

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

## REGIONAL INVESTMENT FUND BILL 2001

### *Second Reading*

Resumed from 17 October.

**MR SWEETMAN** (Ningaloo) [2.48 pm]: I am pleased to be handling this Bill on behalf of the Opposition. At the outset, I state that the Opposition is in favour of the Bill and the \$75 million infrastructure fund that will be put in place. However, I wish to comment on the Bill, which, on the face of it, appears a simple piece of legislation - it probably could be described as a piece of machinery legislation - to enable the authority to be put in place to manage this fund, and for the consolidation of other schemes and funds to be drawn in under this one authority.

The Premier's second reading speech on this Bill did not give sufficient detail of or full expression to exactly what is involved in this legislation. Simultaneously, advice went out in the form of advertisements for development funding for regional Western Australia. A letter from the Minister for Local Government and Regional Development detailed how the regional investment fund would be set up. Local governments were also advised when the first round of funding applications would close. I am grateful to the Minister for Local Government and Regional Development for providing me with more detail and insight into how this fund will be set up.

For the benefit of the House, I will quickly highlight the structure of the new fund. Basically, the fund will have three programs under the one authority. The first is the regional infrastructure funding program, which will provide assistance between \$100 000 and \$5 million for major construction-ready capital projects. It is designed to attract investment and increase jobs in regional areas or to improve communities' access to services. Some examples have been highlighted. That is interesting and helpful for local communities, businesses and government agencies that want to access funds from this scheme. It could be for interpretive centres, marine facilities, transport improvements, technology enhancement, youth focus facilities, industry parks, research and development facilities or housing programs for the skilled work force.

The second scheme is the regional development scheme, which will provide financial assistance of up to \$150 000 and will cover capital works and other project costs. Priority will be given to projects aimed at attracting investment, promoting partnerships between regional stakeholders or enhancing tourism development. These may include feasibility studies, regional local marketing programs, festivals and events.

The third scheme, the Western Australian regional incentive scheme, will offer financial assistance between \$5 000 and \$250 000 for non-capital works. It will provide funds for projects designed to deliver benefits across more than one region, in areas such as tourism development, capacity building and leadership, youth support, arts, culture, the environment, natural resource management and industry-related research.

No-one in the Opposition has any qualms or concerns about the fund or the examples of the projects for which the fund is expected to be accessed. I have tried to relay to people in my electorate, and to people in regional Western Australia in general, that although money is important in providing all sorts of infrastructure to improve the quality of life of people living in country Western Australia, quite often money will not facilitate everything. I have made that point previously in this House, as well as to people in my electorate. As part of an education process, which has started to work - I do not mean just because I was re-elected at the last election - people are starting to think more broadly now. I am concerned that although this fund will provide \$75 million over four years, I do not think it will be sufficient to give back to local communities some of that power and ownership. I do not want to be contradictory; although I said that money is not everything, local communities want to be able to make decisions, take control of their affairs and initiate their programs in their way to their timetable. If this fund ultimately does that, certainly the Government is to be commended for establishing it.

Regional development depends on a whole range of things. The three separate programs that this authority will administer are to encourage communities to be involved in many projects in which they are already involved. We need to find out how many existing programs will be rolled into this fund and how much of the fund will be new capital. The fund is for the community and for business, as long as businesses expand to provide traineeships or new employment opportunities for people in regional Western Australia. Government agencies will be eligible to apply for funds in accordance with the criteria. I do not have a problem with that either on the face of it, but it is a little disconcerting that we have just been through the estimates committee process and seen how much money has been identified under the priority and assurance dividend.

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

We will have a rather bizarre set of circumstances. I believe that some of the \$75 million, and perhaps other programs that are being rolled into this infrastructure funding scheme, may well have been funded out of the priority and assurance dividend. The Minister for Culture and the Arts made some reference to that in an answer during question time. I wonder whether government agencies will be reapplying for funds they have just lost. For example, we asked about the Gascoyne Development Commission during the estimates committee process. We heard how the priority dividend was applied to funding for the proposed Aboriginal cultural centre in Carnarvon. Some \$270 000 or \$280 000 was lost from that project. Another large capital works program was for a surge wall and transport corridor. The surge wall will give some storm surge protection to an area south of Carnarvon. That also lost money. I wonder whether that is appropriate. I think the second project involved about \$1.1 million, and more than \$360 000 was drawn down. It would be a wicked irony if the shire and the government agency, which are facilitating those two projects, were left in a position of having to apply through this fund to get their money back.

The \$75 million is to be spread over the State. Although there was no reference to it in the second reading speech, if the \$75 million is to be divided between the nine development commissions, they will get something like \$400 000 of unallocated additional discretionary funding. We need to assume that each of the development commissions will get an equal share. We need to assume also that the Government will stick to a funding program of \$20 million for the first three years and then \$15 million for the last year, to expend the \$75 million. If the \$400 000 that has already been promised to each of those regional development commissions is taken out, it will leave each \$1.8 million a year. I do not make light of that amount of money, but the reality is that it is not a lot of money in view of the raft of different programs that the various agencies, communities, local government and businesses can access.

I do not want to be cynical, but in some ways this regional development fund will cap appropriations and expenditure in regional Western Australia. I am sure that if we look back over the past eight years at the flow of funds to regional Western Australia, and isolate from them the road programs, we will find that appropriations for infrastructure development in regional Western Australia grossly exceeded, probably by a multiple of five or six, the anticipated appropriation of \$75 million into this infrastructure fund. Although the Government deserves commendation and credit for setting up the \$75 million fund, we should not lose sight of the fact that an enormous amount of money was invested in regional Western Australia over the last two terms of the previous Government.

We must examine that funding of \$1.8 million. Let us look at the \$75 million rather than the \$1.8 million for each development commission, because individual commissions might not get that much money. If there is to be a free-for-all in the funding pool of \$75 million, I fear for the future of the fund because, again, I assume big will be the enemy of small. I probably have to accept in my heart of hearts that, because of the way in which development commissions are structured - some are larger than others because they have larger jurisdictions - the larger commissions will get a larger slice of the money. It is probable that each development commission will not get \$1.8 million. The Gascoyne, Pilbara or Kimberley Development Commissions could be looking at a potential maximum pool per annum between \$1 million and \$1.2 million. That is better than nothing; however, we must consider what the new funding is for in the first instance.

What other existing schemes have been rolled into the fund? Will the funding deny local communities and regional Australia an opportunity to apply for larger LandCorp projects? Will those projects ultimately be classified as infrastructure fund projects, and will LandCorp not be encouraged to go to some areas of Western Australia that do not return a profit from development? Will LandCorp be asked to invest the State's funds - and the State's heritage to some extent - in some of these regional areas? LandCorp deserves commendation for the part it has played over the years in fostering and facilitating regional development. Will transport programs be rolled into these packages? Will other programs, such as educational enhancement programs, also be expected to be funded from this source?

I am saying to the Premier that so many aspects of regional Western Australia must be considered to create an environment in which people are happy to live and invest, and a place in which they enjoy a basic standard of services. The Premier made much of that during the election, as was his right. However, I do not believe the Premier understood everything that is at work and the dynamics of life in regional Western Australia.

On the basis of these small funds, the Government will be able to say at the end of a year or four years that it had a \$75 million infrastructure fund which has all been spent and, therefore, it must have achieved something from that fund. A great many funds have been expended in my area over a long period but many of them simply did not hit the mark. I shall isolate, for example, assistance to business. I have never agreed with a business receiving aid in the form of finance from the Government, whether that be a grant, a loan or whatever. I do not

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

have the same problem with employment and training subsidies if they are assessed and applied properly. The best work a Government can do to foster development, particularly with business enterprise in regional Western Australia, is to ensure that it gets the foundations right in the first instance. I know that the regional investment fund will be rolled into this scheme, and that is a good thing. I recall from the estimates committee hearings that about \$5 million in the fund will be drawn down over the next 12 months if sufficient applications are made to the fund. About three or four years ago I asked Hon Hendy Cowan, then the Minister for Regional Development, why he did not fix the problem instead of having headworks assistance schemes for which people had to crawl through hoops to apply, none of which was retrospective? I believe that we had gone a long way down that road. We had a series of meetings with the Water Corporation because that was one of the government corporatised agencies that applied headwork charges; obviously there are others. However, we believed that if we started with the Water Corporation and developed an alternative arrangement to the state tax, which was an up-front payment that a developer had to pay before he could get started on a project, we would go a long way down the road to facilitating more development in regional Western Australia.

Quite often, head works charges catch developers by surprise. Developers engage architects and engineers and go through the process of designing their resort, factory or whatever is the project, and it is not until they apply for a building licence or planning approval that they stumble across head works charges and development costs. It is inequitable. I know that the State has to make money, but head works charges should be set aside and somehow amortised over the life of a development or possibly set aside for five years and then apply for 10 years after that. The Government will ultimately get its money with interest. The most critical period in the life of any new development, particularly resort projects and high-risk commercial ventures in regional Western Australia, is the first two to five years. That is why there is a certain adage in regional Western Australia. It is easy to identify projects that have their second or third owners in the space of five or six years. The adage is that it is the second mouse that gets the cheese. The first operator or developer builds the project but overcapitalises in the extreme. Head works are part of that, but they are not the only reason such people go broke. Many other things have to be considered when people build in regional Western Australia. Head works play their part. We can have a regional head works assistance scheme, but it is far better to get people around a table and work out an alternative to this inequitable, up-front tax that is levied against people who want to do the right thing, which is to develop Western Australia. I made a point about this to the chief executive officer of the State Supply Commission, Ms Gwilliam, during the estimates hearings.

We can apply for funds to do a variety of things that will help develop regional Western Australia. Over the past 10 years, we have seen a consolidation of effort and enterprise primarily in Perth and, to a lesser extent, in regional developed areas of Western Australia. A lot of the reasons for that consolidation in built-up areas is due to the difficulties experienced by small to medium-size contractors. The difficulties have got in the way of competition and the principles of free enterprise. I have seen some extraordinary things happen. It is becoming increasingly hard for small contractors to compete for work in their own backyards. One of the impediments is that they live there. For some inexplicable reason, if someone chooses to take up residence in Meekatharra, Exmouth, Carnarvon or Newman, he is seen as being of inferior intellect or capacity and a person who has run away from competition to find a spot in the world in which he does not have to be quite as smart. That is not true at all. I know some very clever contractors in my home town of Carnarvon. I know two in particular who realised that Carnarvon did not offer them the challenge they needed. For a variety of reasons, including the impediments placed in their way for them to compete for work in their own backyard, they relocated. In both cases they are very successful and worth many millions of dollars. We have lost that intelligence, vitality and enterprise from regional Western Australia. I am sure when the Premier responds he will tell me of the part played by Main Roads. I never supported the manner and the timing of the break up of Main Roads because I knew what it would mean for regional Western Australia. The various divisions - whether the Gascoyne, Pilbara or Kimberley - received annual budgets to spend on maintenance projects, new capital works, reconstruction programs and that type of thing.

Basically, that enabled many smaller contractors to be viable. They were either on a schedule of rates with Main Roads, or they were there when Main Roads parcelled up its works into small contracts that were let out to tender. It was logical for them to do the work. Even though they did not get preference, they were the most competitive because it was a small parcel of works and nine times out of 10 the small, regionally based contractor got that work. Then the Government consolidated the projects in Perth and brought in the term network contracts. It was a fine thing to say that there were conditions within those term network contracts to recruit local people where possible, and that at all times preference would be given to regional contractors and workers. However, the reality was that these contractors had left the regions by the time the term contracts were let. The small water carrier, the blokes with one grader or two six-wheelers had either sold up and moved out or had gone elsewhere looking for shire contracts in order to settle into work, so that they could be viable, service

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

their debts and support their families. That is not my only concern about, and problem with, contracting in regional Western Australia. I am concerned that so many conditions now apply, particularly to government contracts. I do not have a problem with private enterprise making its own conditions for parcelling up a scope of works and proceeding to tender; it can make its own rules. However, the Government must take a principle position and a position of responsibility to nurture small business - as it does with traineeships, apprenticeships and other things. The Government must adopt the same approach with small business. It must nurture small business. Government must not turn small business away or stomp on it every time it endeavours to tender against one of the medium to larger-size contractors. Everything today is tilted so heavily in favour of large contractors that opportunities for small businesses do not exist. That requires a lot of change within the bureaucracy, but at the end of the day, that should always be the Government's responsibility.

For the Government to uphold its interests and entitlements, it must be responsible when managing or letting and managing its own work. For example, it was a condition of tender under the former Building Management Authority that it did not necessarily accept the lowest tender, or any tender. Today that means absolutely nothing, because there are a lot of reasons that the client - let us say it is the Government - will overlook all the lowest tenders and accept one of the higher tenders before it starts the evaluation process. I do not know all the reasons for that, although I know the Government is sensitive to contractors' going broke. To some extent the Government has decided that if it accepts one of the higher bids, it will offset any chance of contractors' defaulting or going broke during the contract. I do not think that is true, because many of the contractors who have won tenders that were not the lowest tenders, have gone broke over the past four or five years. Contractors go broke for a variety of reasons, and it cannot automatically be assumed that if the lowest tenderer wins the contract he has more chance of going broke than the highest tenderer. It is often the reverse. Often the lean, aggressive, intelligent, clever and energetic contractors, who are trying to make their way in the world of contracting, get their start by putting in the cheapest tender. It should be up to the Government to work out whether a bid represents value for the State - it must because it is the lowest bid - and then to assess the capacity of a tenderer to do the job.

Again, that would require the recruitment into the various agencies of government some authoritative intelligence personnel who knew that a particular company had the means to do the job for which it had tendered. Those personnel would examine the previous work undertaken by the company under consideration and they would know that the company did not have millions of dollars stashed away in the bank. They would also know how much the project would cost. Progress payments would be received based on the company doing so much work a month. The personnel would know that the new company under consideration offered the Government value for money and could provide services to the Government on an ongoing basis on the assumption that the company kept winning the tenders to provide the work.

Currently, the mid-tier to large-tier companies monopolise all the work, which is convenient for them. However, the Government has been hoodwinked, because those companies have managed to persuade the Government that the provision of traineeships by those companies is advantageous to the Government. It is inequitable that companies have to employ trainees or demonstrate that over three or five years they have trained X number of people and employed Y number of apprentices. That is another bias against regional Western Australian contractors. Often regional contractors wait a year or two and work in all areas of the State to try to keep the wheels of their businesses turning. They have not had the luxury, opportunity or good fortune to train apprentices or offer traineeships on a regular basis. I believe they are penalised unfairly because they are based in the regions.

I will refer to the issues of education and health. It is interesting that the Minister for Health is in the Chamber, because he and the Deputy Speaker will be wondering what this has to do with the regional investment fund. I will get to the point quickly. The quality of education, the standard of health services and law and order issues are inducements that draw professionals and other people who wish to work and live in regional Western Australia. Usually, people will consider the quality of those three basic services within a community before they decide whether they will live there with their family.

The Gascoyne Health Service is in absolute crisis. I am not trying to tell tales. Recently, I tried to meet with the general manager and the accountants of that health service. However, as they had not received authority from the Minister for Health to meet me, they did not, which means that I am still starved of information about the health service in my electorate. Realising how starved of funds health services are, could any regional health service board legitimately and eligibly claim for funds from this infrastructure fund although it deals with the social and economic development of regional Western Australia? If it is a prerequisite to regional development that there be good health services or at least a minimum health service, quality of education and law and order, perhaps health should be an eligible item of expenditure. Currently, given the way the regions are feeling, it

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

would be somewhat of a surprise and a shock to the Premier to learn that instead of considering using the fund for infrastructure items, the regions are just as likely to try to access it to improve their health services and school resources and to address some law and order issues. The fund is not only about spending money in regional Western Australia to attract development and prosperity in the country, but also about providing basic essential services.

Recently in my electorate there were tremendous controversies in Onslow and Exmouth. Those towns are fearful and have been put on notice that they are likely to lose their in-patient services. Onslow is an interesting case. The concern in that town is at fever pitch. The 417 people who live in Onslow are lucky enough to have a hospital, albeit an under-resourced hospital. I do not know what the Minister for Health will do with towns like Denham, which has a population double that of Onslow. It has a nursing post with a sister in attendance that is run jointly by the Silver Chain Nursing Association and St John Ambulance. Sooner or later a calamity will occur up there; if it is not at Shark Bay, it could well be at Coral Bay, which has a permanent population of 190 to 200.

Mr Kucera: What concerns me about your comments is that this is not an issue that has grown up overnight. This issue has come on us gradually over the past 10 years. Where were you when the same questions were being asked last year?

Mr SWEETMAN: Maybe it is a culmination of the \$9.6 million that the coalition Government promised to the Gascoyne Health Service to implement the future needs analysis for the Carnarvon Regional Hospital. It is a dinosaur of a hospital that was built 30 years ago, is hard to manage and has in-built inefficiencies. Immediately after finishing my apprenticeship, I started working on the Carnarvon Regional Hospital, and, at 30 years old, it is fairly old. However, when it was built 30 years ago, the design of the building was 20 to 25 years old. Therefore, as far as hospital designs go, it is a very old building. I know this issue has not grown up overnight.

For the minister's benefit, I will refer to the "Cue Parliament". I was there last Friday with Hon Norman Moore, Hon Kim Chance and Hon Tom Stephens. Hon Tom Stephens gave an address about the need for Kim Beazley to win the federal election because our health service would then have enough funds, and everyone's problems would be solved quickly. After the minister had resumed his seat, the chairman of the Murchison Health Service, Mr Don Anderson, put up his hand and sought the permission of the president to ask Hon Tom Stephens a question. He made the point - in an apolitical way - that although the board had had problems over the past four or five years, at least it knew where it was going. He stated that, although the board argued - and would continue to argue - that it was under-funded, it knew the rules of the game, which meant that it was able to put in place a 12-month and a five-year plan. He stated that the health service was under-resourced, but it cut its cloth accordingly. He also stated to Hon Tom Stephens that, under this minister, the health service does not know where it is going, and it is being drip-fed by the Government. That is the view of all the boards. They are anxious about their responsibilities, and for all the money in the world I would not want to be the chairman or a member of one of those boards. We can get an insight into how the members of the boards must be feeling when we compare our health boards with the Finance Brokers Supervisory Board, because, at the end of the day, the whipping posts for the community - and to some extent for the Government and the Opposition - are the chairman and the members of the board. I am anxious not only on behalf of my board, the Gascoyne Regional Health Service, but also on behalf of the other regional boards. The Government must consider them. Linking the issue back to the regional investment fund, in his summing up of the second reading debate, could the Premier tell the House if those items would be eligible? In the current environment in regional Western Australia, if there is even the slightest hope that the boards may be eligible for a pool of funds, it would be applied for, particularly by health and education services.

I will touch on education because it is a regional development issue. In my home town of Carnarvon we have two public primary schools and a Catholic district high school, which goes to year 10. Every year approximately 80 students graduate from year 7. If that is the case, why do we have the consistent result that only 16 or 18 graduate from year 12? I will help the Premier with the answer to that question: these students all attend boarding school. A graph of attendances at Carnarvon's three schools would indicate that enrolments for year 7 are very high, but from year 8 they begin to drop dramatically, and they taper off even further at year 10, and the number plateaus for years 11 and 12. I will tell members what that means to a community such as Carnarvon, and there are many others like it. Meekatharra is the same and, to a lesser extent, so are Newman and Exmouth. Many families choose to move from Carnarvon when their kids graduate from year 7. Many of those who do not leave, send their children to boarding school and 98 or 99 per cent of them board at school in Perth. Only the pastoral property kids get the boarders allowance of \$4 000 or \$4 300. The average cost for a student to attend school in Perth is \$20 000. The parents are covered by the Department of Education for free flights to get their kids back home. Most parents will pay for at least one other flight, or perhaps two, in addition to that. Quite a

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

few parents are not getting away with a cost of just \$20 000. Parents living in Carnarvon do not get a boarder's allowance and, worse than that, the \$20 000 they pay is not even tax deductible. The school fees must be paid from their net income. About 200 students board out of Carnarvon. Between 60 and 70 of those are the children of pastoralists, who would not send their kids to Carnarvon anyway, even if they got twice the allowance for boarders. However, I will focus on the kids who leave Carnarvon and board at a school in Perth. Even if there were only 120 kids - there are certainly more than that - at a cost of \$20 000 per student, about \$2.4 million of the disposable income of the residents of Carnarvon is spent on boarders' fees in Perth. Money is being funnelled from the regions into Perth because -

Mr Kucera: There are excellent schools in Carnarvon.

Mr SWEETMAN: The minister must come up and tell my parents that.

Mr Kucera: My daughter taught there and I know the school very well. It is an excellent school, and there are two primary schools.

Mr SWEETMAN: Had electricity been invented back then? That would have been a long time ago. I did all my schooling at the Carnarvon Senior High School, and I am embarrassed at the level to which that school has sunk. The tertiary entrance examination program exists only as an option there now. That is sad and I will tell the minister why that has happened. Marks are awarded to a school on the basis of how students perform in the TEE subjects and how many students get above the benchmark in each given subject. The Carnarvon Senior High School got 59 out of 59 one year and 114 out of 114 the next, but it got zero in the TEE subjects because no student scored above the benchmark. My Administration decided to do what had been done at either Marangaroo or Girrawheen, and went to the vocational education training program instead of being focused on literacy, numeracy and the TEE program as the appropriate outcome in the district high school. There is room for both programs. Three or four years ago there were many occasions on which the Minister for Education said that we must have a balance. We must have a more flexible curriculum so that we can handle the vocational education training programs to offer opportunities to these kids. However, we must also keep focused on retaining the students and recruiting the staff to allow our students to finish secondary school and be ready to go into tertiary institutions to further their education.

Carnarvon has a real problem. The Carnarvon Senior High School offers the TEE program only as an option, which is an impediment to regional development. The previous minister was aware of that and the current minister is aware of the problems at Carnarvon and is providing additional funding, particularly for the behaviour management programs, to ensure that we get on top of some of those issues. The school at Meekatharra has problems day-in and day-out; neither the students nor the staff members get through a year, or even a term, unscathed. That is an impediment to businesses in Meekatharra, and particularly to St Barbara Mines, which is about 10 kilometres south of Meekatharra, for recruiting and retaining staff. Education is a massive issue and it is not just about money. Although the \$75 million is great, and the Opposition supports the fund being put in place, the Premier needs to understand that many other things must happen in regional Western Australia to ensure that opportunities for regional development are maximised.

The issue of power tariffs was again raised during question time today. I remain true to myself and consistent on that issue. Business should not get money, but mechanisms should be put in place whereby they can go to country Western Australia and be viable. They should be on a similar footing to businesses in large regional centres or the city. I raised a grievance the other day with the Minister for Energy. The problems with the 28 or 29 regional power stations need to be solved. Apart from knocking out the L-5 tariff - the 4c penalty tariff - some concession must be given to existing, new and expanding businesses to at least provide the same opportunity that is available to on-grid customers to access an off-peak tariff. There is a huge difference between that and paying a flat commercial tariff, which I think is the L-2 tariff, of about 16.98c or thereabouts. Businesses in Geraldton or in the Pilbara at Karratha or Port Hedland, which are on the Pilbara interconnected system, have the advantage of an off-peak tariff of about 5.6c a unit.

Dr Gallop: Who removed the off-peak option?

Mr SWEETMAN: The Premier does not understand that that was a small irritation in what is a large problem. As I said to the Minister for Energy, the Government believes that it has solved the problem by providing relief to some 56 or 60 customers. This is an irritation to hundreds of customers. The advantages or benefits that apply to businesses on the interconnected system do not apply to them. That may not be too bad for general industry, but it is particularly bad for businesses that handle seafood.

Mr D'Orazio: Keep your voice down or you will wake up your leader.

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

Mr SWEETMAN: The Leader of the Opposition should not take any notice of members opposite.

This issue relates to the diversity and dynamics of industry and business in regional Western Australia. A great deal of seafood production occurs in Western Australia, including prawns, scallops, crabs and, under the developmental fisheries licences, there will possibly be octopus. There is also wet-line fishing for snapper, trout and all those types of things.

Mr Logan interjected.

Mr SWEETMAN: No, the crayfishermen have the advantage of being able to access cheap power in Geraldton. Not many land their catch any further north than Shark Bay, and Shark Bay is fished for only a short period in what is called the big bang season. The crayfish comes off the boat, onto a truck and goes back to Geraldton, so they are not affected. However, those who have set up a base in places such as Shark Bay, Carnarvon and Exmouth are clearly disadvantaged. Some of the operators of those larger businesses are already saying that they intend to relocate to Perth within the next five years. The Government needs to be mindful of those concerns.

I know that the previous Minister for Resources Development and Energy had the big picture right in that it was intended that those 28 or 29 regional power stations would ultimately offer cheap power through contracts to larger customers. Unfortunately, I am not sure whether Western Power was moving at the same pace as the minister, so we still have a problem. It is something that needs to be sorted out, because within the next five years some significant industries will be lost from regional Western Australia, particularly between Shark Bay, Carnarvon and Exmouth. Not many of those industries will go to Geraldton. I believe that they will relocate to Fremantle because advantages are attached to moving to places such as that. We do not want that relocation to ultimately be blamed on high power tariffs. The Government should not think for one minute that it has solved the problem by simply removing a minor irritation, which is what it was. It was worth \$2.1 million statewide.

Dr Gallop: It was a good thing, was it not? The Government did a good thing.

Mr SWEETMAN: Absolutely. It would be even better if the Government gave the equivalent of the R-1 tariff -

Dr Gallop: Perhaps you could tell your leader what the energy solution is.

Mr SWEETMAN: My leader understands my view on this issue. I am highlighting that it is not simply a matter of setting up an infrastructure fund.

I will now comment on development commissions. I do not want to appear to be critical of any staff who work for the development commissions, because they are tasked to do certain jobs. I have found, almost without exception, that the staff are hardworking and enthusiastic. However, I question the structure of development commissions and whether the status of the authority embodied by the development commissions is perhaps too high. One development commission was set up in my patch back in 1993, but I know that four development commissions were set up elsewhere before that. Those commissions took a lot of authority and vitality out of local communities because people lost interest in their local governments. I recall that the intensity of my three campaigns to get elected to local government in Carnarvon was not a lot different from the intensity of state election campaigns. There were always three or four opponents and one had to fight tooth and nail to win a spot. One wonders why, when one gets there. It was a hard-fought contest and I legitimately won my spot. It seems more than a coincidence that, as soon as a development commission was placed in the region, it was difficult to cover the bases in areas such as Shark Bay and Carnarvon. In Exmouth, positions for councillors were advertised, but there were simply no nominations. Councillors were nominated and elected unopposed. That was unheard of outside the pastoral region, where people tended to get their heads together to work out who was going to be their member for the next three years. Local government was disempowered.

Throughout my time in local government - from 1984 to 1992 - a State Labor Government was in power. I recall how the council made submissions to the State Government. The council never let a minister or opposition spokesperson get out of town unscathed. It always met with them. A quorum would always be present, even though it was not needed, to talk to a minister or shadow minister, because we wanted to promote issues on behalf of our town and region. We had a hit list and nominated councillors to speak on the issues. We chipped away over a period. We always knew we were getting close to success when the minister agreed to assign an officer from the Department of Regional Development to consider our issue and undertake a feasibility study. We knew that was the start. We had some successes, although not many, and I remember them clearly. I appreciated that the Government let us have a win. The biggest win when I was in local government was not the flood mitigation works but the civic centre. A facility such as the Wool Shed has a great effect on the quality of life in an area and on community pride. I recall being there on a Saturday afternoon when the minister, Yvonne Henderson, said that the Government would provide funding of up to \$1.25 million for the civic centre project.

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

It was a marvellous gesture. The council had fought for about two and a half or three years on that project and got there.

Dr Gallop: We're doing pretty well so far. We've restored the uniform tariff. You agreed with us on that. We built the civic centre.

Mr SWEETMAN: However, I am having to delve back into history. I will have to go back even further to find the other projects Labor Governments have funded.

Dr Gallop: Your electorate is doing well in our budget. Exmouth, Onslow, Carnarvon, the marina, the jetty in Carnarvon, the Onslow wall -

Mr Omodei: The electorate has a very good local member.

Dr Gallop: We have no problem with that. We have been working away up there.

Mr SWEETMAN: All the Premier must do is go back through the previous budget figures - I am sure he has staff capable of doing that - to find out how much has already been spent in those areas. I am a little sensitive to the fact that Exmouth got everything. I am not critical of the town for that.

Dr Gallop: You would agree that the marina is important.

Mr SWEETMAN: It is important, but at what stage do we say the hound does not hunt? A lot of money has been put into that project. I am the first to say that it is a great project. The Liberal Party advocated funding of the second stage of the marina. The Liberal Party pledged during the election campaign to put in \$13 million. The Government's figure is \$10.5 million. It is the same thing because LandCorp has since done more precise costings. The Government has received better advice and financial figures than those that were available to the previous Government. I support the Government. However, members opposite can imagine how I feel when I go to places like Meekatharra, Cue, Yalgoo and, to a lesser extent, Mt Magnet and people ask why Exmouth gets everything. It is hard to explain. We must find a way by which even the smallest group is heard so that it will have the same access to this fund as do the larger players. The Gascoyne Development Commission is in a unique situation in that the chairman of the commission is also the President of the Shire of Exmouth. I have already spoken about that. I think it is a conflict of interest and it must be watched. Mike Purslow is a decent fellow. He is enthusiastic, hardworking and a good community man. However, people can imagine how he will think. He will be under pressure from his community and shire councillors to make sure he gets the best deal for his community. I wonder what opportunities places like Gascoyne Junction and Shark Bay will have to access this fund, particularly if the development commissions will hold the most sway in determining how much and to where the funds will be allocated.

I refer to the Aboriginal economic development program. Sections of the development commissions are funded to foster Aboriginal enterprise programs. Many Aboriginal programs involve an incorporated body receiving money from the Indigenous Land Corporation, the Aboriginal and Torres Strait Islander Commission, or even the Department of Indigenous Affairs because of deals struck between the ILC and ATSIC to use the state body as the vehicle and coordinator for a purchase or initiation of a particular venture. I have seen many of these projects get off the ground and collapse back to it. We must be careful about how Aboriginal programs are set up. Despite the goodwill and best intentions, few of these programs work. A joint venture operates at the Mt Keith nickel mine between the contract miners, Roche Mining Pty Ltd, and a company called Carey Mining Pty Ltd. Carey Mining comprises representatives from the local Aboriginal community, and operates in partnership with Roche to run a small segment of the Mt Keith operation. It operates the run-of-mine, or the mill pad. Roche delivers from the pit to the ROM, and Carey Mining operates 24 hours a day, seven days a week to provide feed stock to the mill. It is a well organised, profitable operation. The company is disciplined and maintains its equipment well. The operation is a credit to both parties.

At Hamersley Iron Pty Ltd's operations at Yandicoogina, 200 kilometres north west of Newman, the local Aboriginal community is in a joint venture with one of the companies to run the catering service. It achieved the right to share in the running of the camp, and a \$60 million settlement, through its negotiations to allow mining. The operation is a resounding success and very profitable for that Aboriginal community. Those ventures should be considered before any money is allocated to the purchase by an Aboriginal corporation of a station, fishing boat, local panel-beating shop, tree lopping service or whatever. The only way to set up a program in which Aboriginal people stand even half a chance of being successful is to do so on a joint venture basis. I do not think it would be hard to achieve. Many businesses in regional Western Australia are for sale and many owners want to sell to an Aboriginal incorporated body. The queue goes over the hill. To date, such sales have been an absolute failure. It does not matter whether the operation has involved a station or a fishing boat, it has been an



Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

absolute mess. It is not hard to come up with a joint venture arrangement. If an Aboriginal incorporated body wanted to buy a panel-beating workshop or whatever, it should put down 50 per cent of the price and then operate the business as a joint venture for a period that would depend on the complexity of the business. It may be six or 12 months, or even two years. That would give the Aboriginal corporation a far better chance of being successful, and would place more responsibility on the person selling the business to ensure that the people buying it had a reasonable chance of success. At the end of the joint venture period, the last of the money could be handed over, and the person who initially owned the business could step back and the Aboriginal incorporated body take over 100 per cent ownership and responsibility. It is a thousand times more likely to be successful than most Aboriginal initiatives funded by the ILC, ATSIC or another state enterprise.

A couple of years ago, the Aboriginal economic development program within the development commissions was given \$3.5 million funding for Aboriginal initiatives, particularly Aboriginal enterprises. Things are hotting up again. A large parcel of federal funds is available to try to establish Aboriginal people in businesses in regional Western Australia. I hope that is successful. I suggest that a joint venture is one of the ways by which the Government can improve the Aboriginal corporations' chances of success. Most of the money is federal funding, but, if the past two or three years are an indicator, the development commissions at some stage will be involved in that process. They could have some influence on how those programs are structured to create the best opportunities for Aboriginal enterprises in regional Western Australia.

I hope the Premier takes on board some of the things we have mentioned. The Bill is a simple piece of legislation. I remain concerned - the Premier could give some clarification in his response - about who will have responsibility. The minister is the authority, and there are powers of delegation. We were told in the briefing that chief executive officers of the development commissions would never have authority delegated to them. I want that stated categorically. It is hard to find that stated anywhere in the Bill. One area suggests that only the chief executive officer from the Regional Assistance Authority would be given delegated authority, but other areas suggest that that may not be the case. The ability to spend beyond the allocation from the infrastructure fund requires only the approval of the Treasurer. That would not be subject to full scrutiny by the Cabinet. I am concerned that that may allow things to get out of control.

There will be a review after five years. I am not trying to be political, but would this lapse if there were a change of government beforehand? Will this Bill lock everything - the programming, the funding and the structure of the department - into position for five years?

[Member's time expired.]

**MR PENDAL** (South Perth) [3.48 pm]: I support the Bill and congratulate the Government on activating an election promise. The long title of the Bill is the kernel of what we are doing today -

A Bill for

An Act to . . . provide financial support for the development of regional Western Australia . . .

It says much more than that, but that is sufficient for me. It will always be a moot point as to how much government should involve itself in that sort of social engineering and how much government funding should be directed to achieve an outcome. I have no difficulty with the philosophical underpinning of the Bill, in seeking to redirect \$75 million into rural and regional Western Australia by way of a regional assistance authority. I was one of the few people who voted against the sale of the Westrail country freight division, as a city member. As a city member speaking in support of this Bill, I have no philosophical difficulty in trying to ensure that Parliament tries to even up the balance, taking an active role in seeing that the country gets not just a fair go, but perhaps even a disproportionate go when it comes to government facilities and funding. This, therefore, is one of those occasions on which the Government is on the right track.

In the course of my remarks, I will address the objects of the Bill, as set out in clause 3. In particular, I refer to clause 3(a), which reads -

to encourage the effective planning and management of the sustainable development of regional Western Australia;

I will return to the issue of planning later in my speech. Clause 3(d) reads -

to encourage and assist the broadening of the economic base of regional Western Australia;

I want to deal with those areas of the State that have not already been dealt with by other members, who have spoken mainly of regional centres and remote rural communities. I want to deal with the outer metropolitan area, and I will ask the Premier to address a couple of issues when he responds at the conclusion of the second

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

reading debate. I declare an interest by saying that my remarks have been prompted by the fact that I own a small property at Toodyay, to which I travel as often as I can. It is becoming increasingly obvious, even to a city slicker, that the further the boundaries of the metropolitan area are pushed out the greater pressure is placed on some of the earliest settled parts of rural Western Australia. It was no accident that, in the 1830s, when Western Australia was settled, one of the first areas of settlement was around York and Toodyay, and a little further south. Settlers were drawn to this area by the quality of the agricultural lands. Our treatment of that land in the past 170 years has not always been benevolent. One of the things that Western Australians have not been particularly good at has been looking after the assets with which they were entrusted when they first arrived here. I ask myself what those outer metropolitan areas, or inner rural areas, will be like in 100 years. For example, will those areas immediately beyond metropolitan Perth continue to support sustainable agriculture - I mean agriculture in its broadest sense, whether the reference is to wine growing, horticulture or any other form of rural production? I wonder whether so much pressure is being placed on that part of Western Australia that in 100 years enormous parts of the productive land of the State will have been taken out of production. That is the burden of the remarks to which I would like the Premier to respond.

This Bill provides an opportunity to answer some of those questions. The initial announcement by the Government, and the second reading speech, mentioned an allocation of \$75 million. My understanding is that the initial allocation is somewhat more modest. However, hope springs eternal, and I hope that, within the term of the Government, the \$75 million target is met. It is a good opportunity - perhaps a historic opportunity - to use some of that money to begin to address the matter I have referred to; that is, the possibility of destroying forever those productive agricultural lands in rather a large circle outside the metropolitan area. I refer to the area from Chittering to Toodyay, into parts of the Northam shire, along the Darling Range, and around the south of the metropolitan area in the Shire of Murray. There are many other places in that latter area I have not mentioned. All those areas have for generations been very productive areas. I wonder what will happen in 100 years when our successors are standing in this place asking why the legislators in 2000 and 2001 did not do something when they had the chance to retain this area, instead of watching it taken out of production.

Clause 3(a) of the Bill seems to hold out the prospect of the minister - the Premier in this case - being able to ask the authority to direct funds to the effective planning and management of the sustainable development of regional Western Australia. No-one is suggesting that the areas to which I have referred can be described as regional Western Australia, but sometimes I think that the regions get a disproportionate share of the attention of this place. That is not a bad thing, but I am pointing out that there are places nearer to the metropolitan area which are under real threat of losing, perhaps forever, the capacity to produce agricultural products. I am aware that this is not a particularly new issue. Over the years, State Governments around Australia have expressed concern about the loss of agricultural lands, both to urban encroachment and to hobby farmers. Either way, the result is devastating. My concern adds to those others. Twenty per cent of Western Australia's export earnings comes from agricultural products, earning a gross annual income of \$4 billion. The stakes are high, and not just for country people. City people are not only the consumers of these products; they also reap many residual benefits from them.

Some four years ago, the Government of the day sought to address this matter in a discussion paper produced by a number of agencies entitled "Planning for Agricultural and Rural Land Use", which had the imprimatur of Agriculture WA and the Western Australian Planning Commission. I quote briefly from summary part 1, as it is germane to what I have been saying so far. I assume the Government of the day endorsed this document and the concerns that I am now re-expressing, because on page 2 it said -

The Government believes that planning powers -

That is why I said I would return to that word "planning" -

should be used to protect productive agricultural land from alienation, . . .

It is interesting to note that most of the thrust of the report refers to agricultural lands further from the city. The emphasis in public meetings was on parts of rural Western Australia fairly remote from the city. My concerns are about agricultural areas around the metropolitan area that should also become the subject of that paragraph, and I repeat the quote -

The Government believes that planning powers should be used to protect productive agricultural land from alienation, . . .

My first question to the Premier was whether he would concede that the issues I have now raised might be a valid reference to the new authority. Secondly, will he state where the current Government sits on this document that was endorsed those several years ago by the outgoing Government? In other words, if the outgoing

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

Government was prepared to commit to using its planning powers to protect agricultural lands in Western Australia, I would hope for nothing less than that from the current Government. That comment continues to be in need of being said.

The Government must examine a number of options if it believes the problem should be addressed. It has occurred to me that perhaps the day has come in Western Australia, particularly in the city, for the Government to consider creating a buffer zone separating the metropolitan area and the near-city agricultural areas to the north, east and south of the city, to which I made some reference. I also believe the Government should consider the creation of minimum lot sizes in agricultural areas and providing taxation incentives. We are inclined to expect the Commonwealth to provide tax incentives. That is not a bad thing. However, there are one or two options that we could examine within the State. We could form a partnership with the Commonwealth to give farmers and holders of agricultural land immediately outside the metropolitan area a greater capacity to hang in there so that they do not become subjected to pressure from land developers as they push the envelope out further and further. It appears to me that, unless we come to grips with some of those incentives, it will be to the detriment of our agricultural products.

Thirdly, it might mean placing a break or a limit of some kind on urban growth. The more I see the Perth metropolitan area in relation to other parts of the world, the more I am not very impressed. In fact, it can fill one with a level of despondency to see the way in which we have allowed Perth to spread and sprawl in the way that it has done. We are not the first city to confront this problem. There are lessons to be learnt from other places, such as in the United States, Canada, the United Kingdom and other parts of Australia. My point is that we are not learning a lesson from any of them sufficient to protect the inner agricultural areas close to the city. The countries and jurisdictions that I have talked about protected their farmlands by using some of the techniques that I have mentioned, whether they be buffer zones, tax incentives, limiting urban sprawl and other techniques. We have a bit of a learning curve to go through in that regard.

I have spoken in this House and I have done work outside the Parliament about the problem of salinity. I am more depressed about salinity now than I was 10 years ago. One of the great failures of the outgoing Government was to do nothing serious about salinity. The outgoing Government simply mouthed platitudes that have seen the problem worsen in that period. I hope that the present Government will take those matters more seriously. If the Government adds the urgent problem of what is happening to rural, productive agricultural lands immediately outside the metropolitan area, which are under threat of breaking up and disappearing forever, to the problem of salinity and the havoc it is causing to Western Australia, it will add a second major and serious dimension to our agricultural product into the future.

It does not take an Einstein to know that one thing we do well in Western Australia is produce an agricultural product that is increasingly in demand near and far, particularly in Asian countries. As the world progresses, it is almost inevitable that we will progress with it. The advantages that we can get out of the growth of Asian and other markets is enormous, without our having to do all that much to win them. However, we will not win them if we are left with a growing amount of land affected by salinity. Also, a growing amount of that rich, productive agricultural land is falling to developers and becoming prey to urbanisation and urban encroachment. It appears to me that the Premier has at his disposal now a perfect capacity to ask the authority that we are setting up by this legislation to make this issue part of its urgent studies, to allocate it some funds, to report back to the Parliament and, finally, give this Parliament some notion of whether the Government supports the contents of the discussion paper of November 1997. Without the Government doing that, the position will get worse and we will miss enormous opportunities into the future. There is enough pressure on rural and agricultural Western Australia from other directions without the growing pressure of the matters I have outlined today.

I am happy to support the Bill. However, I hope the Government will pick up some of my serious concerns, hand them to the authority, ask it to allocate some funds and report back to the Parliament with some serious answers to the way in which we can bring about the planning powers of the State Parliament and the Government to ensure that we do not lose this level of land of agricultural production to more urban sprawl.

**MR OMODEI** (Warren-Blackwood) [4.09 pm]: I rise to give qualified support to this Bill. The legislation obviously came about as a result of a commitment before the election by the Labor Party to set up a regional development fund. The reason I give qualified support is that I have not had an opportunity to be briefed on the issue; however, I am open to an explanation of parts of the legislation. The other thing I want to establish is whether the Premier is handling the Bill in this House as the Minister for Regional Development.

Dr Gallop: No.

Mr OMODEI: Who is the minister responsible in this House?

Mr Rod Sweetman; Mr Pandal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

Dr Gallop: I am representing the Minister for Regional Development in this House at the moment. I will check that for the member.

Mr OMODEI: It would be handy for the minister to be in the House to take part in the debate.

A regional assistance authority will be established, which will be governed by the minister. I presume it will be the Minister for Local Government and Regional Development. At the same time, transitional matters in the Bill need attention. My concerns are about the powers of the authority, as the authority will be run by the minister. I am particularly concerned about clause 7(2)(e), which was mentioned by the Premier in the second reading speech. He said there would be large amounts of funds and the clause will provide the ability for the authority to acquire, hold, manage, improve, develop and dispose of real and personal property, enter into contracts and arrangements, provide and take a range of security and act in conjunction with a person, firm, public authority, local government, department or agency of the public service or an instrumentality of the State or the Commonwealth. Final approval will be given by the Treasurer. I join my colleague the member for Ningaloo in expressing concerns about the Treasurer giving final approval rather than the Cabinet. Maybe the checks and balances should be stronger. My concern is about the arrangements the authority can make on business activities and activities in shares. It could lead to a malfunction of the authority and a repeat of things that happened in the late 1980s. There must be caution. I am concerned about the powers of the authority and the ability of the authority to be manipulated from a political point of view. The Minister for Local Government and Regional Development, Hon Tom Stephens, is an experienced member of Parliament but is not backward in coming forward when it comes to politicising issues. It concerns me greatly.

If the Minister for Regional Development is in control of the authority, what role will other ministers for regional development take? Will there be a forum of ministers in which they can meet and agree before the Minister for Regional Development approves a decision? I raised concerns about this when dealing with the regional development commissions legislation. Under this Government, it is proposed to have a minister for each region. It is good from the point of view of having somebody who represents a region and who can be a conduit to the Minister for Regional Development, Treasury or the Cabinet. However, it creates a blockage or bottleneck in which ministerials can be held up in regional ministers' offices. I suppose that we cannot have it both ways. We can have a Minister for Regional Development similar to that of the previous Government, to whom all the regional development commissions report, or we can have a series of ministers representing the regions and an overall Minister for Regional Development. There are arguments for both. In this case, I can see complications arising from the legislation.

I am concerned about the transitional provisions outlined in the Bill that allow the transfer of agreements and funds. Schedule 1 allows for certain agreements under the Industry and Technology Development Act to be transferred to the authority, which will administer the regional investment fund. The commitment for the regional investment fund was \$75 million -

Dr Gallop: Would the member like the point about transitional arrangements followed up?

Mr OMODEI: Yes. I surmise that it could lead to some confusion and complications in that the Minister for State Development, who currently assists and promotes business, will be joined by another minister, the Minister for Local Government and Regional Development, who will administer a fund doing similar things.

Dr Gallop: As the member knows, under the previous system, the former Deputy Premier was also the minister for this area. He had authority to administer funds given to him by other legislation. The Government has a Minister for Local Government and Regional Development and a new department, the Department of Local Government and Regional Development. This legislation allows the Government to transfer funds from that area to this and still be subject to the proper accountability of legislation as it existed.

Mr OMODEI: I thank the Premier for the explanation. It leads me to the next point I was going to make. The Government announced that the fund would comprise \$75 million over four years, similar to the \$123 million timber industry restructure fund and the timber industry assistance package of \$26.5 million. The Regional Forest Agreement will provide \$15 million, which is federal money.

The community expects honesty from the Government in telling it exactly how much money is in the budget for this year. If one subtracts \$400 000 for each of the regional development commissions - of which there are nine - the funds over the next four years will not be as much as they appear to be. Is the \$75 million - or in the case of this year, \$18.5 million - a new amount, or is it a collection of funds from the timber industry restructure?

Dr Gallop: No.

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

Mr OMODEI: It is new money? Is the Government double counting or using smoke and mirrors? I hope it is not.

Dr Gallop: There are two components. During the election campaign, the Labor Party made commitments to projects in the regions and some of them will be funded from this fund. That was made clear during the election. The amount of \$75 million includes some of them. The extra money is new and does not include other programs.

Mr OMODEI: In the end, the truth will out. At the end of this or next financial year, we will know exactly how much was spent under this fund and we will know exactly where it came from. The chickens will come home to roost.

Dr Gallop: It will come out of the budget.

Mr OMODEI: It will come out of the budget. The Government should not build false expectations in the community by double counting money. That has been the case with some of the timber industry assistance funding in which some of the federal RFA money, administered by the commonwealth Minister for Agriculture, Fisheries and Forestry - the \$15 million - is being double counted in some of the industry assistance packages. I would like to be corrected on that if it is not the case. If it is the case, the Government should come clean and say that the timber industry assistance package of \$26.5 million is partly made up of the \$15 million from the Commonwealth and some from the Minister for State Development's department. The Minister for State Development is here today. He does a good job as the minister. Last week in Manjimup he announced a \$5 million south west industry assistance scheme. It was well received from my point of view. I understand it is money that comes from his department. Will the money be transferred?

Dr Gallop: No.

Mr OMODEI: I am happy about that, as we need to keep industry assistance matters within the Minister for State Development's department. I said earlier that I had some trepidation about the legislation. It is not clear to me that the fund is a pure fund on its own; I understand it will be administered by the Department of Local Government and Regional Development. Does it include funds such as the local government community facilities fund?

Dr Gallop: I want to marginally correct what I just said. Some of the funds for the timber industry strategy have come from the regional investment fund and they will be developed in the forest assistance strategy that the Government has put together.

Mr OMODEI: Those are the sorts of things that need to be made very clear to people. They must be aware of specific amounts of money available under the regional investment fund and whether other funds are available. I surmise that the local government community facilities fund, local government development program funds and Safer WA grants are embodied in the \$75 million regional investment fund. We need to know that. It is a great shame that the local government facilities fund has been cut by half, because on a matching basis local governments around Western Australia were contributing in excess of \$10 million compared with an investment of \$4 million by the previous Government over a four-year period. That was money well spent. The facilities around Western Australia were in poor condition. It is a shame the Government did not continue that funding program on a similar basis for the foreseeable future. I wonder whether some of the funds that are going into the regional investment fund are rebadging of funds that already exist.

A regional investment fund is a good idea. I do not have any problem with the Department of Local Government and Regional Development administering this fund. However, I am concerned at the minister's being *El Supremo*. The legislation could fall into disrepute if those funds are not handled properly. As the member for Ningaloo mentioned, local governments should be involved in the decision-making process on major projects. This is the first year in 26 years that I have not been involved in local government, so my history in local government goes back a long time. In days gone by, before the establishment of the South West Development Commission and the development of regional development commissions, the minister approached local government to make significant announcements of state importance. This gave local government a significant status in the eyes of the community. With the development of regional development commissions the status of local government has been diminished over time, which is a shame. I know that local government members are represented on the regional development commissions, and that is a good thing, but it takes away some of the role that local government played in years gone by. My request to the Premier, or whoever the minister is in this or the other House, is to ensure that local governments are involved at a grass roots level. In other words, councils right across Western Australia should be involved when the Government deliberates on the allocation of

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

these funds. It should not be left only to regional development commissions, to the regional development ministers or the Minister for Regional Development.

The concept is good. However, the legislation leaves itself open to disarray if it is not handled carefully. I commend the Government for setting up the regional investment fund. If it is new money for regional development it is a good thing. I note the Minister for Health is nodding. Last week, when I was not here, there was debate on hospital funding. I can tell the Minister for Health that country Western Australia is hurting badly as a result of the decisions made by the current Government over hospital funding. There is no doubt that there was an increase in the health budget, but the cost of extra wages and superannuation will more than gobble that up.

I had the pleasure of attending the openings of facilities in Pemberton and Nannup last week with the Parliamentary Secretary to the Minister for Health, Hon Ljiljanna Ravlich, and the Acting Speaker, Mr Dean. It was a great occasion. It is a shame that the Pemberton District Hospital will receive the same budgetary allocation for the new hospital as it did for the old hospital, when the new hospital is twice as big and the budget for the electricity has already blown out. Health care and patient services will suffer as a result of the Government's policy.

If it is the case that this fund is new money maybe the Government will need to prop up hospital budgets out of the regional investment fund because we cannot tolerate elderly podiatry patients in a large area of rural Western Australia waiting eight weeks for treatment. Can members imagine an elderly person with infected toenails waiting eight weeks for treatment? Other services for which patients must go on a waiting list include speech therapy, occupational therapy and physiotherapy, which are very important services to residents in rural Western Australia. Rural Western Australia should receive services that are equivalent to, if not better than, those in the metropolitan area. For the Government to take \$25 million out of rural Western Australia and place it in the city is not acceptable in this day and age. People in regional Western Australia put up with enough hardship and uncertainty as it is, whether it be from locusts, tempest, earthquakes or other climatic conditions, let alone the tyranny of distance and the lower levels of academic achievement because of inadequate education facilities. If we are to have a regional investment fund let us lay it on the table and set it out so that people can understand it. Let us have no rebadging, no smoke and mirrors; let us show it as it is and run it properly.

**MR BIRNEY** (Kalgoorlie) [4.25 pm]: I am pleased to rise today to add to this debate, which essentially is about regional development. I have lived in Kalgoorlie-Boulder for 32 years. It is my intention to remain in Kalgoorlie-Boulder for another 32 years at the very least, so I have a fairly direct interest in this legislation. I am not opposed to the Bill. Essentially the Bill is a good idea. It goes some of the way towards recognising the hardships that people face when living in rural and regional Western Australia. Those of us who have lived there for any length of time would be well aware that it is difficult to achieve equality.

Dr Gallop: Is that the past tense? What is your future tense? It was a very quiet little comment; you were not your usual vigorous self.

Mr BIRNEY: I hope the Premier stays in the Chamber, because I will get to that shortly.

Essentially I support the Bill. It recognises those of us who choose to live and work in country Western Australia. I would not want to be accused of being a cynic, but it appears that the Labor Party has offered this carrot of a \$75 million regional investment fund as a way to make up the ground that it has most definitely lost over the past eight to nine months. When I talk about the ground that it has lost, I am talking about its ridiculous policy of one vote, one value that has gone down like a lead balloon in country Western Australia. We have seen that constantly in the newspapers - certainly in my local newspaper and at a statewide level in *The West Australian*. We have even seen polls in which city people have been completely and utterly opposed to the concept of one vote, one value. I wonder if this carrot of a \$75 million regional investment fund might be a way for the Labor Party to make up some of the ground it lost in the country through its policy on native title and its anti-mining stance in rural and regional Western Australia. It is clear that the Labor Party is on the nose in those areas because of its lack of support for the mining industry and its total support for the concept of native title. I wonder if this \$75 million regional development fund might be an attempt to claw back some ground it has lost on the issue of homosexual law reform. The rubbish that the Attorney General trots out every second or third day in this place has not gone down very well in the electorates of Kalgoorlie and Eyre, and I am sure it has not gone down well in other parts of rural and regional Western Australia. I wonder if the banning of old-growth forest logging, which will eventually put 700 or 800 people on the dole in the south west of our State, might have had some influence on the Government's decision to provide a regional development fund.

In recent times, it has become evident that the Government is on the nose in regional Western Australia. I am not sure whether the Premier is listening to what I have to say. However, he should not just take my word for it.

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

I will read to the House a couple of quotes that have come to my attention recently. The first is an article from *The West Australian* newspaper on 12 November, entitled "Haase romps to win". Of course, Barry Haase, the federal member for Kalgoorlie, romped home to win the federal seat of Kalgoorlie and the Liberal Party's vote increased stunningly. Members must ask themselves why that was the case. Until I won the state seat of Kalgoorlie, it was Labor's longest held seat, and the federal seat of Kalgoorlie was also a very safe seat for the Labor Party. Members opposite must ask why there was a massive increase in the Liberal Party's two-party preferred vote in Kalgoorlie. Perhaps the answer lies in these quotes from *The Western Australian* newspaper. The first is from Paul Browning, who was the failed Labor candidate in the federal seat of Kalgoorlie. The article states -

Mr Browning agreed the refugee issue had cost him votes.

We would all agree with that. The article continues -

State issues such as one vote, one value, the premium property tax and gay law reform also had an impact on his campaign.

They are state issues, yet the federal Labor candidate tells everybody who reads *The West Australian* that this Labor Government is completely and utterly on the nose in rural and regional Western Australia. However, it does not stop there. Members might be interested to read today's issue of the *Kalgoorlie Miner*, which states -

Eyre MLA John Bowler has supported claims Labor's policies in the State political arena were damaging to candidate Paul Browning's bid for the Federal seat of Kalgoorlie.

Mr Bowler said yesterday there was no doubt the Labor candidate's attempt to wrest the seat from sitting Liberal Barry Haase had been affected by State Government's proposal to introduce one-vote, one-value.

After declaring defeat at the polls on Sunday, Mr Browning said State Government policies could in part be blamed for his loss.

The article continues -

"Some of our policies did not help him," Mr Bowler said yesterday.

"I just think naturally all governments like to do what the unpopular measures are first and there is no doubt that we have done that."

The Government has rolled out the unpopular measures and members of the Labor Party have said that that is the case. Mr Bowler continues -

"There is no doubt that one-vote, one-value has been a big negative during the Federal campaign," he said.

I will not bore members with many more quotes, although they are quite interesting. On 12 November, I was excited when I read an article in the *Kalgoorlie Miner*. Once again, it refers to the Labor candidate, Paul Browning. Mr Browning has been around the Labor Party for some time. He is a political animal who has come up through the Labor Party ranks and he is its chief preselection candidate. However, it appears that he is trying to distance himself from the Premier and the State Government. The article in the *Kalgoorlie Miner* states -

Mr Browning said he appeared to have lost the election in the traditional Labor heartland of the seat.

I am not sure whether the Premier is listening, but I am sure that he will be interested in the article. Mr Browning stated -

"I am not going to let the State Government get off scot-free," he said.

"The State Government needs to develop with some urgency a measure of political smarts if it is to avoid complete annihilation at the next election in my view."

That quote is from the Labor candidate for the federal seat of Kalgoorlie, which includes 91 per cent of rural and regional Western Australia. What a home truth! The article continues -

One-vote, one-value, law reform and the ailing health system were the three areas in the State domain which Mr Browning said had been particularly damaging.

It is particularly damaging all right, but it is particularly damaging for the Premier and for the Western Australian Government.

Mr D'Orazio: Why are you trying to run away from your electorate?

Mr Rod Sweetman; Mr Pandal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

Mr BIRNEY: I will deal with that issue briefly later. I have examined the electoral figures in my seat of Kalgoorlie as they translate from the federal seat of Kalgoorlie. I am pleased to announce to members that my Liberal seat right in the heartland of the Labor movement is held by a 6.9 per cent margin! The Labor Party has held the seat since 1900 - for 100 years. However, now that this Government is in power, Kalgoorlie is a Liberal-held seat with a margin of 6.9 per cent in the heartland of the Labor movement! The Premier and the Attorney General are responsible for turning Labor's oldest seat into a safe Liberal seat! I congratulate the Premier for his efforts in turning my home town from a Labor seat to a Liberal seat!

I will deal quickly with a grubby little issue that the Premier came up with during question time. He must have grubby people who run around for him and try to find rumours or anything else that are damaging to the Opposition and that they can hang a hat on. The Premier talked about my moving to Perth or wanting to move to Perth - I do not know what he said. I was not listening to a lot of it because I was speaking to my learned colleague at the time. However, I got the gist of it. I say conclusively and without a shadow of a doubt to those Labor members who are snickering on the back bench that Kalgoorlie is my home town. I have been there for 32 years and I intend to be there for at least another 32 years. Any suggestion that I want to move to Perth is completely and utterly without foundation; it is completely baseless. The suggestion is a result of the Premier's grubby little people who run around and dig into funny areas for anything they can hang a hat on. Why would I want to leave Kalgoorlie? The Premier has turned the seat of Kalgoorlie into a Liberal seat. It has gone from being Labor's safest seat to a marginal Liberal seat and then to a Liberal seat held by 6.9 per cent. Why would I want to go anywhere?

Dr Gallop: Have you considered going?

Mr BIRNEY: I will deal with that. I have never said to anyone, be it my closest friends, my confidants, my enemies or anybody else that I am considering moving out of Kalgoorlie-Boulder. I will be conclusive about the issue. I have never thought about it, or said or indicated to anybody that I wanted to move out of Kalgoorlie-Boulder. For the Premier of this State, the leader of this Parliament -

*Points of Order*

Mr KOBELKE: Mr Acting Speaker (Mr Dean), I draw your attention to Standing Order No 94. There is no requirement that the member must make any sense when making a contribution to debate in the House, be it interesting, honest or in any way address the facts; however, there is a requirement that the member's contribution be relevant. Currently, we are dealing with a Bill that relates to funding for regional development in this State. The member has spent over half his time in this debate without touching on any matter relevant to the Bill before the House. Although it might be appropriate in the second reading debate to speak on topics wider than the content of the Bill, if they relate to the Bill, the member's contribution to date has borne no relevance whatsoever to the Bill before the House.

Mr BIRNEY: I know that the minister does not want to hear those things, and I can understand why. However, the issues I was dealing with involved a lack of response to the concerns that exist in rural and regional Western Australia. The Bill we are currently dealing with is embroiled in that issue. The point I made initially was that the Government is offering the \$75 million regional investment fund as a carrot to make up for a lack of action in areas including native title, one vote, one value, homosexual law reform and the banning of old-growth logging. Clearly, those issues are linked.

Mr MASTERS: I have listened to the member for Kalgoorlie with great interest because I have been under the impression that what he has said has been relevant to the Bill under discussion. More importantly, the member has responded to interjections from the government side of the House. He may have had the best of intentions to debate or discuss issues relevant to the Bill. However, it is entirely fair for the member to respond to an interjection that strays from the Bill's topic so long as he does not go too far from the real issue.

The ACTING SPEAKER: As stated by the Leader of the House, there is a point of order, and to a certain extent the member for Vasse backed that up with his last statement. The member for Kalgoorlie began his discussion with the intent that he outlined, but I think he allowed himself to be severely sidetracked. I ask the member for Kalgoorlie to restrict his comments to the Bill at hand.

*Debate Resumed*

Mr BIRNEY: I am more than pleased to deal directly with the Regional Investment Fund Bill because I have come to the end of my sermon! Members of the vegie patch do not like being in the House because they are not given much to do, apart from sitting and listening to me. I cannot blame them, but perhaps they could be silent for five or 10 minutes.



Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

As I said, I support the Bill; it is a good idea. However, I have a number of concerns that I will address. First, the Government went to the election and announced a \$75 million regional development fund, which, of course, was welcomed by country Western Australia. Any reasonable person would grant the Government that, and the people living in country Western Australia thought it was a good idea. The Government stated that it was offering a carrot of \$75 million. However, from the information that I have received, that \$75 million will not be completely new money. I am told that the Government also made a commitment of \$16.5 million to the timber industry down south as a restructuring measure. That was made with great fanfare as the Government stated that it would stop all the poor people down there going on the dole and accepting welfare payments, and that it would bail them out of the predicament in which they found themselves as a result of the Government's policy to ban the logging of old-growth forests. The Government will get credit for the \$5.5 million south west online project; it will get credit for the \$500 000 for the Point Samson fishing platform; and it will get credit for the Shark Bay Heritage Centre. That is all well and good. The Government should probably get credit for these projects, and for the \$75 million regional investment fund.

However, let us be honest about this. The problem is that I am advised that the funding for the projects I have just spoken about, and I suspect for other projects, will come from that \$75 million fund. It is one thing for the Government to go out to the people in country Western Australia who are obviously hurting and say that it will give them \$75 million for social and economic development; however, it is another thing to announce a range of other projects that will come out of that fund. If we are to be reasonable about this, we need to accept and understand that there is a degree of smoke and mirrors here. I am told that \$22 million worth of funding for current projects will come out of the \$75 million regional investment fund. The regional investment fund has yet to become a reality; the legislation is here, Mr Acting Speaker, right in front of us. However, projects that have been around for some time will gobble up the first \$22 million of that \$75 million regional investment fund. At best, that is a little bit sneaky; however, it does not stop there.

Dr Gallop: We announced that before the election.

Mr BIRNEY: The Premier certainly did not make a lot of fanfare about it.

It does not stop there, because the Government proposed a premium property tax that it thought was clever and might increase the votes for the members for Nedlands and Cottesloe, but, in fact, it would not hurt them. Of course, we all realise now that that was not the case because the Government got a blood nose from the proposed premium property tax and decided to can the idea. However, from where did the Government decide to fill the hole? How did the Government plug that hole? It went straight to the regional development fund and pulled out \$5 million for this year. The trendy word used by the Government is "deferral". The Government said it would "defer" that until next year. However, the Government did not say what will happen next year. Perhaps when the Premier gets to his feet he can tell us what the Government will do. Will the Government defer it again and again until eventually that \$5 million goes into thin air? Whether the Premier likes it or not, I suspect that that will be the case, and I will be interested to hear the Premier's response to this.

Where has the Country Labor Alliance been during all of this? When the Premier announced the \$75 million, the members of that alliance must have bristled up a bit and thought they would run out into their electorates and tell everybody about it. However, slowly but surely they saw their fund whittled away by \$22 million and then by another \$5 million when the premium property tax idea fell over. Where was the Country Labor Alliance? What does the Country Labor Alliance do? I will tell members what it does; it has about as much bite as a rubber duck. What is it good for? Let us think seriously about this. Did the Country Labor Alliance go to the Premier and ask him not to eat into its funds for the premium property tax? Did the Country Labor Alliance say to the Premier that there should be \$75 million worth of new money without the \$22 million worth of rubbish that he had announced? It has been absolutely silent, and that is a good reflection on the quality of some country members in this place.

I would like to draw my comments to a close, and I am sure some members will be happy about that, although I think I can get an extension, but I will not seek one! An aspect that concerns me about the regional development fund is the guidelines for the approval of the money. After reading the Bill, I understand that much of the power to approve moneys from this fund will ultimately rest with the minister. I am concerned that the fund might become politicised, and that would be terribly unfortunate for country Western Australia. I have a proposal that involves setting up committees in the various regions, and that idea has already been floated by a number of people in my electorate. These committees may include, for example, the head of the development commission, the mayor or the chief executive officer of the local council, the head of the chamber of commerce and the local member. That would be a serious way of giving autonomy to these regions.

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

My final concern is the wide-ranging powers that the regional assistance authority will be given. From what I understand, it will be able to buy shares, hold property and borrow and lend money. Dare I say it, perhaps this has shades of WA Inc. It really is of some concern, and I would like the Premier to outline to the House the measures that he intends to put in place to ensure that this regional development fund, first, does not become politicised and, secondly, is accountable to Parliament for its actions.

**MR TRENORDEN** (Avon - Leader of the National Party) [4.48 pm]: The Premier must know by now that the National Party will be moving amendments during the consideration in detail stage of the Regional Investment Fund Bill, and there are good reasons for those amendments. I might add that the Premier agrees with those amendments. The second reading speech deals with partnerships and the regions, and I will use it as the basis for my remarks. There is nothing in that speech with which I disagree. Generally, the National Party does not have any argument with the principles of the Bill. We will be arguing about some core issues, and, as I have already outlined, the Premier agrees with some of the amendments we will move. Three levels of funding are set out in the Bill. It is good that higher levels of funding will be available through normal commercial channels, as occurred under the previous Government, through the minister, and that is a standard provision. The second provision, which will give \$400 000 to each of the regional development commissions, is also a good idea and should be supported. The third provision is that money will be allocated through local government to regional development, and that is a good idea too.

Mr D'Orazio interjected.

Mr TRENORDEN: I am discussing what is basically a National Party policy today.

Mr D'Orazio interjected.

Mr TRENORDEN: I would not say that Labor is a great Government; I just cannot get that past my lips! I will cut my speech short if the Premier listens for a moment - I see he is reading the amendments.

In 1997, the member for South Perth introduced a Bill in this House on accountability. It examined what should have been the processes after the Commission on Government and other issues. However, the Public Accounts and Expenditure Review Committee also brought out a report on the same issues in 1996. In that report, entitled the "Western Australian Government Financial Assistance to Industry", were a couple of recommendations with which the Premier agreed during the discussion on the member for South Perth's Bill, and I will talk to him about that in a few minutes. Recommendation 6 of that report stated -

The Government should adopt and publish a policy identifying the amount at which financial assistance packages are required to be submitted to Cabinet for approval.

The amendments of the National Party state that decisions over a certain level made by the Premier's organisation, which he calls an "authority", should go to Cabinet and then come into this House. The Premier agrees with that now as he did in 1997 when he discussed the Member for South Perth's Bill, as noted on page 8896 of *Hansard* on 27 November 1997. Several quotes were made by the Premier about the important steps towards this decision making and about future Governments being truly open and accountable.

Dr Gallop: We are being open and accountable with this Bill.

Mr TRENORDEN: We are talking about sizeable amounts of money and the Premier should bring those amounts to the House. That is what the member for South Perth's Bill sought to do, and the Premier strongly agreed with that.

Dr Gallop: I am not sure that you are right about that.

Mr TRENORDEN: The Premier should read *Hansard*. I have been reading the Premier's speech in *Hansard* for some hours.

Dr Gallop: Was it pretty good?

Mr TRENORDEN: It was wonderful reading. It is amazing how the Premier stepped from one foot to the other on the matter.

Dr Gallop: I know my position and I know that you do not.

Mr TRENORDEN: I do not want to get into the Premier on this issue.

The Bill does not have to do anything great with regard to the process. All the National Party is saying is that once a decision of some substance has been made, it should be announced in the House. The House should not have to vote on that decision; the appropriate minister should tell the House that the decision has been made. I can see the Premier nodding his head, but it is not a bad provision - it is a small matter in the greater scheme of

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

things. In the Premier's argument about an open and accountable Government, it is a proper mechanism. It should happen because we are talking about sizeable amounts of money.

The National Party also has questions about the authority. The authority is the minister, and the authority can write the assessment and say how wonderful it is and then approve it! Does that not ring the alarm bells of WA Inc and other matters? I am trying to be objective because the legislation says that the authority will go through the process of deciding the merit of the project, and then it will make a decision. Is that not rendering unto Caesar that which is Caesar's? I am only arguing about the accountability process; I am not trying to condemn the Premier. This is a process that has long been debated.

Mr D'Orazio: Are you saying that you want the minister to make the decision?

Mr TRENORDEN: No. Why can a department or a public servant not make the decision? Under the old process, the department did the assessment and handed it to the minister for a decision. At least there was a separation in the process. In this Bill, the authority is the minister, and the Bill says that the authority will do the assessment and make the decision. Is that not a little suspect?

Mr D'Orazio interjected.

Mr TRENORDEN: I want someone to explain to me why he thinks I am wrong because I do not think I am. The Government's campaign - I commend it as this was one of its commitments and that is good - said that the Government would not have a lot of different organisations and departments. However, it is creating a new one with this authority; it is brand new.

Dr Gallop: No, it is a minister.

Mr TRENORDEN: That is what I just said, Premier. In theory, and according to the Bill, the minister will write what he thinks is a wonderful submission and approve it. The Premier should point out to me how I am wrong.

We will be seeking to remove the capacity of the State to buy shares or equity in companies. A big part of the Public Accounts and Expenditure Review Committee report of 1996 related to recommendation 8 that states -

The roles and powers of the Department of Commerce and Trade -

That is what we were talking about at the time -

and any other State Government agency should prohibit the use of equity investments as a form of financial assistance to industry.

The Premier knows that when he was in opposition, he strongly supported that. His position should not change now that he is Premier. The role and the capacity of -

Dr Gallop: We supported the Industry and Technology Development Act moved by the Deputy Premier, which also has the same clauses in it.

Mr TRENORDEN: The Premier has also supported the fact -

Dr Gallop: I know what we did in opposition. We supported that Act on which this Bill is based.

Mr TRENORDEN: During the Commission on Government process, the Premier argued, as did many of his fellow members, that equity should not be taken by -

Dr Gallop: The Commission on Government does not say that.

Mr TRENORDEN: Yes, it does.

Dr Gallop: No, it does not. Where does it say that? Where does the Commission on Government say that Governments cannot take equity?

Mr TRENORDEN: Does the Premier want me to quote a few things from the Global Dance fiasco.

Dr Gallop: No, Global Dance was a silly thing; it was ridiculous.

Mr TRENORDEN: The Premier is on record as saying these things. He has done a total backflip from opposition to government.

Dr Gallop: The Industry and Technology Development Act is exactly the same. This is your minister's Act.

Mr TRENORDEN: That is right. The previous Government -

Dr Gallop: We supported it through Parliament

Mr Rod Sweetman; Mr Pandal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

Mr TRENORDEN: Check it in *Hansard*. I have not checked that Bill. If the Premier remembers, there were a few cases in 1997 and 1998 of the Department of Commerce and Trade giving grants, and the Premier had a very different view about equity at that time. Members on the other side recognise that that is correct because the Premier was part of that debate.

Mr Brown: Now that I am sitting in my seat, I can say a few things, having read the files.

Mr TRENORDEN: On what?

Mr Brown interjected.

Mr TRENORDEN: The member should say them; he should go for it. It does not worry me in the slightest. If the member thinks he has something to go for, he should go for it.

Other members before me have talked about how large portions of these funds are already committed, and some of those projects are fine. However, there was also talk about the premium property tax and how \$5 million was whipped out of this year's budget for rural WA for something in the city that did not happen. That is a typical action of this Government; anything to do with rural areas gets a kick in the knees. Nevertheless, it is good to have a regional investment fund. There is not much new money in the fund, but the fact that it has been provided will be supported. There is a powerline in my electorate that runs from Narrogin to Northam - that is not quite true in a geographical sense but it is close enough - on which this Government will spend \$750 000, which is great. The only difficulty is that it will not improve anything. It will fix the maintenance issues and the capacity of the line will not be increased one iota! Places like Beverley and Pingelly cannot have light industrial areas because the capacity is not there to drive light industrial activity. Those lines were put in place in the 1960s when the draw was much less than it is now. A lot of money is needed for a few of those things to become operable in rural areas, so that those towns can progress. People have tried to establish a light industrial area in Beverley for some time, and there is an allocation in this year's budget of \$130 000 to develop a light industrial area there. I commend the Government on that. However, how will the light industrial area access power and water? Hopefully, the Government will say that it will be provided through this Bill. If that is the case, that is fantastic. These issues have been great problems in rural areas for some time. They were problems throughout the eight years I was a member of the Court Government. We fought, kicked and scratched over those issues. Tens of millions of dollars are needed to improve the infrastructure that is badly run down in rural areas. The member for Warren-Blackwood outlined some of the problems in the timber industry. They are important issues, and the money must be forthcoming. I hope that will be the case. The National Party will debate these issues further during the consideration in detail stage when I will remind the Premier of the decisions and speeches he made when in opposition.

**MR EDWARDS** (Greenough) [5.01 pm]: I am a regional and rural member and I wish to comment on this Bill. I commend the Government for introducing the Regional Investment Fund Bill to this House. I will support the Bill, but I will make some comments on it. Quite a few comments have already been made by my colleagues on this side of the House. I have some attachment to development commissions. I sat on the Mid West Development Commission in another life for almost four years. Nineteen local government authorities are attached to that regional development commission. In the main, the development commission was considered to be an avenue or conduit through which to further the mid west region. However, there is a question about whether regional development commissions would be better served if they were funded through local government, with the officers of the commission responsible to local government. I put that forward as a personal view; I have not discussed or shared that view with members on my side of the House.

The Government has put forward three programs: the regional infrastructure funding program, which has funding of between \$100 000 and \$5 million for major construction and ready capital works projects; the regional development scheme, which will provide financial assistance of up to \$150 000 for capital works and other project costs; and the Western Australian regional initiatives scheme, which will provide financial assistance of between \$5 000 and \$250 000 for non-capital work projects.

I am concerned that nine ministers are involved with the funding of the commissions. It raises the question of how that funding will be allocated. I hope that funding issues will not become a matter of strength of will between ministers in the party room. It seems that it would perhaps be better if one minister governed the authorities; however, the Labor Party put that forward as an election policy and it was outlined prior to the Labor Party coming into government. I am also concerned, and it has been raised already, that there could be some politicisation of the authority. Like the member for Avon, I have some problem with clause 7(2)(e), which specifically allows the authority to -

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

... participate in any business arrangement and acquire, hold and dispose of shares, units or  
... interests in, or relating to, a business arrangement;

The intent of this clause is to allow the authority to take shares as security or have other arrangements in place to protect the State's interests. I take due note of the fact that all options provided for in clause 7(2)(e) require the written approval of the Treasurer. I am interested to hear further comment on this clause.

Dr Gallop: This is exactly the same clause as that contained in your Government's legislation on industry, technology and development.

Mr EDWARDS: I appreciate that; however, I ask the Premier to provide further comment on concerns raised by other members, as well as by me.

The Premier is well aware of the region and rural area that I represent, and its current economy. I am aware that some government funding has been provided through the budget, which is a welcome addition to the Geraldton area. However, there are areas in which these development funds could help, such as in the tourism and horticultural industries. I raise horticulture because it is a growing industry. Hopefully, the funding for those programs will be readily available. However, I wonder whether those programs and schemes will impact on other funding sources; for example, road funding and funding for country health services and law and order issues. That has been raised before and I hope that will not be the case. In answer to a query from another member, the Premier said that it is new funding. That is something we will probably learn about only in a year, but again, it is something on which the Premier could comment. As the member for Ningaloo has already said, some local authorities, health boards and others might seek funding from these programs. The question then arises about whether they come under the eligibility criteria, and an answer to that needs to be provided. I note that the criteria of the programs and schemes are reasonably broad. I am interested in receiving the Premier's reply on that issue. I also ask that these programs not be bound up in so much red tape and bureaucracy that they become too difficult for applicants to access. I am sure that is not the intention; however, that is often the case. It is extremely frustrating for bodies and organisations that are attempting to access funds to find that red tape stands in their way. I suspect that the Premier will have given that some thought.

Dr Gallop: That is always an issue. On the one side, as you well know from your experience in government, accountability requirements are such that when you spend taxpayers' money, certain arrangements must be in place to guarantee that the money is spent as intended. That can be a bit bureaucratic for some people.

Mr EDWARDS: I understand that. It must be open. Accountability is an issue; that is, it must be seen that it is done properly. I am sure that is the case; however, bureaucracy sometimes stands in the way of some of these programs. I am not making an issue of it; I am just hoping that is not the case. I do not need to say much more. I support the Bill and look forward to its benefits.

**MR BOWLER** (Eyre) [5.08 pm]: I will speak on this Bill because it was a wonderful addition to Labor Party policy prior to the state election and I am pleased that it has now been introduced. I congratulate the Premier and all those involved in its application.

Mr Bradshaw: When you are trying to brownnose the Premier after getting in the manure, you dig a bigger hole for yourself. You should be very cautious about how you do it. I remember David Smith, the former -

Mr BOWLER: The member for Murray-Wellington should watch and see how it is done. I have a special reason for speaking on this Bill.

Mr Bradshaw: I bet you do.

Mr BOWLER: My predecessor, Julian Grill, was the first person in Western Australia to use the words "regional development". Regional development had previously not been considered or thought about. My family would sit around the kitchen table and listen to ABC radio and the handing down of the federal budget. Dad would listen for education, defence and all those sorts of things. He would also pay particular attention to the word "decentralisation", which we do not hear these days, particularly from the federal Liberal Government we have sadly re-elected. In recent years, we have heard about regional development rather than decentralisation. That came from my predecessor, Julian Grill, and the Bunbury 2000 concept. Julian tells me that it was not entirely his idea. He does not claim responsibility for the concept. A couple from Bunbury - the member for Dawesville would probably know them - sold Julian the idea, and he implemented it. Bunbury 2000 was a great success, and it is still revered as such. That success led the Burke Government to introduce a similar concept throughout the rest of Western Australia. Sadly, regional development did not progress during the Court Government in the way it had for the previous 10 years. The previous Minister for Regional Development, Hendy Cowan, no doubt did his best and presided over what he thought was the right model; however, in

Mr Rod Sweetman; Mr Pandal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

hindsight, regional development did not work during those eight years because one person was in charge. The member for Greenough has complained that nine ministers is too many, but under the previous model, too much control was given to one person.

The Goldfields-Esperance Development Commission praised the decision to fund a road through Sandstone to Geraldton which will take jobs out of the goldfields. It should never have been approved. The funding should have gone to another road which would have had far more national, state and local relevance. However, the regional development commission in the goldfields had to praise that road so that its minister did not come down on it. I am pleased that the member for Ningaloo has come into the House, because he will know the road about which I am talking. Even he would concur that the Wiluna-Meekatharra road should have got the nod over the Sandstone-Wiluna road.

Mr Sweetman: There is much controversy over the two roads. However, your area will be pleasantly surprised, because instead of taking business away, the road will probably bring business to you.

Mr BOWLER: The other road would have brought more business, and the member knows that. The Goldfields-Esperance Development Commission knew that that road should not have been built, but it could not say anything. It could not take it up with the one regional development minister. Things will be much better under the new system.

Mr Edwards: It was a good decision.

Mr BOWLER: The member for Greenough might like it, but nobody else in the State does. It is a waste of money.

Mr Sweetman: Are you aware of the problems in running the road from Wiluna to Meekatharra? There is a strong view that it should go from Wiluna to Kumarina. They are laying out the project until 2006. I am concerned that by then, the argument will be strong enough to re-route that road from Wiluna to Kumarina, which would suit your interests, and those of your development commission.

Mr BOWLER: I support that.

I return to the core of the debate, which is the regional development fund the Gallop Labor Government has introduced. This will be welcome to regional Western Australia. I have talked about the separate development commissions that now exist throughout Western Australia. One of the great things about this fund is that it will allow the commissions to commence the projects that have built up over the past seven or eight years. Those development commissions have been starved of funds, although many great ideas were put forward, particularly to the goldfields development commission. Mr Speaker will know of many good ideas for regional development in his region, and he is waiting to get his teeth into the \$75 million, as is the member for Ningaloo. As the member for Eyre, I think it important that I comment on this legislation, because it was my predecessor who raised the concept of regional development.

As well as the \$75 million for the state development commissions, the goldfields will get an extra \$1 million over the next four years - \$250 000 this year and for each of the next three years - for the Kalgoorlie-Boulder development fund. Other regional members may be jealous of that. It was achieved because of the hard work of Julian Grill, Megan Anwyl and me. The member for Kalgoorlie is extremely jealous of what we have achieved. He is critical of everything the State Government does, but he has not uttered a word on this policy because it is a good fund that we will use over the next four years to create more jobs in Western Australia, particularly in my electorate of the goldfields. We will start to bring back some of the people who drifted into the metropolitan area over the eight years of the Court Government.

**MR MARSHALL** (Dawesville) [5.15 pm]: I believe the Bill is a step in the right direction because it will ensure funding for regional areas of Western Australia. However, I am concerned that the funding may not be appropriated in a proper manner. The Peel region, which I represent, is the fastest growing region in Western Australia; yet the level of funding for the Peel region has never equated to the level of funding for the south west. The estimated population of the Peel region in June 2001 was 76 929, which means it is the second largest of the nine regional areas of Western Australia. Population growth across the Peel region is forecast at 5.2 per cent, which means that 131 163 people will live in the region by 2016. Infrastructure and other social amenities will be needed to accommodate those people.

I provide a short overview of the Peel region, because it has a diverse economy. It is based predominantly on mining and mineral processing and agriculture. It produces everything except wheat. It has pigs, poultry, cattle and sheep, orchards and fruit. Its equine industry is the second largest in Western Australia. The Peel region also has timber, fishing, manufacturing, construction, retailing and, of course, tourism, which makes a

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

marvellous contribution to the economy. An estimated 1.9 million day trips were made to the region in 1999, with 86 per cent of the overnight domestic visitors coming from Perth. It is well noted that each year, Mandurah is the most-visited one-day destination in Western Australia.

The Peel region supplies feed stock for the production of 21 per cent of the world's alumina. Total mining activity output in the region was \$1.7 billion in 1999-2000. Building continues to grow, and 1 430 dwellings were approved in 1999-2000. Total building approvals were worth \$217 million. I mention these figures to provide an idea of how a small area is overlooked because it tags on to the metropolitan area. Residents of the Peel region are proud of its identity as a country region, and they want to keep it that way. However, with a growing population, they also want their fair share when the money is distributed.

Last month, 431 new voters in Dawesville registered with the Electoral Commission, compared with 17 voters in Mandurah. The growth of Mandurah is on the perimeter; along the magnificent coastal area. That is why we must not overlook Mandurah and the Peel region in favour of Bunbury.

More money was spent in the Peel region in the eight years of the former Government than in the history of the area. A performing arts centre was built, which 250 000 people visit each year. It has a new hospital; and that was increased from 30 beds to 150 beds. It is still not enough. We could not get money in the budget for the day care centre for the hospital. Five new schools have been built, and more connecting bus services introduced. Numbers of police officers have increased. The magnificent marina, opened only a few months ago at a cost of \$220 million, will become the showpiece of Western Australia. This is good, but the budget for the Peel region this year was deplorable. Some of the promises in the health area did not come through. I am concerned that promises are made to obtain government which are then not kept. A very firm cap must be put on the way the money is distributed.

I have been boosting up the area, but recently a statement of the area's social indicators was published. It reads, in part -

Peel has one the highest unemployment rates in the state (8.3%) compared to the state average of 5.9%. The inferred youth unemployment rate is calculated to be the highest in Australia at 39%.

I am ashamed to say that. How will we help those people? Will money be spent in the area to help reduce that terrible percentage of unemployed youth? Another point in the document reads -

In the Peel region 56.88% of the population receives an average weekly income under \$300 (Western Australia as a whole 46.29%) . . .

There is a higher level of the Peel population with inadequate social and employment capabilities. Peel has the lowest 'lifelong learning' indicators in Western Australia. Peel has an extremely low rating of 13, compared with the City of Bunbury at 51 . . .

Mr Dean: That is after eight years of Liberal Government.

Mr MARSHALL: Why is Bunbury getting the money when it does not need it, and another place has a rating of 13? Further on the document reads -

Less than 3% of survey respondents agreed that students leaving Year 10 have marginal employment prospects (increases to only 14% in Year 12).

I could go on, because it is important that the Government understand these social indicators. For the past three weeks, all I have heard is the federal Opposition saying that it will listen to and help the ordinary people of Western Australia. This set of social indicators talks about ordinary people. I came from an ordinary area, and I understand and talk the language of ordinary people. I will go out on a crusade for them just as readily as any government member. The member for Bunbury should think of this when he chips in to the discussion. He should not forget that the Opposition represents the majority of people of Western Australia - who in his terminology are called the ordinary people. I do not particularly like that phrase at all, but it is a fact. It is like golf. Only 10 per cent of the golfers of the world ever get to single figures. All the rest are ordinary golfers. Similarly, a percentage - the Premier is a Rhodes scholar, and knows more about percentages than I do - of the population would be above average, the rest ordinary people. "Ordinary" is a common denominator word, and although I do not like it, it is satisfactory during a campaign. That is why I am reading these social indicators. They are dramatic, and I am ashamed of them. I expect that when money is distributed, it is according to population and need in country areas. I continue -

There are only 9 lawyers in the Peel for a population of 70,000 people compared to over 30 in the city of Bunbury, which has a population of 28,500 people.

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

How can extra assistance be obtained for those ordinary people who are in need and cannot afford lawyers' fees? Why are there not more lawyers in the Peel region? I expected that this Bill would require the commission to have a look at that and change the situation. The document continues -

In 1999/2000 there were 6,908 criminal offences recorded across the Peel region. Drug related offences have steadily increased . . .

That is a terrible thing. The area has more police, but the region has not enough social workers to help people in difficulty. The document continues -

The only women's refuge in the region has only four rooms. In 1999/2000 it was able to accommodate 90 women and 123 children who had been in danger of violence and other forms of abuse, but had to refuse sanctuary to 245 women and 371 children. An additional 533 women with 769 children sought advice and information.

That is a terrible statistic - 371 children turned away at a time of need. There are many dot points in this survey, and it would embarrass all in the House for me to read them all. Another important statistic reads -

There are over 200 registered homeless young people in the region. Unofficial estimates are double that amount.

Members can see why I am concerned for the ordinary people in the Peel region and about the distribution of funds. Will it be fair? At the moment, it is not fair between the south west region and the Peel region. It is very unfair. In the old days it was said that the party that won the seat of Bunbury would win government. Before the 1993 election, much money was spent in the south west, and in particular Bunbury, because the Labor Government thought that was correct. It has been proved wrong. In 1993, the party that won Bunbury failed to win government. I hope that that kind of philosophy does not exist in this Bill. This Bill is a move in the right direction, putting funding into country regions of Western Australia. I also record my concern about a proper and fair allocation of funds when this Bill becomes an Act.

**MR DAY** (Darling Range) [5.26 pm]: The Opposition supports the overall aims of this Bill, which are very much in accordance with the policy of the Liberal Party in opposition and with the practices that were put into place when the Liberal Party was in government. As is indicated in the long title of the Bill, this policy is to support the development of regional Western Australia. There are two ways in which that could be done. One is to establish specific funds, as this Bill does, and to make allocations of money to regional development funds. The other is to put into effect broad-ranging programs through other major portfolios such as education, health and police to ensure that adequate funding is provided for schools, hospitals, police stations and a range of other government services. One of the other particularly important areas of government activity in regional areas is road funding, and no government has been more successful in road construction projects through a record allocation of funds than was the previous coalition Government. It is a pity, to a large extent, that some of that road funding has been cut back by the current Government.

The particular issue to which I seek to draw attention is the intention to establish the Regional Assistance Authority. The Opposition has no argument with that, but it is surprising that that authority is to be governed by the minister responsible for the authority, and that minister, acting in the name of the authority, will perform all the functions of the authority. We would like the Premier to clarify this issue in his closing remarks.

Dr Gallop: It is the same as your own legislation.

Mr DAY: There will be no difference between the minister and the authority.

Dr Gallop: It is the same as the Industry and Technology Development Act 1998.

Mr DAY: We are talking here about the Regional Investment Fund Bill.

Dr Gallop: This was your Bill.

Mr DAY: The Premier is very welcome to give a full explanation; that is what I am seeking, and I look forward to it. It would be far more appropriate to have some sort of independent board with some degree of ministerial or cabinet approval.

Dr Gallop: Another statutory authority! The previous Government set up statutory authorities all over the place. No wonder there is a budget crisis.

Mr DAY: Why is the Government setting up another one?

Dr Gallop: We are not. We have a minister who is paid well and he will do the job.



Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

Mr DAY: Why is the Government setting up a separate regional assistance authority? Why does the Government not give that responsibility directly to the minister rather than give the impression that it will have an arm's length regional assistance authority with a degree of independence, which many people would conclude from the name of the organisation, when in reality the minister will perform those functions? The Opposition draws attention to that concern and looks forward to a response from the Premier.

**DR WOOLLARD** (Alfred Cove) [5.30 pm]: I support the Bill and draw particular attention to the Premier's comments in the second reading speech -

... this Government's commitment to providing a minimum of \$75 million to the fund over the next fours years, will create the basis for a strong partnership with regional communities to promote sustainable economic and social development ...

I speak particularly in relation to social development referred to in the objects of clause 3 of the Bill and on behalf of the educational needs of students in regional areas. I get no satisfaction from going to the Minister for Education about these needs. I asked a question of the minister last week about one of the primary schools in my electorate of 457 students, which had been ranked as a number one priority for consideration in this year's capital works budget for an undercover area. Not only was it not part of the capital works budget for this year, but also this year's maintenance budget for the Fremantle district office has been cut by \$452 486. I am concerned that the needs of government schools in my electorate have been put on the back burner. I have not approached the Minister for Education on this matter; however, I ask the Premier today about one of the local Catholic schools in my area. The school concerned is Santa Maria College.

Dr Gallop: This does not relate to the Bill.

Dr WOOLLARD: It comes under clause 3 and relates to the Premier's statement on economic and social development.

Dr Gallop: This Bill is for the regions.

Dr WOOLLARD: This will affect the social development for the regions because there are people in the regions who are concerned and who would like their children to have a Catholic education. All Catholic schools in the metropolitan area are funded by the Catholic Education Commission on a "same basis" formula; that means the Catholic schools with boarding houses attached get no extra funds for boarding students. In my electorate more than 130 students from the regions attend the local private Catholic school. If this Bill is intended to examine social issues and to make life easier for people living in regional areas, I ask the Premier to consider the educational needs of students from regional areas who attend private Catholic schools in the metropolitan area. I ask the Government to consider giving those schools some support towards the upkeep of boarding houses and other additional costs incurred by those students.

**MR WALDRON** (Wagin) [5.34 pm]: I support the Bill. I have some reservations about some areas of the Bill, but I believe it is generally a good Bill. Anything that assists development in regional Western Australia is a good thing. We in the National Party have talked a lot about development in country Western Australia and believe it must happen. We realise that there is a limit to what can happen, but this Bill is a step in the right direction. I caution the Government about some accountability areas and hope that accountability will apply. That matter will be addressed by our leader, the member for Avon, when he moves amendments to the Bill.

I have some questions about the authority and its make-up. I previously thought that the authority was the minister, but perhaps the Premier will explain that matter. I was asked a question in the past week by a chief executive officer of a shire who did not know which minister to write to about development in his area. That matter was raised by the member for Warren-Blackwood when he said that it would be a good thing if the Government were to issue to local governments a list of ministers to write to on particular subjects. That CEO was confused between the Minister for Local Government, the minister for the region and the Minister for Regional Development.

Dr Gallop: That is one minister, so he should not have too much trouble.

Mr WALDRON: Is that all one minister?

Dr Gallop: The Minister for Local Government and Regional Development is one minister.

Mr WALDRON: There is also a minister for the region and another one that I cannot think of.

Dr Gallop: It was probably one of the regions.

Mr WALDRON: Yes. I guess the CEO of the shire was looking for clarification and that is something for the Government to think about.

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

While talking about the regional investment fund I also want to mention tourism. Obviously, tourism projects and developments would be covered under this fund; it is important for that to happen because of the growing importance of tourism in country WA. Many regional areas are looking for new industries, which are very hard to find and establish in regional WA; whereas tourism is one industry that we do have. It is important to expand tourism and for our local areas to capitalise on that. I imagine that this fund will cover tourism projects.

That is all I want to say about the Bill - the rest will be covered by our amendments - other than that I believe it is a good Bill but that some areas require caution.

**DR GALLOP** (Victoria Park - Premier) [5.37 pm]: I thank all members of the House for their contribution to this legislation. There is a lot of interest in this Bill in rural, regional and outback Western Australia generally. Some members of Parliament have a great deal of experience in this area through their involvement with local community groups, local business and local government and some having been members of Parliament for some time. Some interesting comments on the legislation have been made and the Government will look closely at the amendments that will be moved. I have not had a chance to look closely at those yet.

I shall start with some of the issues raised about the legislation. The first is the use of the minister as the authority. I also note that the minister in some cases can delegate his powers to chief executives or other regional ministers. It would have been possible to set up a regional assistance fund under the umbrella of a new statutory authority. The argument against that is that we already have too many statutory authorities in Western Australia. The temptation of Parliaments over the years to set up more statutory authorities has created more burdens on the taxpayer and has led in some cases to an undermining of the concept of ministerial responsibility through the Parliament to the people. Our view was that we should have the minister as the authority rather than set up a separate statutory authority with a board, and make it possible for the minister to delegate the powers because, obviously, we want the regional development commissions to play a role in this process. They are out there; they have good people on them and they have local knowledge. As members know, they will make some other decisions about expenditure.

Mr Day: Why call it an authority? Why not call it a unit of the department?

Dr GALLOP: The Government could have done that, but it wanted to legislate. Most members agree that it was a good thing to legislate and set a framework to facilitate expenditure in a way that is more open and accountable, but without going through the cumbersome process of setting up another board. That is the answer to the member's question.

Mr Trenorden: I still have concerns about whether the authority can make its own decisions.

Dr GALLOP: I will come to the issue of the assessment process later. The minister will have the power to delegate. The issue was raised by the member for Ningaloo. The minister will be able to delegate to the chief executives of the department and regional ministers, but not to the commissions in respect of the fundamental powers. The member for Ningaloo asked about the review of the Act after five years. The Act will continue for as long as the Parliament keeps it in place. A review will occur after five years. The Act may be amended as a result of the review or a decision may be made to repeal the Act. It is not the intention of the Government; it wants it to continue but to have a review after five years.

Regarding the powers and functions of the authority and, therefore, the minister, the Bill was developed on the basis of the Industry and Technology Development Act. At the time, that was a good Act because the then Deputy Premier and Minister for Commerce and Trade had a problem with the funds he was administering and he needed a framework to provide accountability for expenditure from the funds. That provided a model to the Government for its regional investment fund.

Mr Trenorden: A fair bit of criticism was made about that.

Dr GALLOP: Not a lot.

Mr Trenorden: Yes, there was, because all the money given out, in lots of \$5 000 to \$30 000 to consultants, was a very hot issue.

Dr GALLOP: That is a different issue. That is how people spend the money. I am talking about the legislative framework adopted. The Government took the legislative framework from the Industry and Technology Development Act and applied it to the regional investment fund. As a member pointed out and I answered by way of interjection, some of the funds administered by the former Department of Commerce and Trade - which is now the Department of Industry and Technology - will pass over to this fund, but they will be subject to different guidelines from the regional funds. The reasons that the Government chose the ministerial approach

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

are clear. The model used is that of the previous Government under the Industry and Technology Development Act.

The member for Ningaloo referred to the approval to spend beyond certain levels, which requires the approval of the Treasurer. That model was taken from the Industry and Technology Development Act, in which it is felt that in certain circumstances, a check is needed. The check is provided by the Treasurer. That means that if certain funding is proposed, the Treasury must look at it and advise the Treasurer.

Mr Trenorden: It depends on how one spells "check".

Dr GALLOP: It will be found in many pieces of the Government's legislation; those are the sorts of checks that exist for that sort of expenditure.

Mr Sweetman: The Bill contains two references to the Treasurer. The second reference indicates that when it is intended to go outside the allocation to the scheme -

Dr GALLOP: In other words, there are exceptions.

Mr Sweetman: One circumstance is to enter into a partnership and the other is to go outside the guidelines of the scheme. The Treasurer has to approve both circumstances.

Dr GALLOP: Circumstances may emerge in which that is the case. If they do, the Treasurer will be the check. One can draw all sorts of analogies. The member knows that, in local government, it is possible to go outside the framework of the local town planning Act if the council provides special majorities. Some circumstances provide exceptions; exceptions do come up. It is possible to legislate to not allow exceptions or it can be legislated to allow them and provide a check. The Government has provided a check through the Treasurer.

The member for Ningaloo raised several good issues, but I do not think the legislation can deal with them. The first is the capacity of the Government to properly assess the value of the bids it receives. It is a very good point. The test will be how the Government handles the issues and what decisions it makes. If the Government makes bad decisions, members of the Parliament will tell it; it will be a matter of public controversy. The Government will take on board the best advice it can within government to ensure it makes good decisions about expenditure. It is an issue for Governments generally and this Government will have to deal with it.

What about the fairness with which the money will be distributed? The member for Ningaloo raised the analogy between small and large communities. Let us start in the north of the State: Wyndham and Kununurra, Derby and Broome and Denham and Carnarvon. In the south, the problem is with Collie and Bunbury, Mandurah and Pinjarra and Northam and York - many debates exist in Western Australia between large and small regional centres. We have all been there; we have all seen it.

Mr Birney: Perth and country Western Australia.

Dr GALLOP: That is the reason the Bill was introduced. How do we deal with that issue? It is a very big issue. The concept of regional development as developed in the 1980s meant that most of the eggs were placed in bigger baskets. That was the theory at the time because economies of scale would be achieved as well as better services. That philosophy causes problems for smaller communities that are close to bigger communities. Smaller communities do not want to lose their schools, police stations, courthouses or hospitals; they do not want to see their hospitals downgraded. It is a constant problem for government; we all have to deal with it. The answers vary from time to time. If the Government gets it right, it will get a tick; if it gets it wrong, it may find a smaller community that is hostile to it at the next election. The member raised the issue in connection with Exmouth versus Meekatharra, Cue and Mt Magnet. It represents a problem. Exmouth has tremendous potential. When the Americans left, the Government facilitated a trust fund that invested in the airport. I do not know how much the airport is used, but it is one of the better airports in Western Australia. I congratulate the architects for their outstanding work.

Mr Sweetman: About \$4 million went into it.

Dr GALLOP: Exmouth will become a leading tourist attraction in Western Australia. It is money well spent. We will never have an easy answer to that question.

Mr Trenorden: Exmouth should have a population of about 40 000.

Dr GALLOP: Western Australia should have a population of four to five million. It all takes time. The issue is relevant. The member for Ningaloo said that when we give money, the organisation that receives the money should have sufficient capacity. He mentioned a number of Aboriginal community organisations. One of the objectives of the fund is to build up the power of communities - be they Aboriginal or non-Aboriginal - to

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

develop their economies. One part of the fund is designed to build up capacity to create the ability to get more money. The member's point is well made. One of the functions of the fund is capacity building as well as giving money for new initiatives. Capacity building is needed if new jobs and opportunities are to be created. The member has observed these things in his electorate for many years.

The Government has chosen the ministerial responsibility method because it believes it is cheaper and more efficient than to create a statutory authority. The Government believes it is possible within the framework for the commissions to play some role in the disbursement of money, for the Cabinet to play a guiding role with the priorities it sets and for the Government to ensure that the issues are dealt with properly and professionally.

Mr Barnett: Why develop a fund that is controlled more by the Treasury than by the development commissions?

Dr GALLOP: The development commissions will play some role in this. We have been elected as the Government and we have a view about what needs to be done.

Mr Barnett: We do not need this piece of legislation; it is superfluous.

Dr GALLOP: The Opposition is supporting it. Other opposition members said it was good.

Mr Barnett: The Government does not need it. When the Premier has been in government a little longer he will realise it is desirable to get rid of some of these things. The Premier can have his development fund. He can implement it through existing powers and Cabinet or Treasury can oversee it - however he wants to do it. A minister will be responsible for it, so we do not need this piece of legislation.

Dr GALLOP: We think it is worthwhile getting it on the books, so that it marks out clearly that the regions of Western Australia will have a fund. Money will be allocated to that fund every year, and funds will go only to the regions. It is our view that it is an important Bill. The same approach was adopted by the Victorian Parliament, and it is a good way to ensure that regions get a voice in the way money is spent.

The other issue was the powers of the authority and the minister. Those powers are similar to those in the Industry and Technology Development Act, which we used as a model.

Dr Woollard: Will you explain what you referred to in your second reading speech as sustainable economic and social development if you do not believe that relates to the concerns I raised about country students at Santa Maria College?

Dr GALLOP: The issue I raised by interjection to the member for Alfred Cove was that the schools she referred to were in the metropolitan area. The member then explained that she was talking about regional students. I have a response to that, and I will come to it.

The third point was the approval to spend beyond certain levels, which requires the Treasurer's tick. That matter is based on the previous Government's own legislation. The capacity to assess the value of the money and the way the money will be spent will ultimately be a matter for political and community debate. If the Government gets it wrong, it will be accountable for it.

The member for Ningaloo raised the issue of health. It is not the intention that this money will be spent in the mainstream health system. However, it may be that some economic initiatives that are related to health could provide real job opportunities in the regions, which would be given consideration. As the member knows, the health industry today is a new industry with research and development attached to it. Some new biotechnology industries may be set up in regional Western Australia. In the sense that health is a job creator and a new industry, applications for grants would be considered. However, the mainstream health system will be funded and administered through the Department of Health.

Education is a crucial economic issue and creating skills in any community is important for the economy of regional communities. The member for Ningaloo argued that very well when he talked about the small number of students graduating from year 12, and the gap that causes in the local economy because the skills are not available. The Government believes that the capacity-building function that it sees for this fund will incorporate education-type initiatives. As the member for Ningaloo knows, the Government has already made an announcement about scholarships and training. The Government will fund Edith Cowan University to take on the job of training nurses and teachers in regional Western Australia. That is crucially important, because if the students do not study in their region, they will not work there. They will be trained in the regions and we think that will encourage them to stay there. Those types of initiatives which build the skill capacities of the regions and make it possible to create jobs will be considered as part of this process. I am not sure whether that would incorporate the issue raised by the member for Alfred Cove. The member's issue is not so much about creating

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

jobs in the regions but relates to students who attend Santa Maria College in her electorate. That is a different issue. However, encouraging capacity building in the regions is part of this legislation.

Dr Woollard: It is important to the community that the needs of those students are considered.

Dr GALLOP: The problem is that this Bill makes it clear that the areas that are considered are the regions as defined in the Regional Development Commissions Act 1993, so that school would not qualify for funding under this Act.

Members opposite have asked how much existing money has been rolled into this fund and how much has been funded on the basis of cutbacks in other areas etc. That is fair enough; they are reasonable questions. I will go through the different areas that affect the regions. First are the existing programs currently administered through the Industry and Technology Development Act by the Minister for State Development that the Government thinks should go across to the regional development minister. The member for Warren-Blackwood pointed out that those funds can be moved across to be administered under the umbrella of this Bill by the Minister for Local Government and Regional Development. They will still be separate from the new funds that we are creating in the way they are administered, but they will be administered under the framework of this Bill. The sorts of issues the member talked about are contained in regional development grant schemes referred to on page 396 of budget paper No 2. These schemes were previously administered by the former Deputy Premier under the Industry and Technology Development Act and will go across to the Minister for Regional Development. The level of funding is transparent; it is in the budget. Second, the Government has a range of programs that are totally separate from this fund. By that I mean the community facilities fund and the Safer WA fund. They are totally separate from this fund and will be administered as they have been in the past. Third, some programs and initiatives have been funded from this fund - for example, in the forestry area - and will be administered separately. We went to the election saying we would take certain initiatives. Those initiatives will come out of the regional investment fund to promote regional development. I think one of the speakers mentioned some of them. The classic examples include the south west online project, which the member for Warren-Blackwood mentioned, the Shark Bay interpretive centre, the Point Samson fishing platform, some new tourism initiatives and the forest program. That is money that has already been committed to regional development, and it is coming out of this fund. We are currently receiving applications for the fourth area, and they will be funded in the course of this budget and the next three budgets.

Mr Omodei: Which forest funds are you taking about?

Dr GALLOP: I will have to check on the precise ones, but I can get that material for the member.

In summary, some existing programs that were administered by the Minister for State Development will come across under the umbrella of this Bill. Secondly, a range of programs will be completely separate from this - the community facilities fund and Safer WA. Thirdly, some programs that we announced in the election campaign will be funded from this; and, fourthly, new initiatives will flow through from the applications we receive in the next few months.

Mr Day: Did you say that Safer WA would come under this?

Dr GALLOP: No; it is separate.

Let us look at the amount of money that is spent in regional Western Australia through the Government's initiatives: the regional development fund of \$75 million and the Kalgoorlie-Boulder fund, which is getting another \$1 million over four years. The Government has increased funding to the community facilities program to \$2 million.

Mr Omodei: That is a decrease of 50 per cent.

Dr GALLOP: The former Government did not include that in the forward estimates.

Mr House: That is what you say to everything.

Dr GALLOP: It is true. Unless the money is allocated, it is not available to spend. If we add to it, that is new money.

Mr Omodei: You are the Government.

Dr GALLOP: The Opposition's concept of government is unbelievable. No wonder we inherited this problem. The Leader of the Opposition said to everyone that he would spend all this money, but he never put anything aside to do it. He just hoped he would not be caught out. Of course, he was caught out because there was a change of government, and we could come into the Parliament and tell people what had happened.

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

The Government has funded the rural leadership program and regional Landcare coordinators in the amount of \$1.125 million. The Government is expanding the regional airports development scheme; that will receive \$2 million. The Government has added \$2 million to the tourism bureaus. It is marketing regional and rural WA to the tune of an extra \$2 million. The Government has increased funding to the community sport and recreation facilities fund to \$5 million. We have increased funding to country sport enrichment to \$200 000. We have increased the talent identification program to \$500 000. We are assisting regional touring in culture and the arts to the tune of \$1 million. Along with the \$75 million regional development fund and the extra money for Kalgoorlie-Boulder, that totals \$92.675 million.

During the election campaign the Government made some specific commitments which it funded in this budget, and which I will quickly mention: the construction of new offices and a new community facility for the Shire of Dundas, \$200 000; the Onslow seawall, \$1.3 million; the Koombana beach redevelopment, \$200 000; the Bunbury Senior High School land redevelopment, \$200 000; Eaton foreshore development, \$10 000; upgrading Carnarvon's one-mile jetty, \$250 000; upgrading the golden mile loop line between Kalgoorlie and Boulder, \$100 000; upgrading Kalgoorlie and Boulder's town halls, \$200 000; the Leschenault Peninsula development, \$1.5 million; the karri-tingle discovery centre, \$1 million; the Boddington to Pinjarra railway, \$1 million -

*Sitting suspended from 6.01 to 7.00 pm*

Dr GALLOP: I will finish listing the specific community-based initiatives for regional development that we announced during the election campaign that were funded in this budget. They are: to fund acquisition of property in the Ningaloo electorate, \$1.5 million; the Lord Forrest Pool, \$1.2 million; fans at the Oasis Recreation Centre, \$55 000; the Bunbury Heritage Museum, \$1 million; and the Broome Cultural Centre, \$5 million. Those projects add up to \$14.715 million. The regional investment fund is only one part of our commitment to the regions. The Government has provided other funds to which we have added money, as well as those specific community-based election commitments that we have funded in the budget.

I conclude by noting the comments of the member for South Perth. It was a good try by the member to debate the planning of the fringes of the metropolitan area. However, this Bill deals with funds that apply to the regions as defined in the Regional Development Commissions Act; that is, the Gascoyne, the goldfields, Esperance, the great southern, the Kimberley, the mid west, Peel, Pilbara, the south west and the wheatbelt. The planning powers needed to protect agriculture and the buffer zone around the metropolitan area will be debated another time. However, it was a good try by the member for South Perth and I applaud him for his initiative in using this debate to raise issues of importance to himself.

Question put and passed.

Bill read a second time.

*Consideration in Detail*

**Clauses 1 to 4 put and passed.**

**Clause 5: Regional Assistance Authority -**

Mr SWEETMAN: Subclause (4) states that the Regional Assistance Authority is to be governed by the minister. Even though the Premier gave a comprehensive response to the second reading debate, what will happen to this authority, which is basically the minister or a body controlled by the minister? What will happen to the Regional Development Council? Will that be redefined? Does it become part of this authority?

Dr GALLOP: The Regional Development Council is composed of the heads of all the regional development commissions. We have agreed to continue that council in government and we have agreed to meet regularly with it. A subcommittee of Cabinet deals with regional issues, and it has agreed to meet regularly with the council. That is a separate issue that is not impacted upon by this Act.

Mr Sweetman: Where will the Regional Assistance Authority be housed?

Dr GALLOP: It will not be housed anywhere. It exists and will meet regularly. The Department of Local Government and Regional Development supports its activities and it will meet with the cabinet subcommittee on a regular basis.

Mr Sweetman: Will it be more aligned with the department of state development?

Dr GALLOP: No, the Department of Local Government and Regional Development will provide the executive support for the Regional Development Council. It is a totally separate issue that is not impacted upon by this legislation.

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

**Clause put and passed.**

**Clause 6 put and passed.**

**Clause 7: Powers of Authority -**

Mr TRENORDEN: I move -

Page 5, lines 4 to 7 - To delete the lines.

This is an issue about the State being in an equitable investment position. I will refer to what I said in the second reading speech and I will refer to the 1996 Public Accounts and Expenditure Review Committee report No 31 entitled "Western Australian Government Financial Assistance to Industry". That report referred to a number of issues and states -

The current Act was found to be ambiguous with no express provision allowing the Minister or DCT officers to become officers or shareholders of a company. The Consultants' Report provides little rationale for giving the Department such powers, except to argue that:

in view of the general and broad powers and functions contained in the TIDA -

I have to think about what that is -

Dr Gallop: It is the Technology and Industry Development Act.

Mr TRENORDEN: The Premier is on top of it. The report continues -

it is intended that the Department should be able to undertake a range of activities of a commercial nature and to provide security for its support, including investing in companies.

In contrast to this statement it can be argued that in most cases the security of DCT support given to an assistance applicant is best served by the consistent application of proper assessment criteria, such as the IIP and assessing the benefit of a project to the whole State.

The next paragraph states that the -

CCI documented a range of principles for industry support in a submission to the Committee, which warned that:

Sometimes, a proper concern to advance the interests of industry can become an improperly close relationship between public servants and businesses receiving assistance.

It continues -

Whilst it might be argued that equity investments enable DCT to monitor the project, there is a danger that DCT's overall management controls could be compromised by inadequate and limited control at the project management level.

Direct government involvement in business by way of equity investment causes conflict of interest and skews the criteria that governments should use in assessing the provision of assistance to industry.

Recommendation 8 reads -

The role and powers of the Department of Commerce and Trade and any other State Government agency should prohibit the use of equity investments as a form of financial assistance to industry.

Mr Speaker is a learned man who knows that in the commercial world, the equity level at which commercial people decide they want representation on boards is between 12 and 13 per cent. An equity position does not provide any control; it gives no control unless a person can have one or more people of his nomination become directors, depending on the size of his equity. That is when a person can have a say. Taking only direct equity does not give a person any control. It would not matter if you or I were shareholders. This issue was argued strongly and hotly. The Premier will remember some of the arguments. I will not go back to his personal position. I am putting this to the Premier as a genuine concern. Agencies in a range of nations, in particular the United Kingdom, have invested in equity. In the UK it was at arm's length from government, so that a commercial entity used government and private funds to have an equity position. In my view, there seems to be no reason in the world to leave equity in the provisions.

Dr GALLOP: First, I acknowledge that there is an argument about this clause. It is not the Government's intention to use the regional investment fund to take up equity in all sorts of companies. The reason the clause is in the Bill is to leave that option open. I will illustrate one of the issues. The member for Ningaloo gave an interesting speech on these matters. He made the point that if we are to give grants to some organisations - for

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

example, he mentioned Aboriginal community organisations - we should consider that past experience was that not a lot of value had been gained. He suggested that a better way to do it might be to enter into joint venture arrangements, so that the Government could better manage the nature of a grant. That is exactly what this clause is about.

Mr Trenorden: In all due respect, a joint venture is not an equity position.

Dr GALLOP: This raises many possibilities. I assure the Leader of the National Party that the Government does not intend to take up equity. What we are saying is that in the legislative framework of this Bill, the option is left in place for some business arrangements, should they suit the circumstances. Let us consider the accountability that would be required if a Government decided to take shares in a company as part of this process. If a Government were silly enough to do that with a company that was no good, it would be exposed by the normal processes and held to account by the public.

Mr Bradshaw: I remember shares being bought in Melville. That was not too smart.

Dr GALLOP: It is not our intention to do that. Other issues concerning business arrangements arise. It is not the Government's intention to enter into complicated business arrangements, but the view is that if the possibility to do so remained, a Government would be fully accountable if it wanted to take that up. If it were silly enough to do it in a way that damaged it, it would carry the can for it.

My third point is that the amendment moved by the Leader of the National Party does not fully achieve his objective, because other aspects of the Bill are impacted upon by clause 7(2)(e), such as clause 7(3). A further amendment would be required because this amendment would also affect clause 7(3). I mostly follow what the Leader of the National Party is saying, but I want to clarify some of these points a little more so that I can work out the implications of the amendment moved today, because it might go too far. I give the Leader of the National Party an assurance that I would like to sit down with him to go through those issues before the legislation is referred to the Legislative Council. I do not like doing that because the Leader of the National Party has moved an amendment in good faith. However, I do not believe that the amendment achieves everything the Leader of the National Party wants, and I would like to talk it through with him a little more. I assure him that the Government does not intend to buy shares in companies. The member raised a good point and I appreciate it. This is not just about shares; it is about the issue raised by the member for Ningaloo and about other sorts of relationships that might be entered into to promote regional development, for which the Government would be accountable. I simply make that point. It is up to the Leader of the National Party. The Government is willing to talk through these matters with a view to getting an amendment in the other House that might better suit our purposes.

Mr TRENORDEN: I am happy to talk to the Premier about the amendment because it is a genuine position. I was of the Premier's position in the Public Accounts and Expenditure Review Committee and was argued down 4-1. Having been in that position, I am prepared to honour the position I faced in 1997. The Premier will know, by looking at the Bill, that the authority can act on a range of options. I suggest that people have their own autonomy in a joint venture. Shareholding is a different matter altogether.

Dr Gallop: That is what I mean, but both matters are covered in the one.

Mr TRENORDEN: Okay. I am happy to talk to the Premier. Whether members like it or not, one of the things that goes wrong in this place is that if something like this occurs, it becomes a Global Dance Foundation situation and the minister wears it. Ministers can be ambushed. The Premier could innocently find out that the minister is related to somebody or somebody is a cardholding member of the National, Liberal, Labor Party or whatever. When those things surface, they look terrible. Each member of this place goes down the gurgler in that assessment. I am happy not to take the amendment any further if the Premier will discuss the issue. My main concern is the issue of accountability, because when these things occur, they look dreadful.

Mr SWEETMAN: I do not know whether my comments to try to get this into perspective will help the Premier or the Leader of the National Party. I want to get a clear picture about what this clause is trying to achieve. The Premier referred to this being an example of what a joint venture might mean between an Aboriginal corporation and the acquisition of a private company. That is probably a reasonable example. If LandCorp were not involved in the development of the NorthWater Estate in Carnarvon or stage 2 of the marina in Exmouth, it might well be that under this authority, a similar set of circumstances would arise. As I just said to my colleague, this would be a fantastic clause were the coalition in government and he was the minister. However, we are in opposition, so we are making some points and raising some of our concerns and suspicions about this clause. I know that if I were the minister, I would be putting my arm around the Treasurer and saying, "Have I



Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

got a deal for you”, because there are a few projects for which it would be convenient for the minister, the Treasurer and the Government to have this clause at their disposal.

The LandCorp case is a good example. About two or three years ago I took a developer to look at a site on the western bank of the fascine. The site is part of what is known as the Whitlock Island formation. It has already been filled and one day - I do not expect in my lifetime - it will be developed. This scheme might make it worthwhile to call for expressions of interest instead of involving a government agency. This parcel of land is prime real estate, but no services are connected to it and a bridge is needed to access it. It needs power, communication and roads - a squillion dollars spent on infrastructure development. LandCorp would see this as an extreme and high-risk proposal and would probably back away from it at a million miles an hour. The best option for the Government could be to call for submissions for a certain amount of money to be spent on the development within five or 10 years. Groups would make submissions on the basis of what they could achieve within five years and what would be required to put that development in place. A group might say that it would spend up to \$40 million in five years if it were given the land for free. Another submission might include a staged development - a resort, units and a caravan park - but that it might need another \$6 million. The State Government might be prepared to provide the land, and to underwrite the project to the tune of \$6 million, if it has a chance of getting the money back. The Government would go in to the project with its eyes wide open and try to facilitate the development by providing the \$6 million. It might hedge its bets by taking shares, and in 10 years the State might recoup its money with interest or whatever. This clause could facilitate that. I told the previous Minister for Lands that it was worth considering, but I think it fell outside the square. This clause could be misused, but there is also opportunity for it to be used to the State's advantage.

Dr GALLOP: We have had an interesting argument. I assure the House that the main thrust of this Bill is not to allow the Government to buy shares. The advice was that flexibility for business arrangements would allow some circumstances to be better dealt with. That being said, how flexible should it be, and how far should it go? They are the sorts of questions the Leader of the National Party has asked. The member for Ningaloo, with his experience, understands that each situation is different. I give a commitment. I understand what the Leader of the National Party is saying, but I am not sure that this amendment will not spread the net too far or fully meet his intentions. If we can get together before the Bill reaches the upper House, I am sure we might come to an agreement.

**Amendment put and negatived.**

**Clause put and passed.**

**Clauses 8 to 10 put and passed.**

**Clause 11: Financial support -**

Mr TRENORDEN: I move -

Page 8, line 5 - To insert after “Act” -

with the exception of projects referred to in Clause 11(2)

This would remove from the clause the authority to approve expenditure.

Dr Gallop: You could probably argue the whole issue under this clause.

Mr TRENORDEN: Yes; but I want to make the point again. I will not continue to quote the Public Accounts and Expenditure Review Committee, but the general issue is that of fundamental accountability. Why will the Government not take the process of decision making - even if it is automatic - to Cabinet to be ticked off? I am not saying that people in the agency should not be part of that process; however, the Premier himself says it is a sizeable amount of money. Once the minister has made a decision, it should be taken to Cabinet for approval.

Dr GALLOP: In dealing with this amendment, I will also deal with the others. In normal practice, the minister is responsible for the administration of an Act, and this legislation follows that protocol. This clause will allow the minister to approve expenditure for projects according to the guidelines required by the Act. That is straightforward. The guidelines have been developed and the Leader of the National Party will be aware of them, as they have been given to those applying for the money. The Act is based on the Industry and Technology Development Act, which allows the Minister for State Development to issue such approvals. Safeguards for the proper distribution of funds are contained in the guidelines. The procedure of the minister and the Cabinet is a matter for the Government. It can either leave those decisions to the minister or say to the minister that this is an important area and it wants to know what the minister is up to. The Government can check it out through its processes. That is an administrative process for the Government that would be best not written into the legislation. The member will be aware that the grants under this scheme will vary from very

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

small to very big. I hope that if the Government of the day lets the minister do whatever he likes with the money and he spends it badly, it at some point realises it has a problem and that it needs to rein in the minister. That would be a matter for the Government. It is pushing it to say that every grant must go to the Cabinet for approval. This is a matter best left for the Government's own procedures. Details of financial support would have to be included in the agency's annual reports, in line with the requirements of the Financial Administration and Audit Act. The authority would have to report to the Parliament on the delivery of these grants. I understand the Leader of the National Party's intentions, but the minister is responsible for the grants through the Parliament. That minister must answer questions on all these matters. The arrangements the minister has with other ministers and the way this is administered is best left to the Government to determine. It would be too cumbersome to put into the legislation what that process should be.

Mr TRENORDEN: The Premier is right; I am also talking about the next amendment. The Premier wrote a paper on annual reports about 2 000 years ago, and I wrote one not long afterwards. The problem with annual reporting is that it happens up to 18 months after the event. Eight years on the public accounts committee and 15 years as a member of this place have convinced me that annual reports are a useless tool. They may become a useful tool if we agree to online reporting; that is, as agencies submit their monthly figures they become available on the Internet and members are able to scrutinise them. That is a different matter. At the moment, it is not the case. Any decision about moneys given will be made public much later if the process of disclosure is through only annual reports. The practice would be for the minister to announce the grant, particularly as it would be good news and the public should know about it. The Premier might agree with me on the principle about making that statement in this place rather than outside. I do not have any great argument about ministers making statements to the general public; however, the proposal of the Parliament is that the Parliament should know.

I agree with the Premier about size. I am not interested in small grants. I would be happy to talk to the Premier about the size of the grants, even if six-digit sums were involved. I would be happy to talk about \$1 million or \$500 000, and I certainly do not believe that grants of \$50 000 should be included in this process. The member for South Perth's Bill of 1997 proposed that the process should start at \$50 000. I agree that \$50 000 is not a figure of consequence, but many grants are made that are controversial, as the Premier knows, because of the competing interests of other parties. Even if the process took place outside the ambit of the present Bill, why could there not be agreement that, at a certain level, decisions are announced in the House in a three-minute ministerial statement, or whatever other process is chosen? The Parliament would then know. I would be happy to negotiate that with the Premier.

Dr GALLOP: I will just go through the two points again. The first part of the member for Avon's amendment deals with the cabinet issue. The Department of Health administers many grants, as does the Department of Education, in programs like covered assembly areas. Grants like that are made every year. The member for Alfred Cove was asking questions about that issue the other day. The Safer WA grants, the community sporting and recreation facilities fund and the regional headworks development scheme are all grants of the same kind as those proposed in this Bill, and the Government does not require those to go through a cabinet process. That issue is best left for the Government of the day to determine, and to be held to account for the decisions it makes.

As regards the reporting issue, again, every minister must report to the Parliament on the administration of portfolios. When I was in opposition I would regularly ask questions about the community sporting and recreation facilities fund, because both the local authorities in my electorate would make application for grants under that fund, and I wanted to know how they were going and who was getting the money. The Government is fully accountable to the Parliament, and must reveal where the money is going. If the principle of reporting were adopted, it would create a terrible problem of consistency across government, with all these funds. I appreciate what the member is trying to do, but accountability is covered by the provisions of this legislation and I do not believe it is desirable to go further than that.

Mr TRENORDEN: The Premier is missing the point. We only require reporting on this fund.

Dr Gallop: This fund is no different from the others I mentioned.

Mr TRENORDEN: It is different. Who is receiving grants and who has made applications under the regional infrastructure funds, and the Department of Sport and Recreation, is very common knowledge.

Dr Gallop: This will be, too. It will be very common knowledge.

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (Mr McRae)

---

Mr TRENORDEN: Not necessarily, because of conflict of interest. I do not wish to engage in debate with the Premier about this, but there were some very substantial issues of confidence during the term of the previous Government, which the minister and industry did not want people to know, at least for a period.

Dr Gallop: The member for Avon might wish to tell the House about some of those! I was unaware of them.

Mr TRENORDEN: The Premier was in here arguing about them, so I think he might be aware of some of them. I am of the view that confidential issues should not stop the process. If someone wishes to borrow money, or enter into any deal with the State Government, it should be public. In the United States, where this report was done in 1997, Californian officials clearly said that if an applicant was not prepared to make the information public, the application should not be made.

Dr Gallop: The information must be public. The Government is accountable to the Parliament.

Mr TRENORDEN: Under this process, there is no guarantee that the Government will be accountable to the public until the end of a period, either when the annual report comes out, or when the minister decides to release the information. This legislation will exist into the future, and will not be used only by the present Government. Why should there not be a position that, under this fund, at a certain level, the information is made public? The same sort of argument applies to a state agreement Act. The state agreement must be brought to the House, or there is no Act. Since this fund can involve sizeable amounts of money, or controversial industries, why cannot provision be made that, within 28 days, or some other period - I do not argue for any specific time, but the member for South Perth's Bill contained the period of 28 days - the minister must come to the House and make an announcement about whatever arrangement has been made - either grant or equity - through this fund?

Mr SWEETMAN: This amendment has two edges. One relates to the guidelines. If passed, this amendment would cover some of my concerns about issues of equity; of big once again being the enemy of small. If some additional scrutiny were provided for, and if, through this amendment, the development of the guidelines came into Cabinet, a greater number of people would be involved in perusing the grants or other assistance being dispensed. Within a short period, if these issues were constantly being presented to Cabinet, a clear picture would develop about who was getting the most money, and who was getting none at all. It may well be that members of Cabinet, with other responsibilities, might see that much money was being expended but distribution across the State was inequitable. They may then choose to intervene.

Dr Gallop: I am sure the member for Ningaloo would come into the Parliament and tell us if that happened.

Mr SWEETMAN: All the money may be spent in my area. I am feeling for the members for Pilbara and Eyre, who toil away on behalf of their people, but have safe Labor seats, and may not get any. My seat is marginal, and the Government might want to win it, and so it may allow all the money to be drawn down in my electorate. This amendment, if carried, may provide an adequate safeguard for the equitable distribution of the grant funds.

**Amendment put and negatived.**

**Clause put and passed.**

**Clause 12 put and passed.**

**Clause 13: Guidelines -**

Mr TRENORDEN: I am surprised that the Premier is not prepared to be a little more forthcoming on this issue. I have sat in this place and listened to him for many years and one of the things he has always been strong on is accountability. What we are talking about here, and what we have voted on, is not a big issue. It will not cost administrative time or time in the minister's office. The cabinet process could even be deleted, so that the minister would go straight to the House.

My proposed amendment to clause 13 refers the guidelines to Cabinet. I take this opportunity to raise that issue one more time because I thought the Premier might have been a bit more forthcoming in the debate on the last clause. I am happy to debate the matter, although I know it is not the correct procedure, Mr Acting Speaker. However, I will move the motion if I am required to.

The ACTING SPEAKER (Mr McRae): It is entirely up to the member.

Dr GALLOP: I will respond. The member is now asking about the guidelines.

Mr Trenorden: Yes.

Dr GALLOP: The same principle applies to this clause. This is not about a big principle of accountability; it is more of an administrative issue. I will illustrate the point. There are three parts to the regional investment fund

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

for which applications have been called with some quite thick documents that outline the guidelines for those schemes. Those guidelines did not go to Cabinet. The Cabinet endorsed the scheme and the public servants wrote the guidelines on which the development of the scheme was based. The documents are very detailed and there are many schemes besides this one, some of which I mentioned earlier.

I do not believe that a provision for the guidelines to go to Cabinet needs to be included in the legislation; that is a matter for the Government of the day. If the Government of the day gets the guidelines wrong, or whatever, that question will immediately arise and will have to be responded to. There are no real accountability issues in this Bill; they are more administrative issues. It is not necessary for the guidelines to be referred to the Cabinet; that is a matter for the Government of the day to determine. If the decision on that is a good decision, that will be fine. If it is a bad decision, it will not be fine. However, whatever happens, the Government will be held to account.

Mr TRENORDEN: There is a difficulty in the accountability process. If one looks back at the Burke Government years with the royal commission, the Commission on Government and all those issues, one can see that accountability has changed. I used to argue a couple of years ago on the Public Accounts Committee that the tea lady could become involved in accountability. There are no tea ladies around these days, but if one happened to wander into a room where a decision was made, such as in the Global Dance Foundation case, and an inquirer asked who was in the room, she would be accountable. Accountability has changed in the past decade and no longer rests on the minister.

Dr Gallop: In 1983 the British Labour Party, as you know, had a very bad time. There were so many factions and differences in the party that it could not work out its platform for the election. It therefore made the whole 500 pages of its platform its policy for the election. Because it couldn't agree and it had to have every member involved, the strategy meeting every morning of the election consisted of 30 or 40 people. Can you imagine a strategy meeting with 30 or 40 people when you are trying to decide what to do for the day's activities? They stopped the meeting one day when someone asked who was the guy standing at the back of the room and what he was doing there. He was the secret service man protecting the Leader of the Opposition. The secret service man, therefore, was in on the day-to-day strategy of the Labour Party's election platform. You never know: I suspect it probably got back to Mrs Thatcher and helped her have a decisive election win; however, that is another story.

Mr TRENORDEN: That secret service person could be called before a commission in today's meaning of accountability and asked to say who was in the room while those 30 people were making decisions.

Dr Gallop: Of course.

Mr TRENORDEN: There was a time a few decades ago when the minister was responsible for legislation that went wrong. Now it is easy for some ministers to step aside from issues and say that they were done at a level at which they were not involved.

Dr Gallop: But ministers are accountable.

Mr TRENORDEN: Why?

Dr Gallop: Because they are accountable to the Parliament. If they make a decision corruptly, they will be caught out.

Mr TRENORDEN: I am not talking about a corrupt level; I am talking about a normal functioning ministry in which these decisions are made. I am saying that there is a good argument for these decisions to go to Cabinet and, most importantly, for their coming to the House to make them transparent as soon as possible. I am not so much concerned about the guidelines coming to the House. I just make the point that some time in the next few years the Premier might jump up and say, "Whoops, member for Avon, you were right." However, that will not help me or the Premier at that time. These issues have occurred in the past. I was right once - I cannot remember when!

Mr Brown: Which year?

Mr TRENORDEN: It was a few years ago.

The Premier has been in this place long enough to know that these things happen. However, I am concerned about reporting to the House. It is a simple principle and I cannot understand why the Premier will not agree to it.

**Clause put and passed.**

**Extract from *Hansard***

[ASSEMBLY - Tuesday, 13 November 2001]

p5403c-5435a

Mr Rod Sweetman; Mr Pendal; Mr Paul Omodei; Mr Matt Birney; Mr John Kobelke; Mr Bernie Masters; Acting Speaker; Mr Max Trenorden; Mr Jeremy Edwards; Mr John Bowler; Mr Arthur Marshall; Mr John Day; Dr Janet Woollard; Mr Terry Waldron; Dr Geoff Gallop; The Acting Speaker (mr Mcrae)

---

**Clauses 14 to 18 put and passed.**

**Schedule 1 put and passed.**

**Title put and passed.**

*Third Reading*

Bill read a third time, on motion by Dr Gallop (Premier), and transmitted to the Council.