties for regions program needs the public to support it. I will give members a good example. It can be found in an article by Robert Taylor in *The West Australian* of Friday, 13 November 2009. The article was very disappointing from my perspective, but I can understand why he made those comments. The article states, in part —

While city health bosses are raiding funds set aside to buy desperately needed medical equipment in order to pay their electricity bills, the Barnett government is showering country areas with money for bowling clubs, walking trails, monuments, town halls, plastic cows and golf carts.

The government should have a strategic plan for how the money from royalties for regions will be spent. The government should also show some compassion in how it spends this money. For example, it could use some of the money from royalties for regions to assist fishers in the rock lobster industry to get out of the industry with some dignity and without losing their homes. It could use some of the money to provide funding for the

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Nullagine to Newman road. The only strategic investment that I have seen to date is the Ord scheme, which everybody supports. The government could use some of the money to deal with the issue of land releases and to build houses for public servants, as it promised before the election. If the government did that, it would not be getting comments about how it is spending this money on bowling clubs, walking trails, monuments, town halls, plastic cows and golf carts. People in the city know that these things are an important part of the amenities of life, but they should not be provided at the expense of services that people want and deserve.

**Hon Wendy Duncan:** People in the bush should go without a bowling green so that people in the city can get a hospital, I agree—they are only second-class citizens out there—and spending money on interest groups like the RFDS is a total waste of strategic funds.

**Hon JON FORD:** The problem is that literally hundreds of projects are being funded by royalties for regions, and next year, or the year after or the year after that, country authorities will have to come up with even more projects to spend the money on, because the money will keep rolling out. When I had responsibility for the regional investment fund as the then Minister for Regional Development, I was constantly being asked to sign applications for extensions of grants. That was because people could not get their projects done in time. They could not spend the money that was being given to them quickly enough. That tells us something about that program. A lot of those grants were relatively small grants. That is another reason for taking a more strategic approach to spending the money. The government must be careful what it does with this money, this investment, because if it ignores the concerns that are now being raised, and if it shows recklessness in spending normal government expenditure in the city and in the regions and starts spending the money on the normal responsibilities of government, such as the refurbishment of capital equipment, which could reasonably be expected to be paid for by government departments within their budgets, and not on things that are above and beyond its normal operational expenditure, it will be caught out. The government has already been caught out, and it has been in office for only a year. That is why we are having this debate. If this spending continues at the same rate, every country member from every political party will have a problem with their caucus arguing about the money that should be spent. I can already hear the arguments: “You’re already getting this money; why do you want that?”

The opposition supports the bill, and I personally support the bill, but I would like to see some accountability in the legislation. I understand that Hon Ken Travers and Hon Robin Chapple will move some important amendments. I would like to hear some realism in the public statements made by the National and Liberal Parties about what the royalties for regions money will be spent on. If it is a fund that guarantees that 25 per cent of the total amount of royalties will be spent on supplementing total regional expenditure, they should say that, not that it is above and beyond what the government can reasonably be expected to deliver.

**Hon Jim Chown:** I’d be more than happy to let you know what the royalties for regions funds are being spent on, Hon Jon Ford.

**Hon JON FORD:** I know what the funds are being spent on.

**Hon Jim Chown:** Would you like me to read them out to you now?

**The DEPUTY PRESIDENT (Hon Matt Benson-Lidholm):** Order, members! Hon Jon Ford has not responded to interjections to this point, and I do not think he really wants to respond. Members must note that, as it is only half past 12, there is plenty of time for them to have their say on the bill. I simply ask members to make their comments a little later.

**Hon JON FORD:** I have seen the list, but the trouble is that the Auditor General is saying that the government does not have the accountability mechanisms in place to ensure that the projects are properly assessed and meet the objectives of the policy. What we get is: “Trust us.” Because of that, Robert Taylor and other people are having a go at the scheme. If members think that that is not important, and that the letters that were printed in the newspaper yesterday having a go at Robert Taylor, particularly from people in my electorate, will resolve that issue, they are wrong. I am saying that the government must be cautious about what it says and how it implements the bill. The government, particularly the National Party, might think that it is on a winner and that people appreciate that they will get funding, but the people want to see real investment. Yes, they want amenity, but they want it to be proportionate. Country people have to work together with metropolitan people and they have to be convinced that everybody is getting a fair deal.

**Hon Mia Davies:** They didn’t have to do that for the train line to Mandurah.

**Hon JON FORD:** I will take that interjection. That is a strategic piece of investment that will serve Western Australians well.

**Hon Max Trenorden:** So what are you referring to? Obviously, not the railway line to Mandurah.

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**Hon JON FORD:** No; I am not going to be encouraged to respond to Hon Max Trenorden. I can speak for my entire 45 minutes if members would like me to.

**Hon Ken Travers** interjected.

**Hon JON FORD:** That is right. I know that the government has other bills to deal with. I am quite happy to talk about a range of things until Christmas if that is what it takes to get the government's bills through.

The government should not blow this great opportunity. I have seen the investment start to flow back to the regions since 2001, and I welcome the continuing investment. I want that investment to be sustainable and I want to see some accountability so that it continues in the future. At the moment, I see huge risks that will result in this sort of funding program and previous funding programs being thrown away in a grab for votes in the metropolitan region.

**HON ROBIN CHAPPLE (Mining and Pastoral)** [12.35 pm]: The Greens (WA) quite clearly support the royalties for regions process, and I will talk a bit about that in my comments. Firstly, I will respond to the comments made by Hon Wendy Duncan on 22 September 2009. Interestingly, in relation to the comments made by Hon Jon Ford, Hon Wendy Duncan said that the royalties for regions fund could not be used to address the issues at the hospital in Derby because that was the responsibility of the Department of Health. It is intriguing to read some of the comments that were made in the lead-up to the election about the Labor Party's hub-and-spoke methodology. Hon Wendy Duncan said on 23 July 2008 that the Labor government had proudly championed the hub-and-spoke model for country health, while it made very little contribution to the added transport costs for country people to access their health hub, and that without a funding commitment to the spokes of the model, the wheels would invariably fall off. I support that position to a degree because that is what we have been banging on about. The Leader of the National Party, Brendon Grylls, has urged the state to heed the warnings of the Rural Doctors Association of Western Australia about the country health crisis. He said that under Labor's hub-and-spoke model, the sick and injured are forced to endure long trips. That is exactly what is happening in Derby at this time, and that hub-and-spoke model in Derby will continue, unfortunately. The process has not changed. One would have hoped that the Nationals, in their relationship with the Liberal Party, would have been able to exert some pressure to have the hub-and-spoke model removed.

**Hon Max Trenorden:** We are working on it.

**Hon ROBIN CHAPPLE:** Good; keep on working on it, Hon Max Trenorden, because that is certainly what the regions are crying out for.

**Hon Ken Travers:** The newly honourable Max Trenorden.

**Hon ROBIN CHAPPLE:** Yes. It is interesting to note the previous policies of the Nationals.

**Hon Col Holt:** Are you getting to the bill before us?

**Hon ROBIN CHAPPLE:** Yes; this is very much about the bill; do not worry.

The Nationals talked about returning health care to the country, and about ensuring that staff were put back into those areas that had been stripped of staff by the former government, ensuring the re-establishment of the boards of management of all country hospitals to help identify the health needs of particular communities, and placing greater emphasis on primary care in those locations. These are all extremely important things that need to be done, and I am very, very supportive of them, but I am not seeing those things happening at the moment, to a degree. That is because the position has been stated that it is not the responsibility of the royalties for regions program to undertake them; it is the responsibility of the Department of Health.

In making my contribution to the second reading debate on the Royalties for Regions Bill 2009 I want to refer to comments made by Hon Wendy Duncan during the adjournment debate on 22 September. Hon Wendy Duncan stated —

The Greens (WA) have stated that they support regional Western Australia and they support royalties for regions. They held the balance of power in this house for four years. What did they do for regional Western Australia?

Hon Wendy Duncan knows, as do other members in this chamber, that we are not allowed to make changes to bills that involve money in this chamber, and we have never had the balance of power with the government in the other place.

Hon Wendy Duncan went on to state —

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As I have already mentioned in this house, royalties for regions is three per cent of the state budget and cannot be expected to fix the incredible backlog of neglect and the rundown of services that have occurred in regional Western Australia over recent governments.

That is a sentiment I support wholeheartedly. Hon Wendy Duncan also stated that the Liberal-National alliance had delivered an —

... increased amount of funding and services into regional Western Australia, far more than the Greens achieved during the four years that they held the balance of power.

Having quoted those words, it is really interesting to go back and read some of the debate on the gold royalty that took place in this chamber during the period of the Liberal-National coalition in 1998. I quote the words of Hon Giz Watson on 7 April 1998 —

As members will be aware, Greens (WA) has always stated publicly that it is in favour of a gold royalty. It is the only political party that went to the last election saying that a gold royalty was required in this State...

Members of the Greens have also said that a proportion of the royalties raised should be returned to the regions from which the minerals are extracted, in order to promote regional communities and to provide economic benefit to the communities extracting those resources.

Hon Giz Watson further stated —

Where a region is involved in the extraction of a one-off resource, there is a very clear case for it to benefit directly from the resource.

We sought and received two commitments from Hon Norman Moore in relation to this—that is, that a regional \$350 000 inventory of abandoned mine sites in regional Western Australia would be undertaken; and that there would be protection for marginal mining producers. I am sure that if the four National members and the eight Liberal-National Party members of the Agricultural and South West regions had vocally supported us, we would have been able to extract a greater return of royalties for the regions. That is what we argued for, but it was not forthcoming at that time. Hon Jim Scott, former MLC, stated —

Those profits should be returned not only to the regions generally but also to local governments in the regions. A body should be appointed to control those funds rather than their being completely controlled by the State Government. Such a body could use the funds to the best advantage —

My words: of the regions —

Until we do that, this State will not be developed properly. When the deposits at the mines peter out, we will have nothing else.

I wanted to put on the record that the Greens have been long supporters of royalties for regions, and we support the current legislation.

In 1997 the Greens (WA) policy identified that there had been a failure to capture a reasonable return of royalties to the regions, and the Greens supported a regional economic model based on reticulating wealth created in regional communities back into the regions' economy. The Greens policy in 2008 stated that we supported the premise that 25 per cent of royalties retained by the state after federal grant fiscal adjustment should be returned to the region, over and above the current provision of state services. I thought it was important to put on the record why we support royalties for regions, and have done since Jim Scott entered this place.

The bill before us has a number of clauses, and the issues we want to talk about address some of the concerns articulated in the "Fourth Public Sector Performance Report 2009" of the Western Australian Auditor General. The report conducts a primary examination of the royalties for regions program, and I will go straight to the conclusions and findings, and maybe some of the observations, of what should be done. The report states —

Three hundred and eight million dollars has been distributed under the Royalties for Regions program between May and July 2009. Money was distributed in accordance with the high level objectives and eligibility criteria for the funds and projects we reviewed.

The report goes on —

Once fully implemented, the framework should provide appropriate accountability for the funds and ensure that processes are in place for the communication, implementation, monitoring and evaluation of the program.

It was really interesting that in the briefing we had from the National Party about the royalties for regions funding it was quite clearly acknowledged that in the future it would be very, very difficult to articulate the

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difference between what was, in essence, a new component of royalties for regions, or indeed what should have been, or may have been, the wish of the government. As the programs go on—it may not be in this term of government—we may see moving, or cost-shifting, from what was a normal government process of providing services into the royalties for regions basket, which I think is a problem. That would not allow the full effect of royalties for regions to actually get to the communities.

The issue I have is that if members go and talk to people in their electorates, whether they are pastoralists near Wiluna or up through the Pilbara or the Kimberley, people are still asking why they have not got their services back. I think there was a great belief in many communities that royalties for regions would fix up the Tom Price and Paraburdoo hospitals debacles, and that it would provide the extra staffing and put back what the Labor government had stripped out of the process. We are seeing a lot of the money going into capital works, which is good and valid, but that will only create another cost imperative for local government. A couple of local governments up through the Pilbara are really worried that some of the gifts they are getting are really nice, but there is no structure in place for the maintenance and ongoing funding associated with that. They are worried that they will have to pull that funding out of their own rates base to deal with the capital works that are going into some of these areas.

**Hon Mia Davies** interjected.

**Hon ROBIN CHAPPLE:** I think the member is right, but I think a lot of local governments have been offered significant funds to do significant things, and rightly so. But they are not actually articulating out in their own minds how they are going to manage the ongoing infrastructure. Hon Jock Ferguson and Hon Jon Ford remember the heady days in the Pilbara, when mining companies used to come up and say they would build this and that. That was great, until somebody asked what to do with it after it was built and how it was to be funded. That has been a huge problem for local governments in the Pilbara especially—it is an area I know fairly well—and it is really good to get these nice developments such as the new J.D. Hardie centre or the new Tambrey centre or whatever else. Local governments take these things on board and then realise five years down the track that they are deteriorating but there is no longer any money base to pay for maintenance. I have a real issue about local governments putting money into trust funds for the future to ensure their long-term viability, rather than thinking only about the here and now.

**Hon Max Trenorden:** That will mean that occasionally they will get a second lot of funds before they get the first!

**Hon ROBIN CHAPPLE:** Absolutely. Fiscal management has always been a problem in the regions. We do not allow mining company communities to be rated. The Town of Port Hedland is approximately \$1.15 million short. The Royalties for Regions Bill is all well and good, and I support it; I really do. But I want to make sure that there are some checks and balances and long-term strategic planning so that when the heady days of the boom are over, local governments will have the ability to continue meaningful regional development. Believe it or not, regional development and decentralisation are two of the catchcries of the Greens (WA). We do not believe in major metropolitan centres. For ecological and other reasons, we like the idea of decentralising the regions.

I return to the findings. In July 2009, the Department of Regional Development and Lands established an appropriate royalties for regions governance and evaluation framework. Key elements of the framework included the memoranda of understanding and agreements between the department and delivery organisations. There was a quarterly statement of income and expenditure, a quarterly progress performance evaluation report and annual audited statements confirming the accuracy and fair presentation of the reports. When the Auditor General overviewed this, he commented about what should be done. He recommended that RDL should work with delivery organisations to ensure that all outstanding MOUs are agreed and signed as a matter of priority; that RDL should ensure that the recommendations of the governance and risk management framework review are addressed in a timely manner; and that all funding recipients should establish a subsidiary register for royalties for regions funds, and reconcile expenditure and receipts to the general ledger on a regular basis.

Under the heading “Future audit focus”, the Auditor General’s report states —

We plan to follow up this preliminary examination of the Royalties for Regions program in the near future. Our focus may include, but will not be restricted to:

- the strategic management and allocation of the three sub-funds and the strategic reserve
- compliance with the Royalties for Regions legislative and governance framework
- following the dollar through delivery agencies to the point of expenditure
- an evaluation of Royalties for Regions outputs and value for money

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- auditing the financial reporting of Royalties for Regions expenditure by delivery agencies
- evaluating fraud controls.

I have not seen the amendments proposed by Hon Ken Travers, but the amendments I have on the notice paper are designed to ensure that there are clear checks and balances in the process so that accountability can be seen to exist and that the royalties for regions program can never be misused or misrepresented. That is the key issue. If it is ever targeted by a future government for misappropriation, misallocation or pork-barrelling, it will damage the people of the regions, whom I am passionate about. The essence of my amendments is to ensure transparency, accuracy and accountability.

I turn now to the twentieth report of the Standing Committee on Estimates and Financial Operations, “‘Royalties for Regions’ Policy”. The report highlights numerous problems in the way the royalties for regions fund has been, and continues to be, administered. This is a key issue; I want good administration and I want royalties for regions funds to be actually spent in the regions on the things I am passionate about. Problems arose with the fund prior to the introduction of the Royalties for Regions Bill, but in the report the committee seems hopeful that these problems are a product of the government being eager to start delivering the royalties for regions program, rather than systemic problems that will continue after the legislation has been enacted.

It turns out that the problems are systemic, and that the legislation addresses almost none of the concerns highlighted in the report. Even under the legislation, the funds will continue to be administered and spent in the same manner that drew the criticism of the committee in the first place. The problems identified by the committee have largely been ignored and will still remain under the structure created by the legislation. The report investigated the policy under which the government spent royalties for regions funds prior to the spending being governed by the legislation. The report highlights problems with the spending of funds—namely, what the funds are spent on, accountability for the way in which the funds are spent and the correlation between spending and the royalties for regions policy. The report concluded that spending guidelines, accountability measures and key performance indicators should have been put in place before any money had been spent under the auspices of the royalties for regions policy. I acknowledge the need for the Liberal Party and the National Party to get some runs on the board, and the excitement of doing some of the stuff for which the government had been arguing for so long. There is arguably still no proper framework because the legislation is so light, and the Greens (WA) will try to remedy that through our amendments. We want a framework that attests to accountability.

The report highlights some serious concerns, none of which is addressed by the legislation. All the problems highlighted by the committee with the way in which royalties for regions funds were being administered and spent prior to the introduction of the legislation will continue after the legislation has been passed, unless constraints are put in place. The committee also found that the funds should be spent on sustainable projects so that whole areas, rather than single localities, benefit in a collective, cooperative and sustainable way. This will ensure that the funds have better value in the long term and that more people benefit from them. Funds should be spent in a way that encourages long-term sustainability, rather than continuing with the current ad hoc and unsustainable method of allocation.

*Sitting suspended from 1.00 to 2.00 pm*

**Hon ROBIN CHAPPLE:** Before the lunch break I was referring to some of the findings in the twentieth report of the Standing Committee on Estimates and Financial Operations. The committee found that there were problems with what the royalties for regions funds were to be spent on. It indicated that the funds should be spent on capital rather than recurring items so as not to deplete the overall value of the regions. The value of the regions is depleted when resources are removed. If royalties that are returned are not spent on capital, the value is ultimately eroded. Although that is certainly a finding of the committee, as I have already articulated, successive capital works just bring on a recurrent cost to local government. Unless they have some recurrent funding through some sort of budgetary allocation, local governments will find themselves with problems. The Standing Committee on Estimates and Financial Operations also found that spending should occur in a way that ensures the aims of the royalties for regions policy are fully met. Again, some of the Greens (WA) proposed amendments to the bill are designed to ensure that the royalties for regions money hits the deck where it is needed and for the purposes identified.

The proposed legislation still does not require that the funds must be spent in a coordinated or sustainable way. Sustainability for the regions in the long haul is something we are very passionate about. There is still no requirement that the funds be spent on capital, although I gathered from Hon Wendy Duncan’s comments previously in answer to a speech I made during an adjournment debate, that is where almost all the money will be spent. I stand to be corrected by the honourable member if that is not the case—and I welcome such direction of the funds. The bill does not require that funds be spent in a way that addresses the aims of the royalties for

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regions policy, and no guidelines or even requirements whatsoever are provided for how the money is to be spent. The committee found also that the funds were being spent without any key performance indicators by which to assess the appropriateness of the spending or indeed the success of the programs in general. No cost-benefit analysis has been undertaken to assess the merits of funds spent. Indeed, there are no mechanisms at all for assessing the success of the policy or the effect of the funds spent. In terms of what we want to see for the regions, it is imperative that those checks and balances are in place. The lack of accountability goes further, as was identified in the standing committee report. Under the legislation, the minister has total discretion for the spending of the funds and is accountable to no-one. We need to look beyond the terms of this government and of the National Party, the Greens or anyone else who currently is in this place. If there is no accountability for a funding arrangement, as we are finding with the WARR account, we could end up ripping out all the royalties for regions money and, by stealth, moving it to other areas.

I refer to problems due to the lack of correlation between spending and the actual RFR policy. The standing committee found that the bill contains no requirements for the funds to be spent on new initiatives rather than existing initiatives or infrastructure services to which the regions would already be entitled. This is where I, personally, start having a problem with this process, because the hospitals in those towns I was talking about—Tom Price, Paraburdoo, Wyndham, Kununurra, Halls Creek and Derby—at the top end of the state, where most of the royalties are generated, are suffering a lack of staffing. I would like to see the hub-and-spoke mechanism that was established under the Labor government removed, and, to a degree, those regional hospitals regain the status they had in the past. The lack of accountability goes further than that, as identified in the committee report. The committee found that there was no requirement that the funds be spent on new initiatives rather than existing initiatives or infrastructure services to which the regions would already be entitled. This was promised when royalties for regions was introduced.

The royalties for regions policy that the National Party rightly went to the electorate with prior to the last election consisted of just one or two pages. Not a lot was spelt out in that proposal. It was a one-page document, with a map on the other side. It was not very explicit about where the \$675 million was going to be spent. The National Party has come up with several plans since then in order to break down the different sections; and also a plan in terms of ideas where money could be spent. I would like to see royalties for regions funds go towards fixing up the problems of regional communities in terms of their service provision rather than just capital works.

The Minister for Regional Development said the royalties for regions funds would be spent to assist the Indigenous population to overcome economic disadvantage, but there is nothing to suggest that money was, or had to be, spent on Indigenous issues. There is nothing in the legislation that identifies that. Given the paucity of services and, indeed, the condition that many Indigenous communities find themselves in in the Mining and Pastoral Region, which I represent, I felt that was a significant oversight. We need to remember that in the Kimberley, Indigenous people make up almost 50 per cent of the population, yet there is nothing in the royalties for regions legislation, as far as we can see, for them.

Under the proposed legislation, there is no requirement for the funds to be spent on new initiatives. There is no requirement that the funds not replace existing funding to which the regions were already entitled. In the briefings we had, it was clear that when we asked the advisers how, in three or four years' time, we could identify what was genuinely royalties for regions and what was just a replacement of an existing budgetary allocation, they said it was going to be very difficult to identify. I do not know what we can do to fix that—that is, to ensure that we have a clear separation. These comments are mindful of a future government that may have no love for or interest in royalties for regions, and it might simply move a lot of existing budgetary line items into that royalties for regions area and say, "We've still got the royalties for regions package", but the regions will get no more. I do not know what we can do about that. It is certainly a concern into the future.

**The DEPUTY PRESIDENT (Hon Jon Ford):** The member might need to be made aware that his voice fades away when he turns away from the microphone. It is important for posterity that his words are recorded.

**Hon ROBIN CHAPPLE:** Thank you, Mr Deputy President. I should have known better. I was having a really good dialogue with the honourable member next to me!

There is no requirement, as far as we could see, to spend the funds on Indigenous communities. In that regard, I will move a number of amendments standing in my name on the supplementary notice paper. I am aware that Hon Ken Travers will also move some amendments during the committee stage. I will quickly go through our proposed amendments to articulate why we will put them. The first is to insert into the objects of the bill the words —

and to encourage investment in environmental protection and renewable energy generation,



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It is important to include those words because they outline sustainable projects; these are long-term projects for the future of the community and the area.

The second proposed amendment seeks to insert after “Treasurer’s concurrence” in clause 9 the following words —

and having reasonably considered the advice of the Trust

That will ensure some definite checks and balances in that regard. I expect that the majority of these proposed amendments will be teased out during Committee of the Whole. The amendment that I really want to turn to at the moment relates to proposed section 9(3), which reads —

At least 30% of the money spent out of the Fund in each calendar year must be spent on or in relation to projects or causes that —

- (a) benefit or protect the environment; and/or
- (b) relate to the generation of renewable energy.

The other day I had an incredibly good presentation from a corporation about some solar thermal plants it is looking to put into the Pilbara region, and I had a great discussion with the Western Australian director of that project. Such projects will benefit the regions in the long haul, and also start moving sustainability in the right direction in the Pilbara region. I will talk to the Pilbara regional councils about this project—not articulating the particular company but the philosophy behind that.

The Greens (WA) want to ensure that some regard is given to Indigenous people in how we move forward with this legislation. I am really concerned that, although being an avid supporter of royalties for regions, neither the checks and balances nor indeed the constraints are in place to give me the confidence to know that the regions will genuinely in the long haul benefit from this program. Although we support the provisions of the royalties for regions program, it will be incumbent on the government and/or the National Party to accept some of the amendments we put forward in terms of fiscal responsibility, openness and transparency, and the checks and balances needed with this legislation. If that is not to be the case, we may find ourselves in a position in which we cannot support the premise. Although we like the idea and have argued for it for a long time, to have an open cheque book is not our idea of good fiscal management. In thanking Mr Deputy President for his indulgence, I take my seat.

**HON KEN TRAVERS (North Metropolitan)** [2.19 pm]: I rise on behalf of the opposition to formally advise the house that we will be supporting the Royalties for Regions Bill 2009. As has been mentioned many times before, we fully support the principles that underpin and underlie royalties for regions. I will go through what we believe some of those reasons are and why we support it.

I think it is probably best summed up in the words of some of our country members on the Labor Party side of politics—members such as the Mick Murrays of this world and the Peter Watsons of this world—who have strongly represented regional seats for some considerable time and who were returned at the last election in tough contests and have fought very hard within a government process to get significant funding and investment in their local communities. The member for Albany, Peter Watson, accurately summed up this legislation when he said that he fully supported the royalties for regions program—I have heard him say this many times—that royalties for regions is a great idea and has been very well accepted in the regions but that he has some concerns about the sustainability and the transparency of the legislation in which this program is laid out. It is in those areas, as we go through the committee stage, that the opposition will try to improve the legislation. We all agree on the principle; it is matter of getting into the detail so that we ensure transparency and sustainability.

The long title of the bill says that this is an act to provide for the operation of the royalties for regions fund and establish the Western Australian Regional Development Trust, and for related purposes. It is fair to say that most members in this place recognise that it is a lot more than that. In fact, clause 4 sets out the object of the act, which is to promote economic, business and social development in regional Western Australia through the operation of the fund. As is normally the case in these matters, a lot more guidance about some of the underlying principles in the bill can be found in the second reading speech, and I will come to that shortly.

I thought that in this debate it would be worth discussing the issue of royalties. I do that as a way of identifying just how important they are and the significant funding commitment that is being made. We often hear that royalties for regions will mean that 25 per cent of the royalties stream in Western Australia will be invested in the fund. However, in the numerous hearings of the Standing Committee on Estimates and Financial Operations, one of the things that I found extremely interesting was a briefing note provided to the committee by the Treasurer; in fact, it came as a surprise to me as I thought we retained only about 10 per cent of royalties in Western Australia. That briefing note highlights that actually around 30 per cent of all royalties are retained in

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Western Australia. That is broken into 40 per cent of onshore royalties that are retained—that is as a result of a recent change to that agreement—and 10 per cent of offshore royalties. As a result of the two coming together, we get an average of around 30 per cent. We should acknowledge that. If we look at royalties for regions comprising about 25 per cent of the 40 per cent of onshore royalties that we retain, we see that somewhere in the order of 62.5 per cent of the royalties that are retained by the state of Western Australia will be going into this fund. We should acknowledge that. I have heard Hon Norman Moore, in previous Parliaments, say that we retained, in those days, only 10 per cent of the royalties stream in Western Australia. It is appropriate for this Parliament to reinforce its commitment to regional Western Australia and to significant investment in regional Western Australia.

In the second reading speech it was pointed out that many people in the metropolitan area empathise with the regions, whether through business or family connections. I am sure that is the case for many members in this chamber. One of my brothers still lives in regional Western Australia, and at various times both my brothers have lived in regional Western Australia. We all aspire to ensure equity and fairness in the way money is spent and investment is made by the state government.

The second reading speech then went on to say —

The central and simple principle behind this legislation is that every person in Western Australia should be entitled to basic services and infrastructure no matter where they live—schools, hospitals, government services and recreation and sporting facilities, as well as the ability to develop business and economic prosperity.

I do not think there would be a single person in this chamber, or in this Parliament, who would disagree with those sentiments. The challenge is how we go about making sure those principles are delivered. That is the great challenge for this Parliament. One of the dangers of this bill is that it may lead us into a false sense of security in delivering services in those important areas of health and education to regional Western Australia.

I want to again touch on the twentieth report of the Standing Committee on Estimates and Financial Operations, which looked into the royalties for regions policy. That predates the bill. A number of areas highlighted—they are mentioned in the second reading speech—the purpose of the royalties for regions policy, which included building capacity in communities, and, again, I do not know that anyone would disagree with that; retaining benefits in local community—again, nobody would disagree; improving services to achieve equality with metropolitan communities—again, I do not know that anyone would argue against that; and attaining sustainability, expanding opportunity and growing prosperity. That is outlined at paragraph 2.5 on page 3 of the report. Paragraph 2.6 of the report reads —

In conjunction with the above, the central principles underpinning the overall RFR are that:

- strategic projects in regional WA are a priority;
- local decision making in regional areas is fundamental; and
- State Development administration and processes should provide for and support decision making in regional areas.

The question that we must then ask is: does this bill do that? We would all agree on those fundamental principles. The Labor Party wholeheartedly supports each and every one of those underlying principles that I have outlined.

I congratulate the National Party. I particularly believe that one of the important principles that is contained in this legislation is in the area of localised decision making, but I also recognise that is an enormous challenge, both for the local people and for us, centrally, in how we administer that. On the one hand, we want to empower local decision making, but on the other hand we want to ensure that the state's overall strategic objectives are being met. That becomes a challenge and it is an area in which there is friction. It is important that we test this bill against those principles to see whether this legislation will assist us in ensuring those principles. I think it does assist us, but there are ways in which we can improve the legislation, which we will go through later on, to achieve the objectives outlined in the principles.

One of the things that is a very worthwhile initiative within this legislation—I am not sure who in the National Party thought of this idea, but I congratulate that person—is the Country Age Pension Fuel Card. Again, I am not opposed to the argument that in the metropolitan areas of Perth we provide subsidised public transport. It has always been a challenge to provide that same benefit to people living in regional Western Australia. The Country Age Pension Fuel Card is a good program, and I am confident that that program will remain in operation in Western Australia. Many policies that are brought into being by one particular party are maintained by others well into the future. An example from one of the other portfolios for which I have responsibility is the South

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West Academy of Sport. I do not know whether we would get disagreement around this room today that the South West Academy of Sport is a great initiative. I would like to see it expand into other areas in regional Western Australia. I doubt very much that there would be a political party that would withdraw funding from the South West Academy of Sport. That was an initiative of a previous Labor government. It was a good one, and others have picked it up. The Country Age Pension Fuel Card is an example of a good policy. It is a policy that is contained in and funded under the royalties for regions package. Whether this bill is passed, I feel pretty confident that the fuel card will remain as a policy. As the shadow Minister for Transport and a person who believes in equity and fairness across the community, it assists in achieving that goal for those people in regional Western Australia who do not get the benefits.

Again, I come back to the twentieth report of the Standing Committee on Estimates and Financial Operations. The report lists at page 4 a number of the areas that the Minister for Regional Development and the parliamentary secretary, in her evidence to the committee, have reinforced. The royalties for regions policy was developed by the National Party in the lead-up to the last election on its experiences in regional Western Australia. That policy underpins this legislation. The report deals with a number of the National Party's experiences. Many of them were about the pressures being faced in the delivery of services in regional Western Australia. I accept that that was more pronounced in some regions of Western Australia than in others. Likewise, some parts of the metropolitan area were experiencing pressures on the delivery of services. That pressure varies between areas within the metropolitan area and I accept that the same applies in regional Western Australia. The committee's report states about one of the areas that was highlighted that —

The social and economic circumstances of the Indigenous population which has attracted public and government attention and led to a Bilateral Agreement between Commonwealth and State Governments to address socioeconomic disadvantage;

Again, I concur with that. One of the challenges to not only Western Australia as a whole but also regional Western Australia is to address the great disparity between Indigenous and non-Indigenous people, particularly in the gap in life expectancy. I look forward to the parliamentary secretary highlighting in her response the programs within the royalties for regions package that specifically address the disparity between Indigenous and non-Indigenous communities. All communities, both in the metropolitan area and regional Western Australia, can go forward and prosper when that disparity is addressed. It is a challenge that has faced all governments. I have not been able to identify the relevant packages, but, if they exist, I would like the parliamentary secretary to highlight them in her response to the second reading debate.

The intention of the royalties for regions funding is to increase the amount of funding to regional Western Australia over and above that which has already been allocated. The aim is to get that extra 25 per cent in royalties. However, that is about 60 per cent or 70 per cent of what is retained in royalties in this state. The aim of the program is to allocate the extra 25 per cent in royalties to regional Western Australia over and above existing expenditure. The local empowerment is, as I have already mentioned, very important, and it is something I fully concur with.

The challenge then is, if that is the agreed principle between members in this place, how do we ensure that that is occurring? The Labor Party is very proud of its record in expenditure in regional areas. Clearly, we did not fulfil the community's expectations in both service delivery and infrastructure. I acknowledge that. We now sit on this side of the chamber because we did not meet the community's expectations. I do not deny that when Labor was in power there was some significant and quality expenditure and some towns are very different today than what they were eight years ago. I am talking about towns from Kalumburu to Esperance.

One of the major projects that was started and funded by the previous Labor government, although it was opened by the Liberal-National government, was the Perth-Bunbury highway. That highway was the result of a lot of hard work by the previous Minister for Planning and Infrastructure. I have been told that that highway has already had a dramatic impact on Bunbury's economy and visitor numbers. Bunbury is a different place today from what it was eight years ago.

The town of Collie has been turned around in the past eight years. I am not sure whether the member for Collie-Preston would want me to tell this story. However, he bought some land because he thought it was being sold too cheaply. He refused to allow it to be sold so cheaply because the town was going through the doldrums. He made a significant benefit out of that land, although that was not his intention. He wanted to support and improve his town. The work that he has done, not only in Collie but also the surrounding areas, has led to a turnaround.

The town in which there has been the greatest change is Geraldton. I remember visiting Geraldton when we were last in opposition. It had lots of expectations placed on it. At that time there was talk about the Kingstream

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project, but it did not eventuate. The psyche of the town was that it was a negative, downbeat town. The people of the town were negative. If a town can be collectively depressed, Geraldton was a good example at that time. It had a beautiful asset in the foreshore, but it could not be reached. The town had turned its back on one of its great assets. Members should visit Geraldton today. It is a different place both physically and mentally. It is moving forward. It has goals and ambitions. A lot of people can take credit for that.

**Hon Jim Chown:** And a very active local member.

**Hon KEN TRAVERS:** I challenge the local member to do the job that the former local member did in terms of investment in that town. It did not hurt to have a Premier who was a born and bred Geraldton boy.

Shane Hill can be very proud of the work he did in Geraldton. He was involved in so many projects. The former mayor should be given some credit as well, because she was heavily involved in turning around the mood, as well as the physical infrastructure, of the town.

Members mentioned the member for Albany. The town of Albany is different today than it was eight years ago and that can be attributed to the local member. There is more infrastructure and investment in that town. Across regional Western Australia there are more police stations and hospitals.

A member interjected.

**Hon KEN TRAVERS:** I can advise members that the Joondalup Health Campus was built to have 25 000 people go through the emergency department a year. It is now the busiest emergency department. I argue that on a demand basis, Joondalup Health Campus should have been the number one priority. The last Labor government rebuilt every health facility in the Kimberley before it got on to rebuilding the Joondalup Health Campus. This government is continuing on the path of rebuilding that health campus. There were numerous health programs.

I am happy to go through the budget to address a number of health programs that have been either de-funded or had their time frame pushed back. It is one of the great challenges. I refer to the uniform tariff, and in terms of economic incentive in regional Western Australia the Labor Party made sure that it remained in place in Western Australia. That is going back eight years in history, but it is something that the previous Liberal government—I think the current Premier in fact—was very keen to see gone. Our federal Labor counterparts need to take some credit for other expenditure in the regions, as they are spending significant amounts of money in Western Australia. The vast majority of money for many road projects in places like Port Hedland is coming from our colleagues in the federal Rudd Labor government.

We are very proud of all the work we did right across regional Western Australia when we were in government: new health services, new schools, new education facilities, new police stations, new hospitals and other government infrastructure. In the same way as I have given credit to those on the other side for some of their programs, I hope they will have the decency to acknowledge the significant expenditure in regional Western Australia in the past eight years. But that is the past. The challenge now is to move into the future and to make sure that the work continues. That is what this policy is about: to make sure we continue that investment in regional Western Australia. Again, it will be the challenge for all of us to ensure that it is occurring as a result of this royalties for regions policy.

As I said earlier, one of the reasons for this bill is to put more money into the regions. It is also about local empowerment. However, the questions we must ask ourselves are whether this money is an addition and at whose expense it will be spent. We can create a local government fund and fund it, but we need to be sure that it is not created at the expense of regional health services, regional education facilities and regional law and order. Those are the concerns I have about the way this legislation has been drafted. I do not know whether the bill gives us comfort that the money will go into programs in regional Western Australia, such as the local government fund, at the expense of those services. I will refer in more detail to some areas that have been de-funded at the same time as the royalties for regions funding has been put in place. We need to make sure that the overall process is accountable and that it is achieving strategic outcomes, and not just central strategic outcomes. We need to ensure that money is being spent locally on projects that are agreed strategic outcomes for those local communities. We must make sure that mechanisms are in place to ensure that is the case and that the money is not spent on a whim.

I am sure the parliamentary secretary has spoken to staff at the Shire of Capel. I was surprised to see comments about the shire in the newspaper the other day. The member for Collie-Preston has for a long time told me about things that need to be done in the Shire of Capel. I have visited that area and have noted its need for projects such as a layover area for children to safely transfer from one bus to another. From my own experience, plenty of projects like that could be funded. I was therefore surprised at the way the article was written. I do not know

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whether the parliamentary secretary has spoken to people at the Shire of Capel, but I would be intrigued to know what the true story was.

**Hon Col Holt:** I think the CEO was surprised.

**Hon KEN TRAVERS:** Yes, and I have to say that I found it a little surprising. From my own experience and from the constant words of Mick Murray in my ear, I know that there is plenty to be done in that area. I would be very surprised if the local council was wasting the money and just making up things to spend it on. If that was the case, I am pretty sure the local community would get rid of the council pretty quickly.

There is no doubt, when we are talking about the money that this bill refers to, that the decision makers are accountable for their decisions. Again, accountability is the sort of measure that we need to make sure is incorporated in this bill. It is also important to think about how we can ensure that the various groups in regional Western Australia are represented. I do not know that we will achieve our aims if that process is not inclusive and we just replace the decision makers of Perth with local decision makers. Again I come back to the points I made earlier about Indigenous communities and their active participation so that they are part of that development—if it is about local empowerment—so that they are involved as part of locally empowering the community.

I have been hearing a little about the consensus approach of the Greens (WA). Perhaps there is something for us to learn when we are talking about local empowerment and perhaps we can benefit from thinking about the consensus approach, as long as it stays on the straight and narrow and does not get railroaded. There is something about that, but again we should not allow an active majority to impose on an active minority, whether that be the active majority of central Perth or the active majority of a regional centre of Western Australia. Those are some of the areas that, when considering a bill like this, we need to consider and feel challenged on.

I come back to the question I asked earlier. If this bill is about providing additional money to regional Western Australia, can we be sure that the additional money will go there, or will we be creating, by another sleight of hand, a fund like the local government fund or the regional infrastructure fund? By that question I do not mean any ill will. My view is that National Party members of this chamber would be seeking to get extra money. The Labor Party's regional members have always strongly articulated the need for more money for the regions. However, the question we can ask as a Parliament is whether that will actually occur.

I encourage the government, if it is genuine about proving that this bill is about providing money over and above existing expenditure, to do what I have done in the past as a member of the Standing Committee on Estimates and Financial Operations; that is, I have tried to determine the baseline of how much money is spent in regional Western Australia. A couple of years ago the committee asked questions of every agency that came before us, but it was very hard to establish that baseline figure. The infrastructure side of it—or asset investment as it is called now—is a little easier to determine, but it is a lot harder to work out how much is being invested into ongoing service delivery. In many cases more money is being invested in regional Western Australia but, because of the additional costs involved in service delivery, it is hard to determine whether the same level of service is being provided. Again, I think the challenge for us is to think about service delivery, and not just about simple dollars and cents. One challenge is to identify the service delivery aspect and whether the services are being delivered at the same standard and level to everybody across Western Australia. I accept that a remote community will never have access to a tertiary hospital within five minutes. However, the Royal Flying Doctor Service can get to people quite quickly, pick them up and bring them into the city or to the nearest appropriate hospital. People in regional Western Australia would acknowledge that.

Even my brother who lives in Albany—probably a better town than most—acknowledges that there are areas of regional Western Australia where he cannot get the same level of service delivery as people get in the metropolitan area. However, he trades that off because of the other benefits he gets from living in a town like Albany. I see his kids and I reckon they have benefited from growing up in Albany. There is therefore a trade-off for living in regional areas, but people make that choice and they are happy to make that choice. There is a need, however, for a reasonable level of service delivery, and that is what we must focus on. As I say, capital works is an area about which we can get some idea of whether the funding is there.

In the last state budget, which allocated the funding to the royalties for regions fund that this bill establishes, some projects in the regions were de-funded at the same time as other projects were provided with funding. Under the heading “Attorney General” on page 131 of budget paper No 3, more than \$25 million was taken out of the budget for the new Carnarvon police and justice complex. Under “Health” on page 138, relating to decisions affecting asset investment, money was taken out of the redevelopment of stage 1 of Albany Regional Resource Centre in the short term and pushed back into the out years. Members could say that the money is still there in the out years. However, that means that the project waiting behind the redevelopment of Albany Regional Resource Centre now has to wait until that project is cleared. Pushing the money back, therefore, is the

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same in many respects as taking it out. Money for the Busselton integrated district health service was taken out of the budget and the project was pushed back by three or four years. Funding for the Harvey District Hospital redevelopment and for the Esperance Integrated District Health Service has been pushed back over the forward estimates. They are just some examples. Some of the money that was to be used to invest in power generation for regional Western Australia has also been taken out. Funding for the state fleet has been reduced. I will be interested to see how much of the 10 per cent reduction of the state's motor vehicle fleet comes out of regional Western Australia. I hope it is very little. I recognise that if the cars of government officers in regional Western Australia are taken away, the government might as well take away the officers from the town. Most of those officers service not only the immediate town, but also the surrounding area. If they do not have a motor vehicle, they might as well not be there.

I have a keen interest in the transport portfolio and follow it closely. I am more than happy to debate this topic with members who care to dig up the figures on what occurred during the eight years that the Labor Party was in power. During the whole time when we were in government, at least 50 per cent of the Main Roads budget consistently went into regional Western Australia. What happened in the first budget of the Barnett-Grylls Liberal-National government? How was the money allocated between the metropolitan area and the rural areas of Western Australia for the new transport projects that were introduced at the time of the last budget? I was absolutely amazed at the figures. I will break them up. It is often hard to determine how much money allocated for minor works goes to regional Western Australia and how much goes to the metropolitan area. Without getting the bureaucrats in from Main Roads, it is impossible to say. That is an area for which the money is unable to be allocated between regional Western Australia and the metropolitan area. I would hazard a guess that it is probably divided equally. However, I refer now to those areas where the allocation of funding can be identified. The total cost of transport projects for the metropolitan area that were introduced into the budget for the first time in the last budget was \$773 978 000. On the previous basis of a 50-50 split, we would expect that regional Western Australia would have received a similar amount, but it did not. It received \$209 793 000, and there was \$542 000 in the unallocated pool.

It is even more interesting to look at the projections of how that money will be spent over the forward estimates. In the first full budget of the Liberal-National government, by the year 2012-13, which is the last year of the forward estimates, no money is proposed to be spent on any of the new projects in regional Western Australia—not a single brass razoo. That is not because the projects will be completed. By that stage, of the \$209 million, about half of the projects will be completed and just over \$100 million will have been spent. There will be \$100 million worth of works to be completed, yet there is no additional money for them in the forward estimates. On the other hand, more than \$200 million will have been spent in the metropolitan area, including \$92 million in the 2012-13 financial year. What does that mean in practical terms for regional Western Australia, one might ask? I spent a very pleasant day with the member for Warnbro on a trip to Toodyay recently, and I loved it. It is one of my favourite places in regional Western Australia.

**Hon Wendy Duncan** interjected.

**Hon KEN TRAVERS:** I will make sure that Hansard recorded that the parliamentary secretary said that Toodyay is part of the metropolitan area!

**Hon Wendy Duncan:** I did not say that.

**Hon KEN TRAVERS:** I think that is what the parliamentary secretary said.

**Hon Wendy Duncan:** I said "outer metropolitan area".

**Hon KEN TRAVERS:** The outer metropolitan area! The next time I go to Toodyay, I will be sure to point that out to people. Toodyay is a very popular place among senior members of the Liberal cabinet. Many of them have properties there.

**Hon Robyn McSweeney:** I don't.

**Hon KEN TRAVERS:** No, but many of them do. Many members before me have pointed out the inequities of the local government fund and how it is allocated. I will discuss that later if I have time. Port Hedland gets \$111 per head from the local government fund while Toodyay gets \$229 per head. Toodyay is getting extra money. Toodyay acknowledges that the last Labor government was ready to fund stage 1 of the Toodyay bypass proposal. However, the community was upset about the route and there was some internal debate within the community before the project was ceased. The Minister for Planning and Infrastructure at the time, Alannah MacTiernan, said that the government would wait until the local community had sorted out where it wanted the road to go. It is fair to say that the community acknowledges that the outcome was of its own making. It has now identified, secured and fenced the route and the project is ready to proceed. There is increasing pressure to begin work on the Toodyay bypass. When the current Minister for Transport was the shadow Minister for Transport,

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he consistently gave the community his support for the proposal and committed to it. I believe that the Premier also spoke positively about supporting the Toodyay bypass proposal.

**Hon Wendy Duncan** interjected.

**Hon KEN TRAVERS:** I think they want the bypass so that Hon Max Trenorden can drive around them!

This proposal was supported. It was unfortunate that when the money was offered, the community was disputing the route. That was a case of local empowerment. It was the local community's decision to have an internal debate about it, and it is good that the community has resolved the issue. At the time, the estimate to fund stage 1 of the Toodyay bypass proposal was about \$6 million. As I said, the shadow Minister for Transport at the time gave the community a commitment, in front of others, that that would be one of his priorities when he was elected and became Minister for Transport. We could allow for a cost escalation on the proposal from about \$6 million then to about \$10 million today. Even so, the government is spending \$10 million on funding the planning stage—nothing more; not a single bit of tarmac has been laid for the Roe Highway extension. That money could have been spent completing the Toodyay bypass proposal. That would have come out of some of the money that I talked about earlier. Roe Highway is one of the projects that the Barnett-Grylls government is spending on Perth roads, rather than splitting the funding for roads 50-50 between regional Western Australia and Perth. The government could have spent the \$10 million on planning of Roe Highway—some would argue that it is being wasted—on building, not planning, the Toodyay bypass and fulfilling the commitments members opposite gave to the people of Toodyay about the bypass proposal. At the end of the day, it will be interesting to see whether the people of Toodyay benefit from getting \$229 a person compared with the \$111 that the people of Port Hedland are getting if the Toodyay Road is not funded because the government has a skew towards putting money into metropolitan roads, not regional roads. Many other roads fit into that category.

I have spoken, and I will continue to speak, in this place about the \$25 million election commitment of members opposite to upgrade the Collie Coalfields highway. I challenge members to tell me of a road in Western Australia that is as fundamental to the production of royalties for this state as the Collie Coalfields highway. Other roads in the north west are of equal importance, but the Coalfields highway runs right through the middle of a royalty-producing region of Western Australia. The Liberal Party gave a specific commitment at the last state election to fund that road. At the same time as it was establishing the royalties for regions program to supposedly increase the expenditure that was going into regional Western Australia, the \$25 million committed to funding the Coalfields highway was taken out of the budget and taken away from the people of Collie.

**Hon Mia Davies** interjected.

**Hon KEN TRAVERS:** As has been said in this place many times before, although we had a global financial crisis, if we look at the budget, we find that the income stream to the state government was not declining anywhere near as significantly as expenditure was increasing. There was a massive, unsustainable increase in expenditure, much of which occurred in metropolitan Perth because of the election commitments of the Liberal and National Parties. One must ask whether the 13 per cent growth in expenditure is the true figure because we have now found that \$25 million was pinched from the future expenditure funds of the health department to prop it up last year. That will not show up in the books. I suspect that last year's growth in expenditure was more than the 13 per cent that was contained in the budget papers. That was the problem, not the global financial crisis. The government's policy might be about additional funding over and above existing expenditure, but taking with the right hand and giving with the left hand is not about increasing expenditure. If its argument is that it has to pare down because of the global financial crisis, that would be a reasonable argument, except then it would have the problem of continual blow-outs in expenditure because it could not manage and control its expenditure.

I think I have pretty accurately demonstrated that country roads were not given priority because, for the government to fund royalties for regions, it had to take funds from the road project. If it was because of the global financial crisis, the government should also have taken some of the funds out of the metropolitan area. That is not what the government did. I can suggest to Hon Mia Davies a project to cut tomorrow! I am referring to Roe Highway stage 8. I promise her that I will not even criticise her and her government for doing it; I will congratulate her for doing that. If that project has to be cancelled for responsible economic management purposes, I will be the first person to stand in this place—the minister should make the announcement now—and congratulate the minister. That is the fundamental problem that Hon Mia Davies will have with her colleagues on the other side of this chamber in ensuring that the principles that it outlined are delivered. I want to work with her colleague Hon Philip Gardiner on the Estimates and Financial Operations Committee to ensure that there is compatibility and equity across service delivery in regional Western Australia. That is the fundamental issue that we should all address, regardless of the area we represent in Western Australia. If we do not achieve that as a community, we will pit community against community and groups of communities against other groups of communities. We do not need to build coalitions and say, "Let's look after my group at the expense of all the

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other groups. So long as we get 50 per cent plus one of the groups together, we can then control all the expenditure, we can look after our own and forget everybody else.” That is not a society that I want to live in. It is not something that is good for our society. It does not create a sense of community. Regardless of whether I am in government or opposition, I am more than happy to sit down and make sure that those areas of service delivery are being met and provided for.

Unless Hon Mia Davies has any other interjections, I want to contrast and compare that situation with the road projects that are being funded by the commonwealth government in Western Australia, such as Great Northern Highway upgrade from Muchea to Wubin, including widening and overtaking lanes. I had a fun trip down there the other week to look at those projects. I accept that even when that work is finished, probably more work will need to be done on that section of road. This project will not complete it all but it will certainly make that road a lot safer. There is the Bunbury port access and outer ring-road. There are the Port Hedland roads, the upgrade of Great Northern Highway and the duplication of Dampier Highway. I am sure that the Minister for Transport will correct me if I am wrong, but I think the Port Hedland roads are costing \$190 million, of which \$160 million is coming from the Rudd Labor government. The duplication of Dampier Highway and the construction of the Mandurah entrance road, both regional roads, are occurring. The Kewdale-Fremantle port electronic messaging and closed-circuit television program is underway, although, again, I think that is one of the projects that the minister may be trying to cancel so that he can fund Roe Highway stage 8, which we are now jointly committed to getting rid of. I am happy to work with Hon Mia Davies on that one. The floodway-closure monitoring project in the Kimberley region is another regional project funded by the federal government. I think the Daddow Road grade separation has been completed and opened; again, that was funded by the federal government. I think that two of those are metropolitan projects, and the rest fall in regional Western Australia. They are all great regional projects. Again, I congratulate the Rudd Labor government for making that investment in regional Western Australia.

I hope that highlights the challenges we have in ensuring that we get equity in regional Western Australia. I would be interested to know whether we can expect to see a special air transport subsidy to assist with the air passenger services to towns such as Geraldton, Esperance and Albany and to other regional ports. I am still waiting for the Minister for Transport to tell us what the new structure will be. I am intrigued to know whether it will include any money from royalties for regions. Again, I generally accept the argument that, given we have public transport in the metropolitan area, we need to find ways of delivering equity in transport to regional Western Australia. That is one of the challenges. I suspect that if the will was there, Treasury could do a baseline study of how much money has been spent in regional Australia, particularly on infrastructure, over the past four years. If funds are not available because of the global financial crisis, we could still work out how much is going into regional Western Australia on a percentage basis. Funding for roads, one of the bigger areas of asset investment in this state, is overwhelmingly going into the metropolitan area, even though we are establishing royalties for regions. Empowerment will be great, but if at the end of the day we are empowered to spend \$229 a head in Toodyay but a \$10 million bypass is not funded, a health centre is not upgraded or desired upgrades to a school do not occur, I am not sure that regional Western Australia will be better off. I, for one, want to make sure that regional Western Australia is better off, and that there is fairness and equity. That is why, as I said earlier, the Country Age Pension Fuel Card is a great initiative, for which we should congratulate the Nationals and that we should welcome for Western Australia. That is the first area of accountability: is it over and above the current funding; is it equitably shared within the areas?

I have to be honest, I am still not convinced about the merits of the formula with this program. The Local Government Grants Commission did an awful lot of work over the years to develop a formula to try to get that equalisation process and to ensure fairness and equity in the way money is divided and in the level of service provision across Western Australia. Under this process, we have—I can only use this word—a bastardisation of the processes. The formula was not able to be satisfactorily explained to the Standing Committee on Estimates and Financial Operations. I will read out this comment that was signed and agreed to by the whole committee. Paragraph 3.21 on page 12 of the standing committee’s twentieth report states —

The Committee notes, however, that the addition of the population caps component distorts the horizontal equalisation process. The Committee is not certain if this is favourable or not as it received no evidence to support the benefit of the caps.

The way this royalties money is being administered is of concern. As I say, the Labor party supports the principles, but, like all these things, we need to examine the detail to ensure the money is being distributed fairly and we are achieving our aims. Is one local government getting favouritism at the expense of another, or at the expense of other important projects in their communities?

I am happy to go into my concerns in more detail during the committee stage. We have a number of amendments that we believe will help make the operation of this bill more transparent and accountable. We are seeking in



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those amendments to ensure that the principles upon which we have been told this bill is based are upheld. I have not heard anyone in this chamber argue against those principles. There seems to be full agreement on the underlying principles of what we are hoping to achieve. Again, I hope the government is prepared to consider some of our amendments because they are an important part of that process.

Local empowerment is good, but it should be done in a proper strategic way. One of the amendments I will move will be to ensure that the money local governments spend under this program is spent in accordance with their strategic plans. I refer to the South West Development Commission's "Strategic Vision 2005-20". I have never heard any complaints that this plan is not representative of the wishes of the people of the south west. I would be surprised if some of those strategic priorities change much under the current government. Other such documents should be developed, and the money spent at those local communities should be required to fit within these strategic plans. That is what I hope to achieve with our amendments. If we do not do that, we are doing everyone a disservice—quite apart from the fact that it means the money we spend on these documents is wasted. I accept that these sorts of documents should be developed at that local level. There must also be an expectation that we work together to deliver on that. As an opposition, we will seek to ensure that local communities are empowered to spend the royalties for regions funding on programs, not in an ad hoc way, but in accordance with long-term strategic planning and long-term commitments developed locally.

The other thing we must all be very wary of—we have already seen it through the estimates and financial operations standing committee process, and I expect we will continue to see it—is regional projects dropping down the list. We had a debate recently in a committee hearing about funding for investment in, I think, Kemerton Industrial Park. Agencies' requests will be pushed down the list. That is a danger we must all be wary of. Regional projects will be pushed down the list and metropolitan projects will be pushed up so that they are funded through the cabinet process and cabinet will say that royalties for regions can fund the regional projects.

**Hon Robin Chapple:** Exactly.

**Hon KEN TRAVERS:** We have already started to see evidence of that across government agencies. Regional projects are being taken out of the equation. I hope that the Collie Coalfields highway election commitment will be honoured. We wonder why funding was pulled out and wonder whether it will be reinstated as a royalties for regions program. That is the sort of thing we must be vigilant about. If we do not ensure this legislation provides protection from such things, we will not have achieved the principles that are outlined in the second reading speech—those principles were given to the Standing Committee on Estimates and Financial Operations when it met—we will not have improved the level of services and we will not have guaranteed access to facilities that is measurable across metropolitan Perth and regional Western Australia.

With those comments, I am happy to indicate that the Labor Party wholeheartedly and unequivocally supports the bill. It contains some good measures and specific policy measures. I congratulate the government for introducing them. I am sure we will see them remain in place for a long time. But our challenge in committee will be to ensure that those principles and this legislation will achieve what we, hopefully, will agree is the policy of the bill. In doing the hard work, which is scrutinising the detail of the bill, we can ensure that the bill delivers what regional people in Western Australia are asking for and what we in this chamber agree they deserve.

**HON MATT BENSON-LIDHOLM (Agricultural)** [3.17 pm]: As have my learned colleagues, I rise in support of the Royalties for Regions Bill 2009. To start with, I want to look at some of the issues raised thus far. I have no intention of speaking for any great length of time, so I have gone to the trouble of highlighting some of the more significant issues that have been raised and with which I have some concern. I would like to put them on the record. You, Mr Deputy President (Hon Jon Ford), talked a lot about your experience in your capacity as the previous Minister for Regional Development and the achievements Labor managed under your direction. We started from a particularly low base, and your achievements were very significant in that context. I suggest that a lot of the current government's achievements in no uncertain way reflect nothing but the good things you did. Mr Deputy President, you mentioned the concerns raised in the Auditor General's report. I certainly agree with the need to put in place appropriate policy first. You talked also about concerns for accountability, as have other speakers. Another issue I would like to highlight is the spending of money as royalties for regions that would have come through the normal consolidated revenue fund and budgetary process. Hon Ken Travers certainly has concerns and frustrations relating to sustainability and accountability. He mentioned the fine work of country Labor members like Peter Watson and Mick Murray. I can assure members that all country Labor members are totally supportive of the notion of royalties for regions.

Hon Ken Travers also talked about the friction between local decision makers and the state's overall strategic directions. There certainly would be an issue, as far as I am concerned, in that regard. Hon Ken Travers also talked about the issue of socioeconomic disadvantage. That is another issue I intend to pick up on. He mentioned

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that there did not appear to be any real programs in relation to Indigenous Australians. That certainly would appear to be the case in the Agricultural Region.

When we talk about royalties for the “regions”, or the “bush”, it certainly has a long history of disaffection with metropolitan Perth. I assure members that one of the main reasons that my family moved to Perth in the early 1950s was the issue associated with education—the fact that my father did not believe that education, to the standard that he deemed appropriate, was possible on the south coast. As time goes by, we can see that the rural urban drift is something that has been with us for many, many years. It is understandable that parents would send their children to Perth for educational reasons, for health reasons and, generally speaking, because of a lack of services in the bush. It is a fair statement to make that governments in the past have often neglected the bush. On that score, it is to the credit of the National Party that it has cashed in on the parochialism in the bush and has come forward with a program that stands to deliver a lot.

As a regional member, a former teacher administrator and a businessperson associated with wine and wine tourism, for starters, I am constantly frustrated. I was even frustrated with my own government in previous years, with projects that I deemed significantly more appropriate than some of my ministers did.

**Hon Simon O’Brien:** Which projects were they? Can the member give us a taste for it?

**Hon MATT BENSON-LIDHOLM:** It is interesting the honourable member should ask that. One of the projects that I am very proud to tell the house about related to the Albany waterfront project and the hard work of Peter Watson. That is a project that has moved on very rapidly in recent years. I could also say that in Albany one of the reasons perhaps that the former Liberal member for Albany lost his seat was the fact that sometimes governments of all persuasions think they have a safe seat, do not do a heck of a lot there and consequently lose that seat. I think the work that the former government did in places like Geraldton and Albany would seem to indicate that previous Labor governments at least have addressed some of those areas. I have had close dealings with both towns for a number of years now. I will not say we dealt with all the issues, because obviously had we addressed all the issues maybe we would not be on this side of the chamber.

**Hon Simon O’Brien:** Good job the Labor Party never took Fremantle for granted then!

**Hon MATT BENSON-LIDHOLM:** One thing that does necessitate some acknowledgement is the work the Labor Party did in the area of education. I know, Mr Deputy President (Hon Jon Ford), in the Mining and Pastoral Region, the work that we did in respect to the Fitzroy Crossing District High School indicates the enormous contribution we made in the area of education; as also happened with the Mount Barker Community College, something that I had a significant amount to do with. Education is certainly a big regional issue for Labor. I would point out to members it is very much a big plus.

I will quote from the Minister for Regional Development’s reply to the second reading debate. I agree with him when he said —

I believe all members would agree that royalties for regions presents a unique opportunity for us to do better in delivering infrastructure and services to regional Western Australia.

I acknowledge the work that the current government has done in the areas of the Royal Flying Doctor Service, the patient assisted travel scheme and boarding away from home allowances for schoolchildren. It goes without saying that as a regional member of Parliament I support those initiatives a lot.

There are a couple of other issues that I want to focus on. To be able to focus on those two issues, I will refer to the minister’s second reading speech. There are two quotes from the minister I would like to make mention of. The first one reads —

The central and simple principle behind this legislation is that every person in Western Australia should be entitled to basic services and infrastructure no matter where they live ...

Secondly, the minister said —

It is about people being encouraged to live and grow within their communities, to bring up families without having to move to cities for education or health services, to become long-term residents and to drive and plan the future of their own communities.

I suppose that is exactly the point Hon Ken Travers was trying to make in respect of Indigenous communities. On that point may I say—this is well documented—that royalties for regions is basically about physical and social infrastructure. There are priorities and directions particularly in respect to those two areas. I would like to quickly make mention of them.

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The first issue I want to talk about is social infrastructure. I want to dwell on some of the points that Hon Ken Travers made in respect to Indigenous communities. In the Agricultural Region, having chaired a previous ministerial advisory council on rural and remote education, let me inform members that there are significant issues associated with communities anywhere between Kalbarri and Bremer Bay. Education is the very cornerstone of our capacity to move people on in this world. Without appropriate education and facilities, and encouragement and support to parents and families, this is simply not going to happen. There are many other social infrastructure issues in respect of Indigenous communities that I am sure members are only too familiar with—issues such as sexually transmitted diseases, kidney failure, type 2 diabetes, drugs and alcohol; and a relatively recent issue of suicide in some of the great southern towns. These issues need a very integrated approach.

Indigenous issues such as these are not solved overnight. As an example, the alcohol issue is often in the news. Right now there are significant problems in the town of Narrogin. Alcohol is put as one of the main causes of the issues that we have there. I know the current minister in charge of this area has put in place, in some north west towns, the idea of a dry town—either no alcohol, or limited supplies of full-strength alcohol. That issue by itself is not going to solve the problem. I see a role for royalties for regions under the banner of “social infrastructure changes”. Simply saying “Let’s put a ban on full-strength alcohol” or “We’ll have dry communities” is not going to solve the problem. It needs a devised and well-thought-out approach; otherwise we will still have significant issues in these communities in 30, 40, 50 or 100 years. My point here is that we need to empower people in communities, under the banner of social infrastructure programs, as to the way that they could possibly go.

One of the other programs that has been mentioned by economic rationalists and the like is that we might even consider moving people from their traditional communities to nearby towns. I regard that as tantamount to genocide. I will also mention some things in the minister’s second reading speech that support my ideas in this sense. The minister stated —

The royalties for regions fund will consist of the following programs: the country local government fund; the regional community services fund; the regional infrastructure and headworks fund; —

And, finally—this is the fund that I think affords members some sort of opportunity to effect changes, and I would like to work in whatever capacity I can as an Agricultural Region member to effect changes in social infrastructure —

and any other account determined from time to time with ministerial approval.

This particular program could offer us a great opportunity to allocate funding for social infrastructure. I know royalties for regions includes community-based decision-making programs, and the minister has a strategic approach to these sorts of things, but sometimes they do not seem to match. It is incumbent on governments to do something, certainly in Indigenous issues, under this banner of social infrastructure improvements.

I have mentioned as much as I need to under that banner. I realise that I have already spoken for 15 minutes, and I did not intend to go for that long this afternoon. In relation to physical infrastructure issues, especially in my area, there are some significant problems—even possible disasters—in the transportation of grain on trucks rather than rail. I asked a question without notice of the Minister for Transport yesterday in this general area, and I did not get the sort of response that I would normally expect from him. I acknowledge it was a question without notice, and I am sure that if I had provided that question with some notice, I might have got a different response. I ask the minister to give consideration to the issues that country communities see as we approach this grain transportation season. In years gone by, the former coalition government let us down on privatisation of the rail system. That may be seen to be a bit unfair, because, at the end of the day, the company involved decided the process was all too difficult. But, right now, with the impending movement of grain on trucks as opposed to rail, the issues will become very relevant to people living in the country towns through which the various truck convoys will drive.

I will quote from the *Countryman* of 12 November, and I will refer to a few points that give rise to my concerns about physical infrastructure spending that perhaps the government may like to take up. Right from the very outset, I acknowledge that the government’s Strategic Grain Network Committee is due to hand in its response to the minister in the near future. I trust that this report will go down the pathway of alleviating some of the problems and concerns that I and a number of other people in the nearby wheatbelt region have. The article refers to Bill Cowan, a Narembeen farmer, who said that he has been told that the line from Kondinin to Merredin will be closed. The article continues —

*Countryman* understands other tracks are also earmarked for closure—including the lines running into Merredin from Trayning and Corrigin, in addition to the Quairading to York, the Kulin to Yilliminning

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and Gnowangerup and Nyabing lines—when the Strategic Grain Network Committee ... hands its final report to the State Government in the next few weeks.

That is the understanding of these people. They are not confident about the outcome. The report goes on to say —

Mr Cowan, who carts his grain to the Mt Walker and Narembeen bins, is deeply concerned about the number of trucks that will be forced onto dilapidated country roads, putting driver safety at risk.

“It will be mayhem,” he said ...

The Shire of Narembeen confirmed it would stick to its guns, saying that it would not allow trucks carting grain between CBH terminals bigger than 27.5 metres on its roads unless there was a seven-metre seal.

The point I am trying to make to the parliamentary secretary and the government is that some sort of stream decision making in royalties for regions could be directed to this area. The article continues —

Bruce Rock farmer Kevin Jones said the Merredin to Bruce Rock road was not wide enough and grossly inadequate ...

They are more compelling reasons for going down this pathway. The next point made by the *Countryman* is —

Premier Colin Barnett last month ruled out any funding for WA’s grain rail system in time for this year’s harvest, but growers and industry are worried that might extend beyond the next harvest as the Government looks to rein in spending in the slow recovering economy.

Given the significance of our grain industry, to my way of thinking, that is significant cause for concern, and an area perhaps that this government needs to look at under the banner of physical infrastructure spending.

The government needs to address a number of issues in this bill, most of which have been mentioned by my learned colleagues before me. One issue that I mention is the re-badging and the confusion over what that 25 per cent really means. I know that matter has already been mentioned, but it is something that I want to put on the public record. The Auditor General’s report raises a number of other concerns that I do not wish, in my short time, to go into. I simply say that I genuinely support the idea of royalties for regions. Rural communities need every bit of assistance possible. We have issues with our nurses, hospitals, education, law and order, police stations that have been closed, government regional officers’ housing, and other essential services—and there are many, many more issues.

It requires a greater attempt on the part of this government to set up a meaningful strategic plan that is in sync with the community’s needs. While I am on that point—I should have mentioned this before—one of the big problems associated with social infrastructure spending is that many of our Indigenous communities may feel as though they need particular strategies put in place; however, the problem is that many do not have the capacity to lobby and find out from their local members how that might be achieved. That is an issue the parliamentary secretary perhaps could take on board.

We are not there yet—not by a long way! Competition for funds is a very big issue. Many groups have neither the resources nor the capacity to meet their needs and aspirations, and others, simply because of various decisions, do not receive the priority that they should.

I have mentioned only two areas of concern, but they are the big areas that need to be addressed by government in its rollout of royalties for regions. I trust that the government and the responsible minister, through the parliamentary secretary, can address these two concerns I have mentioned on physical and social infrastructure. If they can do that, they will certainly have my support on the whole royalties for regions rollout.

**HON MIA DAVIES (Agricultural)** [3.39 pm]: It is a great pleasure for me to contribute to this debate on the Royalties for Regions Bill 2009 and to address what it will achieve for not only the people in the electorate I represent, but also all Western Australia and, by extension, all Western Australians. I will start by reading an excerpt from articles published in *The West Australian*. I am sure that members are familiar with the first article I will refer to, but I would like members to have these comments fresh in their mind when I make my own comments. The article states —

While city health bosses are raiding funds set aside to buy desperately needed medical equipment in order to pay their electricity bills, the Barnett Government is showering country areas with money for bowling clubs, walking trails, monuments, town halls, plastic cows and golf carts.

The article concludes as follows —

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There are literally hundreds of projects being funded by Royalties for Regions and next year and the year after and the year after that, country authorities will have to come up with even more because the money will keep rolling out.

Meanwhile, in the city WHERE ALL THE PEOPLE LIVE, the Government has sent audit teams to scour for savings on paper clips while out in the suburbs police shepherd schoolchildren across busy roads.

That article was written by Robert Taylor and published in *The West Australian* on 13 November. I must give credit, where credit is due. Robert writes without fear or favour and the Nationals have certainly experienced both sides of Robert's pen. Fearless as he must be, because the mere suggestion that royalties for regions should be scrapped has earned him the collective ire of regional Western Australians. No doubt he knew this would be the result, just as we knew it. The Nationals do not need to conduct a straw poll or test the water with what might be an inflammatory article. We know that every regional Western Australian understands and accepts the value and necessity of royalties for regions. We know that because everywhere we go—at every meeting, at every field day and every time we walk down the street in towns in our electorates—people tell us.

The response to what might at first seem to be an inflammatory piece of journalism is for the most part for us relatively subdued. On the other hand, the response from the public has been a true reflection of the value regional people see in this program. Mr Gerry Burns from Carnarvon probably summed it up best in his letter to *The West Australian* on 18 November. It is titled, "You win, Robert" and reads —

I nearly fell for Robert Taylor's Political Sketch (13/11). But then I remember he does put his tongue firmly in his cheek sometimes. I mean, the citizens of Gnowangerup and Borden should not be at their arts and crafts hall or the town hall — they should be out there at the farm working to earn the money to build another white elephant monument in Perth for Robert to attend a function at.

I am sure the capitalised "WHERE ALL THE PEOPLE LIVE" was intended to get some non-person like me to respond. We in the bush should not complain.

I mean, that library at Nullagine was good enough for our grandfathers and it should be good enough for us. I can understand his reasoning, too. The residents of the regions (if there are any) have been strong enough to put up with poor amenities for so long that surely we can do so for another 40 years.

As for savings on paper clips in the city, do what we do, bend a piece of fencing wire —although it is so long since any money was available to spend on fencing that the wire is getting slightly rusty now.

All right, Robert, you win — I did respond when I should have just shaken my head and given a pitiful laugh.

There were a number of other letters to the editor on the same subject that were published that day.

I spoke about royalties for regions in the first speech that I made in this house. I said —

The real story behind royalties for regions is empowerment—communities taking control of their destiny and shaping their future. The regional grants scheme, the country local government fund and funding for community resource centres is a first step towards decentralised decision making. The notion that these communities will squander or waste these funds is laughable. They know the value of a dollar, and they know how to turn it into three.

I suggest that they probably know how to turn it into five —

At the risk of sounding clichéd, this policy has delivered hope.

I was on a bit of a roll about Obama at that point and I said —

Change is happening and progress is not far behind.

I was waxing lyrical! I went on to say —

While royalties for regions seeks to redress years of neglect and centralised decision making, it is incumbent on us to start planning the next step. We need to re-examine the way we govern the regional and remote areas of this state. Cost shifting between tiers of government, siloed approach to delivering services and infrastructure and centralised decision making has not served us well.

They were my observations in the first speech that I made to this house.

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One piece of legislation will not undo years of neglect or government bureaucracy, and we certainly do not pretend that royalties for regions will do that. However, it is pragmatic and it is a responsible step in the right direction.

I read with interest the second reading debate and the consideration in detail debate on this bill in the other place. I was fairly heartened that members on both sides indicated, just as members have done in this house this afternoon, reasonable support for royalties for region. Everyone appears to have sought to ensure that the mechanisms for accountability, transparency and good governance are built into this policy and that they are of the highest order. Presumably this is because, like the Nationals, all Western Australians desire royalties for regions to enjoy great longevity and support from this house and future Parliaments. I am sure that this is the case.

Debate interrupted, pursuant to standing orders.

[Continued on page 9405.]

*Sitting suspended from 3.45 to 4.00 pm*