

**Division 19: Peel Development Commission, \$1 638 000—**

Ms A.R. Mitchell, Chairman.

Mr B.J. Grylls, Minister for Regional Development.

Ms C. Yates, Acting Chief Executive Officer.

Ms S. George, Manager, Corporate Services.

Ms A. Dann, Principal Policy Adviser, Office of the Minister for Regional Development.

[Witnesses introduced.]

**The CHAIRMAN:** The member for Mandurah.

**Mr D.A. TEMPLEMAN:** I refer to the service summary on page 253, and “Facilitation and coordination”. The *Budget Statements* shows costs going from \$5.6 million in 2010–11 to \$1.7 million in 2014–15. I am interested in the reason for such a substantial reduction. The first footnote on page 254 mentions that the reduction in the total cost of service between 2011–12 and 2012–13 was an amount of \$635 000 and that this is “attributable to a review of expenditure associated with the RfR Regional Grants Scheme.” I am interested in what that review found and why Peel took such a significant hit in funding.

**Mr B.J. GRYLLS:** I thank the member for the question. He referred to the \$635 000 that was attributed to the review of expenditure associated with the grant scheme. Essentially the decision that was taken by me was that the development commissions, in going out to contestable grant rounds, would make a grant available to a community group or a project. Sometimes that community group or project needed to get additional funding or leveraged funding to get the completed amount to complete that project. Many of those grants had been from the regional investment fund, which was the fund that the member’s government was in charge of, through to the regional grants scheme. We had funding proposals that were essentially waiting for partnership funding. We decided to put an end date on that, so if matching funding to allow the projects to be undertaken could not be found, that money would not be returned to consolidated revenue but to the regional development councils. The development commissions were still in charge of the funding but it essentially put an end point on projects that were seeking additional funding so we did not have amounts of moneys that were allocated to projects that were unlikely to be completed because they had not been able to get the matching funding.

I will ask Colleen if she would like to add anything to that.

[2.50 pm]

**Ms C. Yates:** That is pretty much correct in terms of the projects that had difficulty moving forward. They were not able to secure their matching funds.

**Mr D.A. TEMPLEMAN:** The first dot point under “Significant Issues Impacting the Agency” on page 253 states that the Peel has the fastest growing regional population in WA, and the population numbers are listed. It also highlights the fact that the region has a higher unemployment rate compared with the state average. What is not in there is the fact that the Peel region continues to produce the third highest amount of royalties for the state. Why has a greater share of regional funding not been given to the Peel given its population growth, given the unemployment figures, given the nature of the region’s economy and given the fact that it is the third highest royalty-generating region in the state?

**Mr B.J. GRYLLS:** The government has made decisions about funding allocations that end up being reported. As part of the government, I am comfortable with the reported outcomes that have been delivered.

**Mr D.A. TEMPLEMAN:** Is the minister comfortable that the fastest growing region has continued to get the least amount of funding back over the term of the royalties for regions program? I highlight to the minister that this financial year we have received only 2.7 per cent of royalties for regions money. That is on top of just over one per cent the previous year. Why is the minister continuing to discriminate against the Peel region, the fastest growing region in Western Australia?

**Mr B.J. GRYLLS:** I answered that by saying that I probably used the same decision-making process that the member’s government made to put \$1.6 billion into a train line to Mandurah while leaving the Pilbara completely dysfunctional. It is a decision of government. The Labor Party made that decision. It should live with its decision. I made a decision and I live with that decision.

**Mr D.A. TEMPLEMAN:** This is about the regions that are creating the wealth. We are the third highest wealth-creating region.

**Mr J.J.M. BOWLER:** It is not a region.

**Mr D.A. TEMPLEMAN:** Yes, it is, you imbecile. It is a region.

**The CHAIRMAN:** Member for Mandurah, do you wish to ask a question?

**Mr D.A. TEMPLEMAN:** Yes, I do. I have asked the minister to explain why the Peel region consistently continues to receive the least allocation of funds from programs, given the nature of our economy, given the nature of our population growth and given the fact that we are the third highest royalty-generating region in Western Australia.

**The CHAIRMAN:** Member for Mandurah, I remind you that you have asked that question.

**Mr D.A. TEMPLEMAN:** The minister is not answering the question at all.

**The CHAIRMAN:** You may not like the answer you have been given but you have asked the question. I will give the minister another opportunity to answer the question.

**Mr B.J. GRYLLS:** Let me be completely clear. I am 100 per cent comfortable with the funding allocations under the royalties for regions portfolio. I would be happy to debate with the member any day—in Mandurah, in the town hall—the vastly greater needs for investment in the Pilbara and the Kimberley than in the Peel region given the decisions that were made by the previous government to make substantial investments in the Peel region.

**Mr D.A. TEMPLEMAN:** Despite the fact that we have the highest number of people on mortgage stress, the minister continues to bypass the situation. He does not understand the situation in the Peel. He never has since he became Minister for Regional Development. He has never ever done it.

**Mr B.J. GRYLLS:** The member is an embarrassment.

**Mr D.A. TEMPLEMAN:** The minister is an embarrassment because he never answered the question properly.

**The CHAIRMAN:** I formally call the member for Mandurah to order for the first and second time today. I call the Minister for Regional Development to order for the first time today. Are there any further questions on this division, otherwise I will put the question?

**Mr D.A. TEMPLEMAN:** Yes.

**The CHAIRMAN:** Is it a different question?

**Mr D.A. TEMPLEMAN:** Yes, it is. I refer to the significant issues impacting the agency that are listed on pages 253 to 254, in particular, the first dot point and its reference to the economy. The Peel–Harvey system is the most valuable natural asset, estimated to be worth between \$3 billion and \$4 billion. Why has the government not included that as a significant issue impacting on the agency given that the recent reports on the health of that system continue to show decline in most of the indicators?

**Mr B.J. GRYLLS:** The Peel Development Commission has put forward seven points in the budget, supported by me in signing off on its budget papers, that are significant issues impacting the agency. While I agree with the member that the Peel waterways are vital for the health and amenity of the region, I dare say the focus on them would be in the Minister for Environment's budget papers rather than the Peel Development Commission's.

**Mr D.A. TEMPLEMAN:** Boddington is highlighted as being one of the SuperTowns in the second dot point on page 254. Can the minister indicate why Pinjarra was overlooked as a candidate for SuperTowns?

**Mr B.J. GRYLLS:** The development commission has put forward towns to be considered under the SuperTowns project. The SuperTowns project has been an enormous body of work after essentially no focus on these nine communities forever. They now have comprehensive growth plans for their future population growth. They have comprehensive economic development plans. The member referred to Boddington. The Newmont gold mine is a major economic driver and employer in the community. It is just on the hill overlooking Boddington. It is a major drive-in, drive-out camp where hundreds of employees essentially work in the Boddington shire but drive out of the shire to go home to their families each night. It would seem like a good plan for Boddington to attract more of those families to reside in that area. That is what the Boddington SuperTowns project has been about. There will be more announcements on that shortly. The SuperTowns project has been that successful that I am very determined to expand it to other communities. I take it from the member's question that he endorses Pinjarra for consideration in future rounds of the project.

**The appropriation was recommended.**