

Division 23: Kimberley Development Commission, \$1 460 000 -

Ms Guise, Chairman.

Hon John Kobelke, Minister for Consumer and Employment Protection; Training; Leader of the House.

Mr J. Gooding, Chief Executive Officer, Kimberley Development Commission.

Mr KOBELKE: Thank you, Madam Deputy Chair. Just by way of testing, the CEO there is Jeff Gooding from the Kimberley Development Commission. Do we have you on the line, Jeff?

MR GOODING: Yes, we do, Minister.

Mr KOBELKE: Jeff, if you could just be there to come in as and when I may require your assistance.

MR GOODING: Yes, understood.

Mr KOBELKE: Thank you.

The CHAIRMAN: We will start with division 23. The question is that in respect of division 23, appropriation be recommended. That will be quick if I do not have any questions.

Mr KOBELKE: Given that we have changed the order, members may need a moment or two to get their questions in order.

Mr D'ORAZIO: I will go first. Minister, page 404, Net Cost of Output, Output 2. There is an increase of some 25 per cent in the budget. Can you explain to us the extent of the increase?

Mr KOBELKE: We are on page 404, Output 2. The member, I think, is alluding to total cost of outputs which was \$548 000 for the last year and in the current budget goes to \$675 000. Are they the figures the member is alluding to?

Mr D'ORAZIO: That is the one and there is an increase there of about 20 per cent or over 20 per cent.

Mr KOBELKE: I wonder if Mr Gooding might be able to explain that particular change in the figures please.

Mr D'ORAZIO: And explain what that actually entails in relation to programs.

MR GOODING: Certainly. Minister, we have a staffing level of 11 projected for next year. This increase is due to the recruitment of an aquaculture research officer and that research officer is located in Broome and is conducting some technical research specific to the Kimberley on the culture of *Penaeus monodon* prawns, which are tiger prawns, that will be able to be applied to the growing aquaculture industry. It has been identified as a gap in the available knowledge. It is focused and applied research and the additional cost is due to the additional person.

Mr KOBELKE: Just for further clarification, Jeff, will that officer be working out of the new fisheries facility there near the harbour?

MR GOODING: Yes, he will, Minister.

Mr D'ORAZIO: Is that whole cost associated with that, because it is \$125 000. Is that one officer?

MR GOODING: It is one officer. In order to recruit somebody who had the technical skills that were going to be able to produce research that was going to stand industry scrutiny and be practical, we have had to recruit an officer at level 8, so substantial cost is involved. The person has had to come from the eastern states.

Mr D'ORAZIO: Do you need anybody to try out the tiger prawns?

MR GOODING: I beg your pardon? I did not hear that.

Mr D'ORAZIO: Do you need someone to sample the tiger prawns. I volunteered.

MR GOODING: Noted.

Mr BIRNEY: Minister, I refer to division 23, page 401, and more specifically your priority on assurance dividend which we have discovered yesterday is of course code for a budget cut, and I note that you have a saving of some \$85 000 that you have listed as priority in assurance dividend. Minister, can I ask the nature of that \$85 000 saving or, to be more precise, budget cut?

Mr KOBELKE: I think the member would be aware that that has been asked of departments across Government, but it was not just a blanket percentage. There was a percentage put on the table, but then through the expenditure of *, all agencies were asked how they could actually meet that. I clearly do not have the specific details, but I would ask Mr Gooding if he could give some of the key elements of those particular savings as they will have to be met by the Kimberley Development Commission.

[9.10 am]

MR GOODING: Thank you, Minister. The cuts are going to be made according to priorities that will be set by our board, but our board is of the view that it will be minor projects that will be reduced in scope. We do not expect it to have any impact on our staffing level. In the region our ability to be able to deliver is based on our staffing level, so we have tried to protect that and we will be able to do so. We will be reducing the scope of some of the smaller projects that we have on our agenda.

Mr BIRNEY: I have a supplementary question, Madam Chair. Jeff, can I ask which minor projects you intend to reduce in order to save this \$85 000.

Mr HYDE: A point of order. Questions have to be directed to the minister.

The CHAIRMAN: Yes.

Mr KOBELKE: I think as Mr Gooding has already indicated, the board has to make those, so I am assuming that they have not been laid down specifically, but if Mr Gooding can indicate if any specific programs have been designated for savings and those savings specifically quantified at this time, then he could inform the Committee of that, but from his earlier comments I drew that there is still work to be done as to the exact areas. So over to you to address that, please, Mr Gooding.

Mr GOODING: Minister, thanks. No, that is in fact accurate. The board has yet to make that determination but it is more likely to be the scope of minor projects rather than completely dropping projects.

Mr D'ORAZIO: Mr Minister, can I ask you another question? In relation to 401, outputs, regional promotion, last year it was budgeted at \$163 000 and actually \$250 000 was spent. Estimate in the forthcoming budget is \$253 000. Can we explain just how this extra regional promotion is going to occur in that region?

Mr KOBELKE: So the point of the question then - we need your assistance, Mr Gooding - is the increase over the previous year?

Mr D'ORAZIO: The increase overall this year, but there is a jump in the predicted budget from last year; \$163 000 was budgeted but \$250 000 was spent. We are proposing to spend \$253 000. Is there any specific program that you can allude to that covers those overexpenditures?

Mr KOBELKE: Yes, if you would, please, Mr Gooding.

Mr GOODING: Yes, Minister. Are we talking about the overexpenditure for last year or the projected additional for this year? Could there be clarification?

Mr D'ORAZIO: It would be nice to know what the overexpenditure was but more importantly what the extra promotions are going to be for the forthcoming year.

Mr GOODING: The overexpenditure for last year was predominantly some joint projects that were initiated by the tourism industry that our board elected to participate in. So we provided some financial assistance to the tourism industry in those promotions. That is one element and the other element is that we conducted some overseas promotion in Indonesia in relation to the newly emerged Broome-Bali air service which was relatively expensive. So they are probably the major items. This year we are envisaging that whilst we would not be doing the international promotion there are a couple of major promotional activities that have been in the region, and I particularly cite the Ord Valley muster which is emerging as a major tourism drawcard in the east Kimberley and we are anticipating that we will need to be involved to a substantial degree in that promotion. The other members may well recall a recent promotion we have done called the colours of the Kimberley promoted through *The West Australian*, 650 000 circulation. Our board is keen that we participate in similar promotions this coming year.

Mr D'ORAZIO: Thank you.

Mr HYDE: Just supplementary to that, Minister, we are looking at having gone from last year's budget of \$163 000 to this year, \$253 000. So my reckoning is that is over a 50 per cent increase that we are saying is going predominantly into tourism in the Kimberley and helping that area.

Mr KOBELKE: If you could respond, please, Mr Gooding.

Mr GOODING: That is true. Yes, perhaps just a simple answer there: yes, that is true.

Mr HYDE: Thank you.

Mr D'ORAZIO: I hope we do not have an overexpenditure.

Mr BIRNEY: Thank you, Madam Chair. Minister, I draw your attention to page 400, which would appear to be the summary of the budget, and more specifically the \$30 000 that has been allocated for a capital contribution to

the Kimberley Development Commission. I ask, Minister, can you explain to me the nature of that \$30 000 capital contribution?

Mr KOBELKE: I will ask Mr Gooding in a moment. When you have those small amounts there is a requirement often for accounting procedures. They have to be laid out in that way and perhaps Mr Gooding can give some detail, please. Are you clear on the \$30 000 being referred to by the member for Kalgoorlie?

Mr GOODING: Yes, I am, Minister. Thanks very much. The \$30 000, whilst it incorporates those points the Minister just made, is also part of our ongoing computer and office upgrade process so in order to keep up with the appropriate computer hardware we have an ongoing item of about that amount - this year it is \$30 000 - to upgrade office equipment and computers and keep up.

Mr EDWARDS: Thank you, Chair. Minister, page 400 under significant issues and trends, dot point 3, "Transport planning and the capture of industry and community development benefits from restructuring networks provide opportunities for Kimberley communities." I wonder if you could perhaps enlarge on the significance of that and give some explanation as to what that means.

Mr KOBELKE: I will have to turn to Mr Gooding. I suspect I know the project that is involved there but I would be guessing at it. I do not know whether you can clarify, Mr Gooding, that third dot point.

Mr GOODING: Yes, Minister. Thanks very much. Transport for the most isolated region in the State is obviously crucial. We have a significant role in partnership with Department of Planning and Infrastructure on major transport initiatives and particularly I would like to highlight the upcoming contractual arrangements for the State coastal shipping service which needs to be finalised. We would have a role there in ensuring that we get the best benefits for the region. So that is the coastal shipping service. Clearly and topically the air services issue is one we would expect to continue with a substantial involvement and ensuring that there is a regional benefit that flows, not just a State benefit.

We have had a continuing role with the intra-regional services and particularly Broome-Derby, Broome-Fitzroy Crossing-Halls Creek and the Pilbara connection to the Kimberley to ensure that those subsidised services meet the needs of regional industry. The management of the port is something else where we would be working closely with regional players and Perth policy makers to ensure there was an effective regional flow-on. I will try not to be too longwinded, but finally the road network. We would be keen to be working with local government partners in ensuring that regionally significant roads such as the Tanami Road through Central Australia and also the Gibb River Road are both upgraded and maintained to a standard where there is a good regional benefit.

Mr KOBELKE: Thank you, Mr Gooding. If I could just add in terms of briefings I have had some time ago, not in the last few months, the importance of that transport infrastructure for tourism, which is a very important industry in the Kimberley, and also for some of the produce to get out. I know a lot of the produce that now is grown on the Ord River finds its way to Sydney and Melbourne and without the transport infrastructure that simply would kill those industries, as well as the export of beef cattle into Indonesia which was a big issue a few years ago. So there is a whole range of things in the Kimberley where the transport infrastructure is absolutely crucial to key industries there. So what we are talking about, that dot point, is the strategic planning to try and ensure that that infrastructure is available for those particular industries.

Mr EDWARDS: Thank you, Minister.

Mr SWEETMAN: Madam Chair. Minister, page 402, key effectiveness indicator and then further down output 1 where it says, "The commission will provide effective regional development policies, advise strategies and plans to support economic and social development of the Kimberley." In relation to a question asked earlier about what effect the cutback in funding will have to the Kimberley Development Commission, and Mr Gooding said that it would not have an effect on staffing levels or ratios, my experience is, and I am talking about the Gascoyne Development Commission, that the cutback is going to be in those programs in relation to the social development areas.

Mr KOBELKE: That question may be more adequately addressed in number 2 when we actually come to the Gascoyne Regional Development Commission.

Mr SWEETMAN: I am asking if the saving in the Kimberley - if it is not in staffing levels - will be by making cuts across some of those social development projects; for example, support of business expos and promotion of various tourism ventures, some administrative support for local chamber of commerce, things like that where I know other development commissions are looking at cutting back because they see that as the easiest cut. It does not affect the projects they are working on or staffing levels. I am just wondering whether the Kimberley Development Commission has done something like that to cover the cutback in the current funding.

[9.20 am]

Mr KOBELKE: The point obviously is to get some sort of guarantee that the basic structure of the Kimberley Development Commission is not going to be in any way compromised or under-resourced to do its job. We have already had the undertaking of Mr Gooding that he does not see cuts in that area because the member would also be well aware that the development commission, this particular one and others, is involved in a whole range of specific projects and Mr Gooding has already indicated that the board has yet to finally determine the areas where those savings will be found, but that they are looking to some of the minor programs that are being run. There is the potential to actually get those savings in those areas, but I do not think we can give more specific answers, given that twice we have asked of Mr Gooding, and he has confirmed, that the final areas for those cost savings are yet to be determined by the board.

Mr SWEETMAN: Yes, but they would already know what they are looking at and would have identified the areas they are going to save in because they could commit to you that they were going to be able to offer up that dividend.

Mr KOBELKE: It has not been formally confirmed by the board and therefore it is not appropriate for me to ask Mr Gooding to try and guess at what the board is likely to actually tick off on. We are confident that will be achieved. Mr Gooding I think has given confirmation of that in the answers he has already assisted us with. We will have to judge the determinations of the board in terms of specific areas where those savings are found.

Mr EDWARDS: Minister, page 403 - my interest in local government, dot point 6 under "Major Initiatives" at the very bottom - "Develop and implement partnerships with local government focused on common practical initiatives." What sort of practical initiatives would you be looking at in developing and implementing those partnerships?

Mr KOBELKE: I will ask Mr Gooding if he wants to comment later, but it is also an issue that runs right across this State, with the Premier being keen to establish a very good line of communication with local government through WAMA and at the local level. That will clearly involve the minister who also has responsibility here for the development commission, so you have it being taken up at a statewide level. Then that needs to be also matched at the local level with the regional development commissions. I would see it in that holistic sense. This is here as a major initiative taking place across the State in which the Kimberley Development Commission, along with the other development commissions, would be expected to play an important role. If there are any specific initiatives already under way within the Kimberley Development Commission, I would ask Mr Gooding to comment on that.

Mr GOODING: As you rightly point out, this is a State initiative but we have also elected to develop it from the ground up as well and have embarked on negotiations with all four of our local authorities, all four of the Kimberley shires. I am happy to report that we have got agreements in place with three of the four about the range of common initiatives that we might be able to follow during this coming year. We will have to see of course as the budget process unfolds how many of those may well already be funded by other agencies and how many are gaps essentially that we could work on in partnership with local government. These are project initiative gaps, bearing in mind that at the Premier's level of course the negotiations are continuing, as I understand it, with local government in relation to the overarching arrangement. We have tried to pick up the initiative from the local level, I think is the point I am trying to make.

Mr D'ORAZIO: On page 413 under "Details of Controlled Grants, Subsidies and Transfer Payments", item 3 is Community Resource Centre. I notice in the 2000-01 budget there was \$75 000 allocated, not spent in 2000-01. Then there is an allocation of \$150 000 in 2001-02. First of all, does that mean that that has been carried over for expenditure this year into one project; (2) what is the project and (3) how is the benefit going to be to the community in having this community resource centre and how is it going to operate?

Mr KOBELKE: I thank the member for the question. If I could ask members to have a look through the list generally, I think you will understand by looking down that list what we are dealing with here. These controlled grants, subsidies and transfer payments generally relate to specific projects which the development commission has initiated or come in to support. There are issues as to the timing of the particular work that needs to be done and then the payment, sometimes in order to establish the contract and get the work done, interference by seasonal factors, and one-off issues such as the destruction of the Beagle Bay church which was picked up. You will see money there for restoration. There is a whole range of factors that shift the timing. I will ask Mr Gooding to comment with respect to the community resource centre and what the time lines have been there which have led to those amounts of money falling into particular annual budgets.

Mr D'ORAZIO: And, more importantly, what benefits there are to the community and how it is going to be used.

Mr GOODING: I understand the parts of the question. I will just confirm it is in fact a carry-over of funds. It is destined for projects and they are projects with a long gestation period. There are community resource centres scheduled for Fitzroy Crossing and Wyndham, both minor communities in the region but very much in need of

co-located facilities both by Government and by community. They build on a model that we were incredibly successful with and that is the Halls Creek community resource centre. The commission was able to put \$150 000 initial seed money - it was capital funding; initial seed money - to attract \$3 million worth of investment. We now have a centre in Halls Creek with 14 government agencies co-locating, providing everything from a telecentre to community meeting rooms, to an amphitheatre, to a child minding centre and library for the shire. It is a very successful facility in these very small towns that are below critical mass in terms of their ability to be able to attract government agencies in their own right.

Building on that success at Halls Creek, we have been working with the Fitzroy Crossing community and the Wyndham community, both of which have substantial indigenous populations, both of which are well underserved in terms of State Government services and Commonwealth Government services. These often, for instance, have a bank. We plan in partnership with the Commonwealth to be able to put in a rural transaction centre in both of those towns, along with visiting office space for government agencies. These are some of the best initiatives in the region in recent times, but I have to stress that there are long gestation periods in getting them together. It means that you have to get government agencies to commit to sharing space and providing contributions to shared equipment and to the shared management of the centre, all in recognition that they are unable to provide a service to these towns unless they do cooperate. We are getting good cooperation but it takes a while to get these projects together. I can only cite our Halls Creek success as justifying us continuing on with the projects.

[9.30 am]

Mr EDWARDS: Minister, on page 407 under "Major Initiatives", dot point 6 - "The level of service and security of the region's postal services". It may have been a year or 18 months ago, but I know there were some real problems in that regard up there in the Kimberley. How are you going to further advance that level of service and what financial implications is that going to have?

Mr KOBELKE: I have no knowledge of that myself and will have to turn to Mr Gooding please.

Mr GOODING: The member is quite right. There were obviously significant difficulties with the postal services here in this region 18 months ago. I guess that is probably the best timing I can put on it, as Australia Post changed their distribution arrangements from their pre-existing air distribution to road. Of course even air mail to the Kimberley now has been coming via road, redistributed from Port Hedland.

The commission, on the basis of contact that it had with its stakeholders throughout the region, undertook an assessment of that level of service and found that it was particularly wanting in the east Kimberley, and I mean Kununurra and Wyndham, but also in Fitzroy Crossing and Halls Creek. We engaged Australia Post, to their credit, in a very constructive re-evaluation of their services. Most recently we have been able to put in place a new - I emphasise "new" - air service connection for air mail from the east Kimberley through to Darwin which guarantees overnight distribution of parcels from Wyndham and Kununurra to Perth, which had been unheard of in the past.

We are very close to being able to ensure that the postal services to Fitzroy Crossing and Halls Creek are again carried on the subsidised air service that operates to those towns; essentially taken off the bus and put on to the air services. This is important, of course, because that service is subsidised by the State Government. It is also important because it is a Government election commitment that that would happen. We are very close to being able to do that and we hope to be able to finalise a service level agreement between Australia Post and the air carrier - it was going to be Ansett as well but of course we will now be dealing with another carrier - within the next few months.

We are continually monitoring services. We have a range of informants throughout the region that are providing information to us. We have a constructive dialogue with Australia Post who are responding very effectively and our plan is to further enhance those services to those small towns but also to the remote communities that are currently served by the Commonwealth funded RASS scheme, the Remote Area Support Subsidy scheme, which provides aviation services to those very remote pastoral stations and Aboriginal communities. So we have a reasonable agenda with postal services this coming year. That is correct.

Mr KOBELKE: Thanks, Mr Gooding.

Mr EDWARDS: Minister, a supplementary question just on the financial side of it, so through you, Minister, to Mr Gooding. You are quite satisfied with the financial implications that are involved?

Mr KOBELKE: If you would like to respond to that please, Mr Gooding?

Mr GOODING: I am sorry, I did not pick that point up.

Mr EDWARDS: Just the financial implications. You are quite happy with them?

Mr GOODING: The financial implications? From a postal point of view, there will be no increase in cost. Of course those costs are all nationally averaged so there will not be any additional increase in cost. Of course there is an issue with our involvement and the cost to the commission, but we consider that postal services are an essential requirement for remote communities, for all communities but particularly remote communities who would rely on the post for a range of other related services including, I might add, being able to get perishable products out to very remote communities. They run on the mail plane. We believe that there is only benefit in our involvement and I guess I am citing those examples of our success so far as indicating that we are having an impact on improving service.

Mr KOBELKE: Thank you, Mr Gooding. Could I suggest to members that while the Kimberley is a very important part of the State and there are a lot of very exciting projects the development commission is involved in, we have spent over half an hour and we have quite a number of divisions to go and I am fearful we will not be able to do justice to other divisions if we continue too long. That is obviously a matter within the control of the Committee.

Mr HYDE: I will follow up with a quick supplementary question to that, Minister. I am certainly aware through the member for Mining and Pastoral Tom Stephens' office, 18 months ago when we were lobbying the federal Government with the problem with the mail. I think it is tremendous the result we are getting here. I am wondering if the Government is approaching the federal Government - seeing as we are using our subsidised air mail service, we are subsidising the flights - for compensation for delivering their mail which is a federal responsibility.

Mr KOBELKE: There are a whole lot of elements here. I am happy to take note of that and raise it with the minister. The situation is with the collapse of Ansett that what was already a range of problems that needed to be addressed has now been compounded, so we have to try and sort out matters relating to the failure of Ansett along with the existing issues of infrastructure and mail services for postal delivery. I am very confident that the development commission is aware of the various players there and working with them to ensure that we get the best possible outcomes. In addition to that, we have with the minister a very strong advocate of the Kimberley and of these needs and I am sure that his voice will make sure these matters are raised through the various forums, including taking the matter up with the federal Government.

Mr HYDE: Thanks. I am happy if we do move to the Gascoyne.

The CHAIRMAN: I have no further speakers on the list, in which case I will put the question. The question is that in respect to division 23 appropriation be recommended. By show of hands, all those in favour? To the contrary? That is carried.