

**REGIONAL DEVELOPMENT COMMISSIONS AMENDMENT BILL 2002**

*Second Reading*

Resumed from 22 August.

**MR P.D. OMODEI** (Warren-Blackwood) [12.40 pm]: The Liberal Party will support the legislation. This is a small Bill that amends the Regional Development Commissions Act 1993. In particular, section 24 is amended to validate the performance of the commissions' functions and to provide financial support in the form of a grant.

This Bill is similar to another Bill that has been dealt with by the Legislative Assembly. As a matter of fact, the third reading of the Regional Investment Fund Bill 2001 was on 13 November 2001. That Bill was introduced to the Legislative Council on 14 November 2001 and is now at the committee stage.

I understand that this legislation is necessary because of crown advice to the Government that the payment of grants by development commissions was not legitimate. Under division 4, "Financial provisions", of the Regional Development Commissions Act 1993, section 31 states -

**31. Funds of a commission**

- (1) The funds available for the purpose of enabling a commission to perform its functions consist of -
  - (a) moneys from time to time appropriated by Parliament; and
  - (b) any other moneys lawfully received by, made available to, or payable to the commission.
- (2) The funds for each commission referred to in subsection (1) are to be credited to an account at the Treasury held for each commission to be called the "*..... (name of region) ..... Development Commission Account*", and those accounts form a part of the Trust Fund established under section 9 of the *Financial Administration and Audit Act 1985*.
- (3) The funds standing to the credit of a commission in an Account are to be applied in payment of -
  - (a) interest on and repayments of moneys advanced to the commission;
  - (b) the remuneration and travelling and other allowances payable to the appointed members or members of committees of the commission under section 19; and
  - (c) any other expenditure lawfully incurred by the commission in the performance of its functions.

There is no mention in that section of funds expended for grant purposes. However, in the Regional Investment Fund Bill 2001, which has already been through the Assembly, under part 4, "Financial support", clause 11 states -

- (1) The Authority may authorise expenditure from the Fund to provide financial support for the purpose of furthering the objects of this Act.
- (2) Without limiting subsection (1), the Authority may authorise expenditure under that subsection -
  - (a) for the financial support of works that enhance the sustainable development of regional Western Australia;
  - (b) to establish and maintain funding programs that support the objects of this Act or the objects or functions of a commission established by the *Regional Development Commissions Act 1993*; or
  - (c) for the financial support of initiatives that facilitate, promote or otherwise benefit the general development of regional Western Australia or particular projects of significance to regional Western Australia.

Clause 12 deals with the form of financial support and states -

Financial support may be provided in the form of any, or any combination, of the following -

- (a) grants;

- (b) loans;
- (c) subsidies;
- (d) guarantees;
- (e) concessions on any tax, duty or charge due to the State;
- (f) any other direct or indirect financial support or assistance.

The Regional Development Commissions Amendment Bill 2002 is a small Bill that will require minimal discussion before being passed by the Parliament. It is a reflection on this Government's concern for regional development, and the incompetence of the Government and its minister in this area, that the Regional Investment Fund Bill has been in the Legislative Council since 14 November 2001. That legislation will enable grants to be paid by development commissions from either the regional investment fund or the other funds that are set up under the commissions. However, that legislation has not been progressed through the Legislative Council. One must ask why. I did a little investigation. I found that the Regional Investment Fund Bill has 18 clauses and one schedule. When I delved into the issue a little more, I found that on the relevant supplementary notice paper of the Legislative Council dated 15 August 2002, there are 24 amendments from the Government. Added to that, there are some amendments from the minor parties as well. That legislation came into this Parliament, passed through the Legislative Assembly, and was sent to the Legislative Council, where the Government has 24 amendments to a Bill that has only 18 clauses. If that is not incompetence and a reflection on the minister responsible for the legislation, I do not know what is.

The Opposition has no problem with this legislation. However, members need to understand what has happened as far as regional Western Australia is concerned. This Government has failed to recognise the importance of regional Western Australia. It is a citycentric Government that does not give a damn about the people in regional Western Australia. That is borne out by the incompetence of this Government in bringing in this small Bill to try to legalise the way that grants are paid through the development commissions.

Mr J.C. Kobelke: We are legalising the way you behave.

Mr P.D. OMODEI: I think the Leader of the House doth protest a little too much. The proof is before the Leader of the House. A Bill that gives approval for these grants to be paid legally has already passed through this House. Why has the Government brought in another Bill to give effect to legislation which deals with the same approval process and which has already been dealt with by this House? That legislation is languishing in the Legislative Council because there are 24 amendments to a Bill that has only 18 clauses. It is being handled by the Minister for Local Government and Regional Development and is not being progressed. Why must another Bill progress through the Assembly and then go to the Legislative Council to be passed? Why has the Regional Investment Fund Bill not been progressed through the Legislative Council? Why has it not been given priority to allow regional Western Australia to receive grants legally, whether they be grants that will be made in the future or that have been made in the past? The competence of the Government and its minister in dealing with regional development in Western Australia must be called into question. The Opposition has no problem with agreeing to this legislation. It is a formality that must be dealt with.

I did some research on the information provided in the estimates committee hearings about some of the structures that have been set up. I refer to the second reading speech on the Regional Investment Fund Bill. The Premier waxed lyrical about the regional investment fund and the amount of \$75 million that will go to the fund over the next four years. It is the greatest con job that I have seen in this Parliament for many a long day. It is the best smoke-and-mirrors trick that I have seen in the Parliament in the 15 years that I have been here. This \$75 million is not \$75 million: it is \$75 million over four years, it comes from a number of sources, and in some cases it has been counted about three times.

Mr R.N. Sweetman: It has been pilfered.

Mr P.D. OMODEI: The member for Ningaloo is right. A major proportion of the funds will be allocated to the regional infrastructure funding program. It is to be set up under the Regional Investment Fund Bill, which has not yet passed through the Legislative Council. That Bill will also set up the regional development scheme, which will be administered by the nine regional development commissions. The Western Australian regional initiatives scheme, which will be for non-capital works across the regions, will be administered by the Department of Local Government and Regional Development. The Bill will also establish the Regional Assistance Authority and allow for the expenditure of money from the regional investment fund to provide financial support and so on. The authority will also have powers of delegation. Clause 9 of the Regional Investment Fund Bill will allow the fund to receive moneys, including funding from the federal Government, and provide for expenditure from the fund. As I mentioned, the Bill will also allow for the transfer of agreements and funds from the Department of Industry and Technology to the Department of Local Government and Regional Development, which will administer the regional investment fund and so on. Finally, clause 11

will prescribe the financial support and the form it will take. The Bill will legitimise the allocation of grants; loans; subsidies; guarantees; concessions on any tax, duty or charge due to the State; and any other direct or indirect support or financial assistance. That Bill has been through the Legislative Assembly but is languishing in the Legislative Council. It will set up the regional infrastructure funding program and prescribe the agencies responsible for projects funded through this program.

Questions were asked during the Legislative Council estimates committee hearings, which were held from 10 to 13 June 2002. Hon Norman Moore asked the Minister for Local Government and Regional Development to provide a list of the projects that had received funding through the regional investment fund and the projects that had been allocated funding but had not yet received it. It is interesting that we are referring to funds that have not yet received the approval of the Parliament. It was presumed on 14 November 2001 and even in June 2002 that legislation would pass through the Parliament to set up not only the regional infrastructure funding program but also the regional development scheme and the Western Australian regional initiatives scheme, which is responsible for 17 projects. We have questioned the concept of the \$75 million over four years. Maybe the Treasurer can enlighten us about exactly where those funds are and give us a breakdown of where the \$75 million will be spent. We will settle for advice about the first year of the program. My information suggests that the south west will not benefit from the regional development scheme. The answers to Hon Norman Moore's questions are comprehensive. They include information about the Gascoyne Development Commission, the Goldfields-Esperance Development Commission, the Great Southern Development Commission, the Kimberley Development Commission, the Mid West Development Commission and the Peel Development Commission. A range of very good projects is outlined. It has long been the tradition of the development commissions to assist in regional development.

I find it interesting that the South West Development Commission has not received funding for any project through the regional investment fund. I find that hard to believe because I know that the Government assisted in funding the South West Development Commission to develop the hydro-pipeline in the Lefroy River at Pemberton. Does the member for Vasse recall that? A tender was let, but the commission then had to spend another \$350 000 to remove the pipeline. It is now sitting on the bank of the river. It is one of the biggest environmental disasters I have seen in years. The concept was good, but its implementation and the competence of the commission was not. In the end, the buck must stop with somebody. A one-metre black polythene pipe was lying smack down the middle of one of the area's most pristine rivers. It is one of the favourite rivers for trout fishing. Opposite the trout hatchery, one of the major tourist attractions and research facilities in Western Australia, a big black pipe ran down the middle of the river. As a result of the outcry from environmentalists and trout fishermen, it was removed. The locals wanted to leave it there and build a boardwalk over it. A tender had to be released for its removal, against the wishes of the local people. I think the Minister for the Environment and Heritage and the Minister for State Development had a bit to do with that. I do not think anybody would argue that that project was handled very well. According to the advice given in response to questions asked in the estimates committee, no projects run by the South West Development Commission are being funded by the regional development scheme. I find that hard to believe.

According to *Hansard* of 13 June 2002, four projects that had been allocated funding under the regional infrastructure funding program had not yet received that funding. It may well be that some of them have since been funded. Those projects were South West Online, the Shark Bay interpretive centre, forestry commitments and the Western Australian Tourism Commission. What forestry commitments were they? Were they the ones announced under the Government's \$123 million restructure of the timber industry? Were they counted in that funding and have they also been counted under the regional investment funding? I suspect that that is the case, hence my comment about smoke and mirrors. That is a deception of the people of Western Australia. It is a deception of the people in regional Western Australia and particularly of those poor buggers in Pemberton and Manjimup who are struggling. Another company is going down the gurgler as we speak. Western Timber Industries Pty Ltd is about to declare itself bankrupt. One of the major transport companies in Manjimup is on the point of bankruptcy, and we have this nonsense with smoke and mirrors and rubbish that borders on lies.

Mr B.K. Masters: Has the Premier visited Manjimup yet?

Mr P.D. OMODEI: I assure the member for Vasse that the Premier will be made most welcome when he goes to Manjimup and Pemberton. We will afford him all the respect he deserves.

Mr A.D. Marshall: The builders of Mandurah cannot get any scaffolding.

Mr P.D. OMODEI: The Premier probably used some of the scaffolding on the renovations to his house. I tabled a petition today. It was a nicely worded petition by the people of Warren-Blackwood. I intend to petition this Parliament until I am exhausted. Until the Premier visits Manjimup, I will petition him every day that I can get petitioners to sign petitions. I think that that request, after more than 100 weeks in power, is not too great for the Premier to accede to. I really do not know what the Premier has to offer.

Mr E.S. Ripper: What policy outcome do you want from such a visit?

Mr P.D. OMODEI: Dr Gallop is the Premier of Western Australia. During the early days of the new Government, the Premier said he would govern for all people.

Mr E.S. Ripper: Sure, but what policy outcome do you want from the visit?

Mr P.D. OMODEI: The Treasurer should let me answer the question. He is becoming a bit repetitious. The Premier recently led a trade delegation to the United Arab Emirates, which was an excellent idea. I do not want the Premier to lead a trade delegation of 91 businesses to Warren-Blackwood, but 20 businesses that would be willing to invest in the Warren-Blackwood area would be well and truly acceptable to that community. From a regional development perspective, this Government has failed dismally to aggressively approach businesses to relocate to Warren-Blackwood in lieu of the Government's disastrous decisions on forests. The Treasurer knows full well that the Government's decisions were made for political reasons. There was no commonsense applied or an orderly restructure of the industry. It was a political decision to garner votes in the metropolitan area to put the Labor Party in power. It had nothing to do with a proper, well-managed industry.

I attended the Furnishing Industry Association of Australia dinner last night. The Premier and the Minister for Forestry were there, along with at least 800 other people, for the presentation of the national and state awards for the furnishing industry. That industry employs 10 000 people in Western Australia and is worth about \$800 million. Did the Premier talk about the State's forest industry? No, he talked about his trip to the United Arab Emirates. He talked about what a wonderful place Western Australia is to live in and how proud he is of it. How many of us are not proud of it? We are all extremely proud of this State and it will grow and prosper despite this Government and any other Government. I have made that statement before. I believe that the initiative, free will and spirit of Western Australians will ensure the greatness of this State. However, this Labor Government is currently dragging this State backwards at 100 miles an hour.

I say to the local government people in my electorate that they must look after their home areas first. I have told them to look after their bread and butter and not worry about major regional committees. I tell them to do what they do best at home first and look after Western Australia and its communities that are outside the metropolitan area. Members of Parliament have the ability to move around the State at will. Ministers have even more resources at their disposal to enable them to do that through air travel and so on, so that they can have immediate access to local governments, regional development commissions and other authorities. I implore members of the Labor Party that when they go around regional Western Australia -

Mr R.N. Sweetman: What members of the Labor Party?

Mr P.D. OMODEI: It is interesting to note that we are discussing a very important issue. Apart from your good self, Mr Acting Speaker (Mr A.D. McRae), only four members of the Labor Party are present in the House and it has only just gone one o'clock.

When members travel around Western Australia they should compare what is available in a rural town and in regional Western Australia with what is available in downtown Victoria Park or the Town of Cambridge.

Mr B.K. Masters: Do you want a quorum called to get country Labor members back in the Chamber?

Mr P.D. OMODEI: The member for Vasse suggests that maybe we should call for a quorum to see where country Labor members are, because, apart from the member for Albany, no other country members of the Labor Party are present in the House. It goes to show the measure of concern of regional Labor members who hold significant seats.

Mr P.B. Watson: What about the National Party?

Mr P.D. OMODEI: I do not speak for the National Party. They are members of a rural group who are probably out there trying to save those poor wheat farmers who are suffering from drought at the moment. The important thing is that when people are elected to be members of Parliament, they are elected to sit in the Parliament. With due deference to Labor members, Madam Deputy Speaker, they could well be in their offices listening very intently to the debate. However, I think they should be in here when we are talking about regional matters. I think the member for Albany makes a very good point. I am pleased to see the number of Liberal Party members who are here from country Western Australia.

Mr A.D. McRae: Not on your front bench.

Mr P.D. OMODEI: The Deputy Leader of the Opposition is present.

Mr A.D. McRae: He has just come into the House.

Mr P.D. OMODEI: He is obviously concerned about this debate, and that is why he is here.

Recapping for a moment, we are more than happy to support this small Bill that seeks to amend section 24 of the Regional Development Commissions Act. We will not go into consideration in detail on the amendment because what the Government is trying to do is patently obvious. The Regional Investment Fund Bill has already been through the Legislative Assembly. It is now in the Legislative Council with the minister with carriage of the Bill, Hon Tom Stephens, who prides himself on being a very country-oriented member and who lives in downtown Broome - pretty tough. Since that Bill has been through this place, 24 amendments have been moved to it. The Bill contains 18 clauses which, when they have passed through the committee stage in the Legislative Council and the third reading is complete, will come back to this place so that the legislation may be completed.

I understand the tactic of the Government in bringing the Regional Development Commissions Amendment Bill on as a one clause Bill to get it through the Parliament and to legitimise grants that are paid retrospectively or prospectively, but I cannot understand why the Government would not simply give this Bill priority in the Legislative Council and debate it. After all we are talking about funding for regional Western Australia, that part of Western Australia that generates all the wealth of this State. Those good people out there struggle through all the elements, including driving rain and hail, dust and hot weather in places like Marble Bar and Meekatharra. They are the backbone of this country. What are we doing? We are cogitating, ruminating and buggerising around with a piece of legislation that should have been passed a long time ago.

Several members interjected.

Mr P.D. OMODEI: The member for Nedlands has expressed some concern.

I know that the Government knows that this is a con. It knows that the Regional Investment Fund Bill is in the upper House. It knows that the Legislative Council should have passed it. It knows that it is a reflection on the minister and the Government's capacity to govern properly. It knows it is a reflection on regional Western Australia. We can come in here and debate a Bill relating to guild fees for students so that they can go down to the pub, which will be a good facility for breeding socialists in our universities! We can debate that because it is very important! However, legislation relating to regional Western Australia that has been through this place still has not been passed by the other place. If that is not a reflection on this Government, I do not know what is. I hope that the minister reads my remarks and that he comments on them, because I will not be taking a backward step on this issue. It is blatantly clear from the way the Government has mishandled this legislation that it has reneged on its responsibility to the people in regional Western Australia.

Mr A.D. McRae: Complete rubbish!

Mr P.D. OMODEI: The member for Riverton may say that it is complete rubbish, but the truth of the matter is that the Regional Investment Fund Bill was introduced into the Legislative Assembly on 17 October 2001, its third reading occurred on 13 November and it was introduced into the Legislative Council on 14 November 2001. Therefore, nobody could accuse Her Majesty's Opposition of holding up the Bill. All the Bill needs now is for it to be given number one priority in the Legislative Council and it would be passed. It is as simple as that. What happens? The Government does the old sleight of hand trick; it uses smoke and mirrors. It thought it would bring in a little Bill that would get through the other place and help out poor old Tom because he is not going too well. The Government thought it would slip it through to make sure that people in regional Western Australia get their money legitimately. That is what this is all about. It is about an incompetent Government trying to patch up its errors and trying to ensure that funds reach people in regional Western Australia.

In the end, the truth will out. At next year's estimates committee we will go through this budget and find out where the money has been spent. We will see where the money has come from and whether the \$75 million is a real \$75 million or whether it is a con on people in regional Western Australia. I will put my money on it being a con because that is what it has been. I know it is a tactic that Governments employ, but \$123 million for the restructure of the timber industry? We know full well that \$123 million divided by four is \$30 million a year. If we take into account the money from other government departments and we know for a fact that the \$15 million from the federal Government is included in those figures, it is an obvious deception of the people of Western Australia.

Mr A.J. Dean interjected.

Mr P.D. OMODEI: Governments can get away with those kinds of things for a while, but people in the community are not as silly as people like the member for Bunbury think. The member for Bunbury should be putting the case for people in regional Western Australia in the Caucus. The Government's decisions have had a severe impact on his electorate. If he does not acknowledge that he is deceiving his constituents.

The Opposition will support this legislation. It is important that I highlight to the Parliament the deception of this Government. I will not allow the Government to get away with deceiving the people of regional Western Australia.

There is drought right across Western Australia. The south west of the State is feeling the impact of the Government's decisions about the forest industry. They are severely impacting on the economy and families in that area. It is not appropriate that I, as the shadow spokesman, allow the Government to get away with these kinds of things. I will stand up and be counted on these issues. I will not let the Government get away with this deception. At the same time, I support the legislation because I know what it is for: it is to legitimise the payment of grants and money to people in regional Western Australia through the development commissions.

**MR J.P.D. EDWARDS** (Greenough) [1.13 pm]: I probably will not be as eloquent as my colleague, the member for Warren-Blackwood. The member certainly put some passion into what he had to say, and he has every right to do so. It begs the question why we must pass this Bill. The Opposition supports the amendments contained in the Bill and there is no desire to hold up its progress. However, why has the minister been holding on to this legislation in the upper House since 14 November? As my colleague said, the Bill is quite slim, but the Government is now trying to add 24 amendments.

Mr P.D. Omodei: That refers to the regional investment fund.

Mr J.P.D. EDWARDS: I understand that. The larger issue of regional Western Australia has been put eloquently by the member for Warren-Blackwood. I can lend my voice to his through my representation of the electorate of Greenough. On the eastern border of my electorate there is a devastating drought. Communities and families in that region have not suffered such devastation in living memory. I am aware of farmers in that region who have farmed there all their lives; they were born and bred there. They are in a very serious way. They tell me they are not being supported by the Government through regional assistance.

The Mid West Development Commission is responsible for the region. The amount of funding to be given to development commissions has always been a moot point. The development commissions have had many incarnations prior to their current state. They were previously called regional development authorities. I have some understanding of the commissions because I was invited to sit on the Mid West Development Commission for four years. There were times when I questioned the role of the commissions, although that is not something I will delve into now. The focus and direction of commissions in the past has changed. Previously, funding was provided for arts and culture. I remember the inaugural mid west games being funded by the development commission. The suicide prevention group was also funded by the commission. It also produced various videos promoting the region; it was much more involved with social projects. The commissions have since taken a different direction. The local business enterprise centre was also funded by the Mid West Development Commission. The centre has proven to be a good organisation and has put a lot of business into the area. The commissions have always played a good role.

The work of the commissions is being held up because of a lack of funding. It appears that the minister in the other place is not doing his job. He is the minister who, at every opportunity, expounds the good work the Government and he do in the regions. The situation is somewhat surprising. Given the opportunity, he tends to gild the lily about the financial commitments this Government gives to the regions.

The development commissions have a partnership with local governments, although it has been somewhat rocky over the years. When I sat on the commission I had to play a very diplomatic role as I had a background in local government. It was always difficult trying to work one's way through the issues over which the commission and local government locked horns.

If the Government is intent on helping regional Western Australia I have some suggestions, particularly regarding the Geraldton region. The region contains one of the largest fisheries in Australia. A catch worth about \$300 million is produced each year. I believe the Minister for Agriculture, Forestry and Fisheries is still intent on locating a Department of Fisheries research centre at Hillarys. That is a prime example of what not to do. A fisheries research centre should be located in an area that drives the industry. If the Government is genuine in developing the regions the Department of Fisheries should establish that centre in Geraldton. It is one of the major fishing areas of the State. I really question the minister's commitment to regional Western Australia.

To touch again on the local government issue, the Government is making additional demands on local government funding. I am not blaming just this Government; all Governments do it, and I was a critic of that when I was in local government and I continue to be a critic. Governments are very happy to hand over various projects and schemes to local government, with very little funding. I have sometimes thought that perhaps that is an area in which the development commissions can play a larger role. To back that up, I will quote from a recent press release from the Western Australia Local Government Association -

The WA Local Government Association has backed calls by the Australian Local Government Association to strengthen the role of Local Governments in regional development.

That is an area that needs to be followed up. It states also that -

“State and Federal Governments also need to recognise that if Local Government is to play an enhanced role as identified in the Report, a commitment by all spheres of government and the community is required . . . “There is no doubt that we must commit greater resources to regional development, or we will continue to see the gap widen between those Australian regions that are doing well, and those that are being left behind . . .

That sums it up very well.

I do not have quite the same passion on this matter as my colleague the member for Warren-Blackwood. However, regional Western Australia is vital to the economy of our State and must be nurtured and looked after. There are people in regional Western Australia who do not believe they are being looked after. They consider that the Government has a citycentric direction. This Government seems to have lost touch with regional Western Australia. I hear that view expressed in most of the country towns that I visit; it does not matter whether it is law and order or health, or just part of everyday living such as the drought situation. Admittedly the Government has put some funding into drought relief, but honestly that is just a drop in the ocean.

I do not know what the minister has been doing. He has been sitting on his hands. Other Bills have been dealt with that I do not think have the importance of this Bill. As the member for Warren-Blackwood has said, yesterday we debated the Acts Amendment (Student Guilds and Associations) Bill at some length. Regional Western Australia is a darned sight more important than having compulsory - I think the word “unionism” was used - guild fees for university students. I thought we would have moved on this Bill quickly and got it into the upper House so that funding, albeit small as it is, could be released to the regions where it is needed and to the people who are hurting, such as the timber workers in the south west. There are also areas in my own backyard that could benefit from this funding.

Some of the applicants for funding under the regional development scheme are the Shire of Morawa for a cooperative regional tourism plan; the community builders north coast cluster committee for the community builders 2002 project; the Mid West Investment Group for a bio-diesel feasibility project and a lupin value-adding project; the City of Geraldton for a Geraldton city centre coordinator; the Mid West Development Commission for a Yamatji cultural trail for the indigenous people in that area and for a Western WISE network; the Shire of Perenjori for the John Hawes heritage trail visitors centre; the Geraldton board riders club for a feasibility study for the Mahomet’s Beach artificial reef development; the Mid West Development Commission for Pacific Flora 2004 to be held in Shizuoko, Japan; the Mid West Development Commission for the Geraldton marine interpretive centre; Tourism Mid West for tourism promotion; the Mid West Development Commission for a marine education training and industry research centre; and the rural children’s support unit for a mobile children’s service.

I support the Bill, and the sooner it goes through the House obviously the better it will be for the regions.

Debate adjourned, on motion by Mr J.C. Kobelke (Leader of the House).