

PREMIER'S STATEMENT

Consideration

Resumed from an earlier stage of the sitting.

MS M.J. DAVIES (Central Wheatbelt — Leader of the Nationals WA) [3.17 pm]: I rise to make a contribution to the debate on the Premier's Statement. I want to start my contribution today by talking about a beautiful corner of our state. Last year, the Nationals WA state conference was held in Exmouth. It is simply a stunning part of the world, where the pindan red meets the brilliant turquoise of the Indian Ocean. As the member for North West Central behind me knows, Ningaloo Reef is on the United Nations Educational, Scientific and Cultural Organization World Heritage List, and it is one of the most biologically diverse marine environments on the planet. It is a little piece of paradise, for those who have not visited. We held the Nationals WA conference at the Ningaloo Centre, which is a centrepiece for the town that allows visitors to glimpse the beauty of the reef in the enormous indoor aquarium, and sit in a cyclone room and learn about the amazing natural assets and defence history of this amazing little town. The Premier may have cut the ribbon, but it was the Shire of Exmouth and the tireless work of the Nationals and local member, Vince Catania, who delivered this brilliant place—and doesn't that community love it! This \$32 million centre, \$22 million of which came from royalties for regions, is all about education, tourism, community and business. It is now set to become a research hub following a commitment from the Minderoo Foundation of \$100 million towards ocean research. We can add that investment to the \$18 million upgrade to the Exmouth marina to further support diversification of the local economy and the \$11 million town centre revitalisation enhancing the space for businesses, locals and visitors to the town.

It made me incredibly proud when a mum of one of the kids who sang at the opening of our conference sundowner pulled me aside quietly to personally thank us for the change that the Nationals had made to their town. She said that Federation Square had been a dusty patch of dirt that the shire could not afford to upgrade for years, despite this place being the centrepiece of our state's tourism economy. Now it is a beautiful park with a water playground and decent facilities, and it is always busy. The town centre is pedestrian and business-friendly. Members who have been down there when the Froth Craft Brewery crew have got the band going on the roof and got the town square humming will know that it is possible because royalties for regions set the foundations for that private investment and aspiration. This was a dusty little town with some tired infrastructure. Today it has the makings of something bigger. It was our team in government that helped put those building blocks into place. People like that mum and her kids are why we keep pushing forward and are very vocal about the importance of royalties for regions. It is not just in Exmouth or Coral Bay or North West Central; it is for every community across the state. Royalties for regions completely changed regional Western Australia. It galvanised regional people and harnessed the creativity of the public sector, the public sector and our communities. It marked the beginning of a new era for regional Western Australia. It was a plan for the whole state to thrive. Every government talks about decentralisation, devolved decision-making and empowering communities to take charge of their destinies. But talk is cheap. In government, the Nationals walked the talk. Let us think about the country local government fund. It was a \$500 million injection to revitalise regional communities across the state. It was the first initiative launched under royalties for regions over 10 years ago. It allowed 110 country shires to leverage funds to kickstart projects that had stagnated for decades. It sent a signal to the community that we meant business when it came to devolved and decentralised decision-making. We trusted our community leaders and sought out the expertise of the private sector.

In eight years of stewardship under the Nationals, almost \$7 billion was injected into over 3 600 projects. The process we developed was not streamlined or concentrated on just a few people in the upper echelons of government. It was challenging for those who were used to traditional government decision-making. But that did not and does not make it wrong—very far from it. Without challenging the status quo, we would have missed the opportunity to drive investment into transformational projects such as the Ningaloo Centre, the Ord irrigation expansion project, the Water for Food southern forests irrigation scheme project or the Pilbara Cities initiative. All those projects have attracted both commonwealth and private sector investment. We leveraged the royalties for regions dollar and tapped into the aspiration of regional communities to grow and thrive—not simply survive. Good plans and government investment attracts private investment. Private investment brings jobs. It has always been the long-term dividend that we are after. When we turn up in those towns now and speak to their leaders, they make a point of thanking the Nationals for that program.

There is nothing to thank this Labor government for when it comes to a long-term plan for regional development. There is lip service, spin, smoke and mirrors, and deceit. We have a royalties for regions program that is a jumbled spend on projects that should be funded through normal consolidated revenue. There is \$4.2 billion of royalties for regions funds programmed over the next four years in the state budget. Of that \$4.2 billion, \$1.6 billion dollars, nearly 40 per cent, is subsidising the Water Corporation—a question that the Premier avoided answering today—regional TAFE fees, the orange school bus network, regional education assistants, and remote community water and power services. That \$1.6 billion could be unlocking our regions' potential. It is legislated for under the Royalties for

Regions Act, but is being directed into ordinary, everyday programs. Instead of underpinning programs to assist our communities deal with a changing climate, water infrastructure or power challenges, communications challenges, or innovating health and education services right across the state or even in our regional cities, this government has shoved \$1.6 billion of ordinary government spend into our program and broken it.

In the last financial year, the Labor government left \$320 million sitting in the kitty unspent. That \$320 million was more than half of the Treasurer's surplus. It is a surplus built on the grave of royalties for regions.

The ACTING SPEAKER: Member for Vasse!

Ms M.J. DAVIES: Royalties for regions is less than three per cent of the total state budget, yet we know that, if spent right, it can be the spark plug that activates investment and bridges an ever widening urban–regional divide. Decentralisation, diversification and bold thinking will drive our state forward. There is no integrity behind the government's statements that royalties for regions still exists and the Labor government is delivering for regional Western Australia. It is dead and our state is poorer for it.

Members should not just rely on our assessment of the demise of royalties for regions. Let us look at the "Western Australian Regional Development Trust 2018–19 Annual Report". A number of statements in this report set alarm bells ringing for me. Page 7 states —

Since the McGowan Government was elected in 2017, the Fund has made a significant contribution to support the Budget repair process ...

Page 16 states —

In addition to the \$1 billion legislated cap on the balance of the Fund, an annual expenditure limit of \$972.7 million was imposed by the State Government as part of the 2018-19 Mid-Year Review Budget.

As part of the 2019-20 Budget process, the Royalties for Regions expenditure limit was decreased —

Again!

to \$829 million.

So let us put this all together. Out of \$4.2 billion, \$1.6 billion is for programs that should be paid for from consolidated revenue. The trust openly acknowledges that royalties for regions is used as part of a budget repair program and makes a significant contribution towards budget repair. The government, in addition to the legislated billion-dollar cap, has imposed its own expenditure limit, which is below what we ever had in government. It is significantly below the billion-dollar cap, further short-changing regional Western Australia and, by extension, our whole state. All that means is that there is a healthy flow of dollars that should be being spent in regional WA going straight back to the consolidated revenue pile that can be spent freely anywhere without the constraints imposed by the Royalties for Regions Act.

The Premier sidestepped my question yesterday about whether his regional cabinet ministers and members of Parliament support this flagrant ripping off of their country constituents. Their silence during question time exposes all those regional MPs as imposters. For them to support a process that discriminates against the constituents they profess to represent is treacherous. They will no doubt point to a list of projects that are being funded by royalties for regions, but they will never talk about the opportunities lost, or how much their own government is short-changing regional WA. They will keep that under their hats and hope no-one notices that well over a billion dollars never hit the ground in their communities and that, in fact, the Premier, Treasurer and cabinet made a decision very early on in their term to use royalties for regions to deliver the wafer thin surplus they crow about. The return of the GST, increased royalty rates, the sale of government assets, and the plundering of royalties for regions has delivered that surplus. The Nationals have already made the commitment that our first priority, should we return to government in 2021, is that that \$1.6 billion will be swept out of royalties for regions, and any additional funding deemed to be a cost shift, and sent back to consolidated revenue. That will be our starting point. That program's integrity must be returned. We will not short-change the people of regional Western Australia

What else will we do? I just want to remind the house of the battles we have had to wage in addition to that on the demise of royalties for regions. From opposition, we have had to fight on behalf of our regional communities to save community resource centres, quash Labor's gold tax, reverse cuts to Schools of the Air and VacSwim, head off Minister Kelly's great lobster grab, and save the south west emergency helicopter. Our team has been in there fighting and forcing the government to re-think those appalling decisions. I think my Nationals team can hold its head high on the more difficult debates. We continue to back our mining towns to attract a greater residential workforce and reject the rapidly growing trend of fly in, fly out or drive in, drive out which has been facilitated and enabled by this Labor government. We are champions for a sustainable live export industry, and have argued to preserve the right to farm free from intimidation and harassment.

I think all our members of Parliament plotted a respectful pathway through some of the most challenging legislation this Parliament will likely ever deal with—that is, the Voluntary Assisted Dying Bill. We have never stopped advocating for greater support for our police officers, or for better access to quality health and education services.

We back the small business sector, which underpins our economies in regional Western Australia. We have always been champions for this sector. The sector contributes about \$40 billion to the state economy each year. Of all the small businesses in Western Australia, 55 000, or 25 per cent, are located in the regions. In November 2017, the government pushed legislation through state Parliament that resulted in a payroll tax increase for 1 300 WA businesses. At the time, the Nationals WA moved an amendment to the legislation that would have lifted the payroll tax eligibility threshold from \$850 000 to \$1 million. The amendment was voted down by the Labor Party. We believe that the government should act now to lift the payroll tax exemption threshold to \$1 million and not wait until 2021. In the Labor government's own words, lifting the exemption threshold would provide a tax break for 12 000 businesses across the state. It would encourage them to employ more people, invest more in their business and get the state's domestic economy ticking over as we face these very challenging headwinds. We will keep pushing for these changes and we will keep working with the small business sector because it is the engine room of our local economies.

I will turn to education and to the attacks by Labor on regional education, which have been very calculated and very mean. Labor has attacked the Schools of the Air, residential colleges, the agricultural college trust fund, camp schools and VacSwim and made cuts to the boarding away from home allowance. That cut is particularly cruel. If a person lives in a rural or remote town—places that have only a primary school or a district high school, or even no school—they have limited education choices for their kids. In government, we topped the boarding away from home allowance and we gave it a much-needed injection of funds that answered the calls of groups like the Isolated Children's and Parents' Association. The Nationals WA believe that for students who attend a state residential boarding college and are eligible for the full suite of federal and state subsidies, no gap should have to be paid for boarding fees. This is not a luxury or a choice for many families; it is a reality, and we should be making it easier for our rural and remote kids to be educated, not more difficult as this government has done.

We also had a singular focus on improving health outcomes for the regional population. Members in this place will have heard me talk many times about how people in regional WA have a shorter life span than their city cousins. Chronic disease levels, including diabetes, coronary heart disease, lung cancer and eye disease, are much higher in regional WA. We have a shortage of doctors and medical professionals. We have limited or sometimes no access to appropriate palliative care options. We have an ageing population that cannot access the services that it deserves. A week does not go by in my electorate office when I do not hear from a concerned member of one of my communities about how they cannot access the services they need to keep their family close to them as they age. In government, we were bold in our vision to start turning that tide and addressing the deficit of years of neglect. This investment went a long way to recalibrating our health system, but there are still gaps. How distressing was it last year for us all to read about the 84-year-old grandmother who was forced to lie in pain on the floor of the Geraldton Health Campus emergency department because no beds were available. How devastating for the families of victims of snakebites to learn that the appropriate antivenom was not being held in regional hospitals, delaying vital treatment. How horrifying was it to learn that Kalgoorlie Health Campus had 156 code black incidents activated between 2017 and 2019—up from just 17 incidents between 2014 and 2016. How frustrating is it for our members to have an institution like the Geraldton Universities Centre pitching a plan to grow and train our own midwives to deal with the statewide shortages, only to have the plan fall on the deaf ears of government. How infuriating is it that the government continues to play politics when it comes to pitching in and solving the general practitioner shortage crisis that much of our state is facing. I wonder whether the Minister for Health and this government care at all that local governments and ratepayers in regional communities are footing the bill to keep a GP in their local community—some as much as \$300 000 a year off a rate base of fewer than 500 people. Let me say that again. Some communities are paying as much as \$300 000 a year off a rate base of fewer than 500 people to keep a doctor in their town. That is happening today in multiple communities across our regions. Imagine what we could do if this government was not siphoning off royalties for regions. But no, this government's priority is clear. Its priority is Metronet, and a line has not been laid to date; there is no track record on that front. Metronet is absorbing all that government funding and we are left with a serious issue that underpins the future of our regional communities.

Finally, I want to touch on the newly created regional cities portfolio within the Nationals team. Boosting jobs growth, fostering innovation and helping to incubate new businesses in these centres is imperative. Our state's regional cities are home to 250 000 people—almost half the population of regional WA. They are critical to the future of the state. When members of our party travel around regional Western Australia and visit these places, we often pose the question: where are our Western Australian Ballarats, Bendigos, Tamworths or Wagga Waggas? Where are those really big regional centres that are self-sustainable, create jobs and support the region in which they exist so that we do not all look to the Perth metropolitan area and concentrate government funding, services and ingenuity in that area of the state? It is not healthy, sane or economically sensible for us all to live in Perth or that skinny slice of land immediately to its south. The Nationals have a track record of working with the private sector

to transform our dated and dusty towns into modern, attractive places to live, work and invest. We did not pick winners when we were in government. We worked with every community right across the state. The Liberal–National government can be very proud about that. We just heard an entire debate in which the Labor Party talked about one town. I absolutely agree with the member for Warren–Blackwood, and I support the transition of Collie’s economy, but not when it means that absolutely nothing is being done for the rest of the communities around regional Western Australia. Picking winners will not get this government anywhere in the long term.

[Member’s time extended.]

Ms M.J. DAVIES: If we look to the Pilbara, especially Karratha, we can see what can be achieved if there is political will. Manjimup is a community that transitioned out of the forestry industry and is now a vibrant and buzzing hub of food production. We made that happen without stealing any workers or population from other areas. We grew a new economic base for that town in consultation with that community and using royalties for regions. We did not bus people into that town to prop up the numbers. That short-changes a community and does not help to provide it with a sustainable future. We want to entice more workers and their families to live in the regions. We need diversified economies to lessen the dependence on fly in, fly out and drive in, drive out work practices. Would it not be great to see our state government pursue economic development opportunities for our regions with the same vigour and zeal it has for Metronet and the Collins-class submarine maintenance contract? I do not deny that either of those things will create jobs, but how about focusing on some of the things that will create jobs in our regions and grow the pie for everyone?

The federal government has a program that is ideal for channelling this enthusiasm—a ready-made structure for engagement. The city deals and regional deals model brings together federal, state and local government to tailor a deal that works on each region’s comparative advantage, assets and challenges. I know that the McGowan government has already signed a city deal for Perth, because that is where its priority lies—that is predominantly focused on bringing resources in for the delivery of Metronet. We know that that is where its priority lies; I do not agree with that but I understand it. It has made it a priority to engage with the federal government to deliver a city deal for Perth. Regional Western Australia comes a distant second under this government. The Premier’s Statement confirms this, the state budget confirms this and the metro-focused Metronet agenda confirms this. This government has killed royalties for regions, disembowelled the regional development portfolio, gutted our regional development commissions and cherrypicked pet projects in Labor seats to shore up its vote. As the leader of opposition business said yesterday, it has well and truly broken the promise made by the Premier at the start of this term to govern for all Western Australians.