

Chairman; Mr Peter Watson; Mr Terry Redman; Mr Mark McGowan; Mr Peter Tinley; Mr John Castrilli; Mr Ian Blayney; Mr Brendon Grylls; Dr Graham Jacobs; Mr David Templeman

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**Division 12: Regional Development, \$6 435 000 —**

Ms W.M. Duncan, Chairman.

Mr D.T. Redman, Minister for Regional Development.

Mr R. Addis, Director General.

Mr C. Patterson, Acting Chief Financial Officer.

Mr P. Gregson, Manager, Royalties for Regions Financial Management.

Ms M. Mackenzie, Executive Director, Regional Investment.

Mr A. Mann, Executive Director, Economic Development and Diversification.

Ms M. Murphy, Acting Executive Director, Corporate and External Services.

Mr J. Bishop, Principal Budget and Finance Officer.

**The CHAIRMAN:** This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day.

It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or amount in the current division. It will greatly assist Hansard if members can give these details in preface to their question.

The minister may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by Friday, 3 June 2016. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office.

Minister, would you like to introduce your advisers, please.

[Witnesses introduced.]

**The CHAIRMAN:** I give the member for Albany the call.

**Mr P.B. WATSON:** My question refers to "New Works" under the asset investment program at page 162. The Bunbury to Albany gas pipeline has been a little chestnut for the last two elections—a number one promise. I notice that the estimated total cost is \$12 530 000 but it will not be done until 2018–19 in the forward estimates, which the Premier does not believe in anyway. Can the minister tell me whether he has an idea about when the much heralded Bunbury to Albany gas pipeline will start?

**Mr D.T. REDMAN:** I thank the member for Albany. I will make a couple of comments and then maybe someone here could comment on the budget profile of that. The lead agency for the Bunbury to Albany gas pipeline is the Department of State Development. It leads; my agency is not the lead on that project. We have provided, from memory, around \$19 million to \$20 million in previous budgets to support the planning work and the easement work. A cabinet decision has been made on the path of the gas pipeline. That has been through cabinet and I have had a couple of meetings with the Department of State Development to ascertain progress from its perspective. A number of things in respect of the Albany gas pipeline are probably best directed to DSD and the Premier. To say that, it is a priority that is coming through on the blueprints as an investment that would be significant to the great southern region and it is one that I support. As the member can imagine, that pipeline would go through a number of communities in my electorate and it could certainly facilitate one of those communities, Manjimup. I cannot make any comments about time lines for the pipeline other than to say that the lead agency is the Department of State Development.

**Mr P.B. WATSON:** The minister said there is \$19 million. Where has that \$7 million gone? The minister said it went into planning, but I could have told the minister where the route was without spending \$7 million. There is \$7 million of taxpayers' money, which could have gone to our ring-road, incidentally, which would save lives. That is \$7 million and the minister is still just looking at where the route is going to be. Are there no land acquisitions or anything like that?

**Mr D.T. REDMAN:** I will ask Paul Gregson to make a comment on the cash flow; however, I reiterate the point that the Department of State Development is the lead agency on this project.

**Extract from Hansard**

[ASSEMBLY ESTIMATES COMMITTEE B — Wednesday, 25 May 2016]

p311c-337a

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**Mr P. Gregson:** There has been an allocation in the 2016–17 budget of \$3 million and there is a further \$3 million allocated in 2017–18, with the remaining \$13.53 million in 2018–19, so that is a total of \$19.53 million over the next three years.

**Mr P.B. WATSON:** Through the minister, can Mr Gregson tell me what that money has been asked for or put aside for?

**Mr D.T. REDMAN:** The only comment I will make is that the lead agency is the Department of State Development. We have supported funding through the royalties for regions program.

**Mr P.B. WATSON:** Surely if the department asks for money, it has to tell the minister what it is for.

**The CHAIRMAN:** Order, member for Albany!

**Mr D.T. REDMAN:** The profile of the funding would need to be a response from the Department of State Development, unless one of my advisers can make a comment on the nature of each of those investments; I cannot. If the member wants to put a question on notice, I would be happy to respond to the nature of what those investments are targeted to be against.

**Mr M. McGOWAN:** I understand what the minister is saying, that another agency is responsible, but the Department of Regional Development has listed, under “New Works”, \$12.5 million additional in this budget towards this project. What is the total cost of the project? The minister indicated he does not have the time frame. Can the minister give any indication whatsoever of a time frame for this project?

**Mr D.T. REDMAN:** The total cost of the project depends on the nature of the commercial arrangements that we have with a provider. We offset any capital up-front costs that the state might contribute with what the private sector contributes and with whatever offtake arrangements there might be. We might have a capital contribution from the state to make it a viable project against the business case, and we also might have perhaps an annual subsidy if we do not have enough end users to justify the commercial investment. Therefore, the state can take a number of approaches. As I said, that is the nature of the discussions I have had with the Department of State Development. No decision has been made, as I understand it, by State Development and certainly not cabinet in respect of the pathway for that relationship. Certainly, there are discussions happening. I have been in discussions, but no decision has been made.

**Mr P.B. WATSON:** It has been discussed for eight years.

**Mr D.T. REDMAN:** The question from the Leader of the Opposition was: what is the project cost? I am saying that that depends on a whole range of factors that I cannot articulate here.

**Mr P.B. WATSON:** It would have been cheaper eight years ago.

**The CHAIRMAN:** Order, member for Albany!

**Mr D.T. REDMAN:** It depends on the nature of those commercial decisions. We have progressed to the point of having a pathway for that. We have put resources towards planning. There is a land acquisition and easement process that we need to go through. My understanding is that that is one of the longer parts of the development. The building bit is a lot easier, but getting through the land acquisition and easement process is longer.

**Mr M. McGOWAN:** Is the minister confident the project will proceed?

[9.10 am]

**Mr D.T. REDMAN:** I am confident that, as a government, we are committed to getting the project to proceed, yes. Two factors are in play. Firstly, there is the nature of the commercial relationship. As the Leader of the Opposition can appreciate, the economic climate has changed a little bit so there are adjustments in and around that. The commercial market will respond to those adjustments but government has to decide whether the investment is an up-front capital contribution and how much that is, and/or whether it will be a longer term subsidy on end users at the other end. The member for Albany will be aware of the other discussion that happened at a regional level; there was a lot of controversy about augmenting the transmission lines from Muja down to Albany to deal with a capacity issue that was emerging in Albany. That was controversial because no-one wanted big A-frame towers to go through their properties. The decision was put off on the basis of the demand dropping, or certainly levelling off, and the need was not as urgent as it was before. A gas pipeline would offer potential for a regional generation capacity. That is one factor in play. Secondly, the Southdown mine in Wellstead is a potential significant end user of energy generated from a site down there. There are a number of factors other than simply just putting a pipeline down to Albany.

**Mr M. McGOWAN:** As the minister knows, it has been a significant commitment of the Premier for the last eight years, and \$19 million has been allocated towards easement planning and so forth. Has the department

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acquired the relevant land or the rights to have the relevant land as part of that process? If not, when does the minister expect that process of acquiring the land will be concluded?

**Mr D.T. REDMAN:** This is from a Department of Regional Development briefing. The Department of Regional Development, for any royalties for regions resources, enters into a financial assistance agreement with any agency that uses them. That has not been secured with the Department of State Development. Once there is a financial assistance agreement and a memorandum of understanding about what resources will be spent for, that is the point at which I could say what those resources are going to be. Although we have put money aside, DSD has not come to a decision about what they will be.

**Mr M. McGOWAN:** It is a significant amount of money. The department has spent the money and money has been spent over each of the last couple of budgets—I think the minister indicated \$3 million a year or thereabouts—but the department has not secured an agreement with another government agency as to whether the project will happen or whether it will proceed with it.

**Mr D.T. REDMAN:** I will ask the director general to make a quick comment on that.

**Mr R. Addis:** Funds have been provided for in the budget, as they have for several years, but the final decision would be ultimately made by the Minister for State Development and cabinet based on the results of preliminary planning and commercial assessments. As far as we understand, the Department of State Development continues to do that work.

**Mr M. McGOWAN:** If I can get this clear, how much has actually been spent?

**Mr D.T. REDMAN:** Of royalties for regions funds?

**Mr P. Gregson:** So far, \$470 000 has been spent from a couple of years ago. That was really on preconstruction work and planning. The rest of the funding—the \$19.53 million—is in the out years.

**Mr M. McGOWAN:** That is under royalties for regions funding. Is that the extent of the spend on this project?

**Mr D.T. REDMAN:** The Leader of the Opposition will have to ask the Department of State Development what it is expending and its resources, but this is the royalties for regions program.

**Mr P.B. WATSON:** We have had all this money sitting in the royalties for regions fund when it could be used in other projects. This project is obviously not going to happen; the Premier has gone cold on it. Surely the money in the out years could be used for something else in the regions, because the pipeline is not going to happen. As the minister said, nothing has been done to get anything going. I am not saying it is the department's fault; it is the government's fault that that money is just sitting there. We have people getting killed on regional roads. We could be putting that money into the ring road and things like that. We have this money sitting there, doing nothing. The minister's department is probably handcuffed because other departments have asked for that money. Surely that money could go to better use.

**Mr D.T. REDMAN:** The premise of the member's question is that money is sitting in the out years that could otherwise be spent on something else and he raises the point about regional roads being an issue. The out years are one thing, but the money in the 2016–17 budget that has just come down is accounted for. An amount is predicted to be spent in 2016–17. Right now, the budget has been fully allocated, including an over-programming provision of 15 per cent in the 2016–17 period. The notion of saying that if we have money in the out years, it could be spent on something else is fundamentally wrong. Priority decisions are made as those years come into play. Every year, we make decisions about the ensuing years. As the member can appreciate, the budget year gets the most attention and probably the year after that. In the case of royalties for regions funds, there are unallocated amounts in the out years, which has been the case since it came into play in 2008.

**Mr M. McGOWAN:** I would like to go through some of the allocations of money under various components of the budget and find out what exactly the department plans to spend that money on. Let us start with the fourth dot point on page 160 of the budget papers, which is about the Seizing the Opportunity Agriculture initiative. Under the title "Seizing the Opportunity Agriculture" on page 197 of budget paper No 3, there is \$78.3 million over the forward estimates. What will that be spent on?

**Mr D.T. REDMAN:** I thank the Leader of the Opposition for the question. In that whole set of line items under "Seizing the Opportunity Agriculture", there are about 15 different initiatives in the commitment that we made going to the 2013 election. The premise was investing in those areas that could unlock the opportunities of Western Australia in the context of Asia as it applies to agribusiness.

**Mr M. McGOWAN:** Maybe I will be a little bit clearer, if that is all right.

**Mr D.T. REDMAN:** Hang on; it is important to get the context here. Under the bolded heading "Seizing the Opportunity Agriculture" are a whole range of initiatives. They got profiles as they went through cabinet and the

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money is spent over a four-year period. These initiatives include the Water for Food program, research and development, risk management initiatives, support for the Muresk Institute and skills development. The only addition that has been made to previous budgets for the \$300 million Seizing the Opportunity Agriculture program has been \$50 million in the two out years—\$25 million in 2018–19 and \$25 million in 2019–20. That fundamentally signals our commitment to the extension of the program as we work through and review what has happened already through the 2015 initiatives. They have been rolling out over the course of this term. I will get Paul to make a comment on two particular initiatives. Under the “Seizing the Opportunity Agriculture” heading, there is a line item “Seizing the Opportunity Agriculture” that has two figures in the out years. I will ask Paul if he would make comment on the nature of those figures.

**Mr P. Gregson:** Those figures are an aggregation of the number of projects that sit within Seizing the Opportunity Agriculture. We do not have the space in the budget papers to list every single project so they are an aggregation of a number of smaller projects within Seizing the Opportunity.

**Mr M. McGOWAN:** There is a lot of this throughout the budget and I want to tease them all out. Basically, therefore, \$78 million is justified in the budget with four words: “Seizing the Opportunity Agriculture”.

[9.20 am]

**Mr D.T. REDMAN:** I am happy to supply by way of supplementary information those items that are aggregated under the current figures there.

**Mr M. McGOWAN:** So that we are clear, Madam Chair, it is at page 197 of the *Economic and Fiscal Outlook*, under “Seizing the Opportunity Agriculture”, and \$78.3 million has been allocated to it in 2018–19 and 2019–20. The minister has agreed to give us details of what projects that money is allocated to.

**Mr D.T. REDMAN:** Those are some aggregated numbers.

**The CHAIRMAN:** Minister, will you restate what you have agreed to?

**Mr D.T. REDMAN:** On page 197 of the *Economic and Fiscal Outlook*, under the heading “Seizing the Opportunity Agriculture”, is a line item that has two figures—one in the 2018–19 forward estimates of \$38.7 million and one in the 2019–20 forward estimates of \$39.6 million, totalling \$78.3 million. The response we can give today is that they are some aggregated numbers with detail that sits under them that are not visible in these papers. I am undertaking by way of supplementary information to provide the nature of the projects that sit under that in more detail than is visible in the budget papers.

[*Supplementary Information No B44.*]

**Mr M. McGOWAN:** I have a further question on Seizing the Opportunity Agriculture. We have all noticed over maybe the last five or six years that the Department of Agriculture and Food has had significant cuts, and enormous cuts in staff and to some of its scientific and research programs, which have totalled tens of millions if not hundreds of millions of dollars. There is a list of 15 separate initiatives on page 197. Is it the case that royalties for regions is now being used as a way of replacing the expenditure that has been ripped out of Agriculture over the last six or so years?

**Mr D.T. REDMAN:** I do not accept that. A range of responsibilities of government agencies, including the Department of Agriculture and Food, go into policy and regulation. The department has historically had capacity, and still does, in research and development and the like. Those decisions are made by the relevant minister. We took a commitment to the 2013 election based on Seizing the Opportunity. I do not think for a moment that the Leader of the Opposition would want us to breach an election commitment in this term of government after committing to the \$300 million Seizing the Opportunity initiative and that we would otherwise ride out the program. I also add that of the 15 projects that sit under Seizing the Opportunity, there are a number for which the lead agency is the Department of Agriculture and Food, but there are a number that are not. Some come under the Department of Regional Development, including WA Open for Business, and, under the Lands portfolio, components of the Water for Food program. Of course, some of the initiatives of the Water for Food program come under the Minister for Water. Also, the Department of State Development has the lead on one particular project to do with branding the agrifood sector and has some royalties for regions resources supporting a project sitting in the Department of State Development. I do not for a moment think that this is cost-shifting or supporting an agency in trouble. We made a commitment going to the 2013 election and we intend to deliver on that commitment.

**Mr M. McGOWAN:** If members of the government were to argue that, yes, they have cut significant amounts out of the Department of Agriculture and Food—research, staff, support services and the like—for

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agricultural communities, would the minister not accept the argument that some of that resource ripped out of Agriculture and Food was replaced by the initiatives contained in the *Economic and Fiscal Outlook*?

**Mr D.T. REDMAN:** No, I would not, on two arguments. Firstly, it is an election commitment that we are going to deliver on, an election commitment based on some very contemporary work to understand those things that unlock opportunity for Western Australia, so it has not necessarily invested in traditional agency areas. Secondly, the responsibility of the Department of Regional Development and me as minister is to do what we can to build, grow, develop and diversify the regional economy. Diversification has been the Leader of the Opposition's mantra. It has been my mantra, as Minister for Regional Development, to support diversification in sectors in regional Western Australia. One of those is agriculture, and I think we have done a hell of a lot to deliver the outcomes in the Ord–East Kimberley and to unlock potential through the Water for Food program in not only proving up water resources and unlocking tenure opportunities, but also supporting groups like grower groups. Although research and development sits in the Department of Agriculture and Food, a lot of capacity also sits in groups such as the Mingenew–Irwin Group, the Facey Group, the South East Premium Wheat Growers Association and Southern DiRT. They are groups that have a lot of capacity and support through this program. It is fundamentally wrong to say that this is all agriculture and therefore it should all sit in competition with the Department of Agriculture and Food.

**Mr M. McGOWAN:** That is not what I said.

**Mr D.T. REDMAN:** The Leader of the Opposition is making the point that this is backfilling what has been taken out from the Department of Agriculture and Food. This initiative is unique. It invests in areas that have not been invested in before and it does not sit just in the Department of Agriculture and Food, although some does by nature of the agency responsible for particular areas.

**Mr M. McGOWAN:** To conclude, the point the minister is making is that although all those resources have been ripped out of the Department of Agriculture and Food, they have not been replaced by royalties for regions.

I refer to Seizing the Opportunity Agriculture, again on page 197, and the line item “Infrastructure Audit and Infrastructure Investment Fund”. There is \$76.3 million in the out years, in this and subsequent financial years. Again, there are only six words justifying \$76 million worth of expenditure. Can we have a list of what that money is going to be spent on?

**Mr D.T. REDMAN:** The short answer is no, the Leader of the Opposition cannot. There were two parts. Bear in mind that 15 different initiatives sit under the Seizing the Opportunity platform and as we have gone through this term of government we have put cabinet submissions and business cases together to achieve that. When each one of those comes out, it is effectively a four-year program. Since we came into this term of government in 2013, they have been staggered. That can be seen in the profile of expenses on the various projects that sit in the budget papers. One of the projects was an infrastructure audit. The document—I cannot remember whether it is a draft or final document but it is in my office and is subject to my endorsement—will give us directions on where we can make capital investments to support removing any bottlenecks in supply chains to get product out of Western Australia efficiently into key overseas markets. Those investments might be into roads, rail or cold storage on the ports. I have not seen that document yet; it is subject to my advisers going through it to get their recommendations to me. That will inform any investment decisions. However, that infrastructure program was part of our 2013 election commitment for the \$75 million infrastructure investment, which is not big. But if it can be leveraged and targeted to areas that are identified as bottlenecks, it will unlock potential and it is an opportunity.

**Mr M. McGOWAN:** Earlier the minister agreed to provide a list of the Seizing the Opportunity spending in the out years, yet he is not agreeing to provide a list of the infrastructure audit and infrastructure investment fund spending in the out years. Is he saying that is because decisions have not been made on spending?

**Mr D.T. REDMAN:** That is right.

**Mr M. McGOWAN:** But decisions will have been made on the spending in at least the current year, which has \$10 million in it.

**Mr D.T. REDMAN:** The current year of 2016–17?

**Mr M. McGOWAN:** In the coming financial year—2016–17.

**Mr D.T. REDMAN:** That is 2016–17.

**Mr M. McGOWAN:** Yes. Is the minister able to provide that list of spending?

**Mr D.T. REDMAN:** We have to populate the budget with a profile of allocation to meet our budget needs. In 2016–17, the allocation of royalties for regions has come down to below \$1 billion. In previous budgets there has

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been a \$1 billion expense limit plus an over-programming provision and we have had to find savings in that to make the 2016–17 budget work, so all programs are seen through that filter. The audit is in my office. I have not had advice from my advisers to recommend what we spend those resources on; nevertheless, there is an allocation in the 2016–17 financial year. My final sign-off on that to get it through the cabinet process has not been made.

[9.30 am]

**Mr P.C. TINLEY:** I refer to the Seizing the Opportunity Agriculture initiative on page 197 of budget paper No 3. Picking up from where my leader has mentioned, I refer also to two line items under that initiative—“Agricultural Sciences Research and Development” and “Boost Grains Research and Development Support”. If I am reading it right, in the out years, the total is \$35.8 million. How is that not supplementing what should ordinarily be, and historically has been, the preserve of the Department of Agriculture and Food in its science R&D program?

**Mr D.T. REDMAN:** I will pick up on some of it. A component of agricultural sciences research and development—I think about \$19 million from memory—went into grower group grants. A little while ago I talked about the capacity that sits with grower groups that have their own programs. They often levy themselves resources to build capacity to do on-farm research and, in some cases, some supply-chain research. Part of our commitment was to support those grower groups to maintain and build capacity to support their productivity improvements. Therefore, although it refers to ag sciences research and development, that does not strictly mean it is in competition with or supportive of the Department of Agriculture and Food. There are also some initiatives in there to pull together those grower groups and provide some coordination of that research work and some support resources. I cannot remember how much went to the Grower Group Alliance, which is a sort of head group that sits over a number of these grower groups to help coordinate investment so they are not doing something in one area that is repeated in another area. Grain is a significant crop for Western Australia. We produce 40 per cent of the nation’s grain crop, so it is a significant export market for us. We have enhanced the grains research component, which I think is coordinated through the Department of Agriculture and Food, but it also picks up support for—I am running on memory here —

**Mr P.C. TINLEY:** Is it GRDC or AEGIC?

**Mr D.T. REDMAN:** AEGIC is the Australian Export Grains Innovation Centre, which would have Grains Research and Development Corporation funding. GRDC is the R&D corp and it provides funding over here. The funding for the boosting grains research and development initiative will be used to establish a grains innovation precinct; construct and install new R&D infrastructure; establish a skilled cohort of regionally-based scientists; deliver frontline agronomy R&D; and complete various R&D programs. Again, it depends on who the deliverer is. It is not necessarily the Department of Agriculture and Food; there are other people with capacity or other organisations that can do it. Yes, it is research and development, and, yes, the Department of Agriculture and Food is involved with it, but it is such a significant sector that it is supported through the Seizing the Opportunity Agriculture program.

**Mr P.C. TINLEY:** The minister missed the point of my question. The department is investing \$35 million, but the minister is saying that in the first instance, ag sciences research and development appears to be a coordinating and management role, yet “sciences” is in the title. How is that not replacing what has traditionally been done by standard government investment, particularly given DAFWA has reduced its full-time equivalent staff from some 1 200 to about 700? Is the department not picking up the slack for the government?

**Mr D.T. REDMAN:** No. Fundamentally, that line item is happening by grower groups. Before 2013 —

**Mr P.C. TINLEY:** It is not happening; the department is paying for it.

**The CHAIRMAN:** Order!

**Mr D.T. REDMAN:** Yes, but before 2013, there was very little support, if any—maybe some distant executive officer support from the Department of Agriculture and Food supporting grower groups. They basically ran on their own capacity to do that work and fundraise from GRDC and other groups, including themselves. I held the view when I was agriculture minister that significant capacity sat out in those groups. They were approaching me. They wanted me to fund an executive officer for each of those groups. At the time, there were about 70 groups across Western Australia. They range in capacity. Some, like the Mingenew–Irwin Group, the Liebe Group, the Facey Group and the South East Premium Wheat Growers Association down in Esperance all have significant capacity. They wanted me to fund an executive officer. I was not prepared to do that. As part of our election commitments going to the 2013 election, I supported capacity in funds to support whole-of-supply-chain work that those organisations wanted to engage in. I thought that was a better approach for government to take. It is not work that was done by the Department of Agriculture and Food; it is done by those grower groups.

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They never had that level of support from government before, yet they are very, very motivated to improve their productivity, which is exactly where we want to be.

**Mr P.C. TINLEY:** Can I then, by way of supplementary information, get a list of all the groups that this money is being allocated to, and advice from the minister, if not the detail, of the business cases they would have had to put to the minister for those funds?

**Mr D.T. REDMAN:** We do not supply business cases in these arrangements, but this project is administered by the Department of Agriculture and Food. The minister responsible is Dean Nalder. It started in my time as regional development minister. The first year is the current financial year we are in now, so I can get actuals to date for the 2015–16 financial year, because the rest of it goes into the out years. I am happy to provide that by supplementary information.

*[Supplementary Information No B45.]*

**Mr G.M. CASTRILLI:** I refer to regional policy on page 162 of budget paper No 2. One of the new works listed under the asset investment program is the item “Growing our South Initiative Provision”. As the minister knows, I am pretty interested in the projects that come under that initiative, not only for the south but also for the greater south west area and beyond, which all correlates and cascades down to our economic health. I am interested in getting an update on those initiatives.

**The CHAIRMAN:** Member for Bunbury, I have just had a request from Hansard that you speak up.

**Mr G.M. CASTRILLI:** Oh! Okay.

**The CHAIRMAN:** You were leaning back a bit, I think, away from the mic. Can you also please repeat the page number?

**Mr G.M. CASTRILLI:** I am sorry; I forgot we were in the House of Lords!

**The CHAIRMAN:** Member for Bunbury, can you repeat the page number, please?

**Mr G.M. CASTRILLI:** It is page 162. As the minister knows, I am pretty interested in the Growing our South initiative, especially a few projects in and around my area. Obviously it goes broader than just Bunbury and the greater south west. Can the minister give us an update on those initiatives?

**Mr D.T. REDMAN:** I thank the member for Bunbury for his question. The Growing our South initiative was brought into the 2014–15 budget. The member can appreciate that there have been a number of revitalisation programs right across regional Western Australia, including Pilbara Cities, the Gascoyne revitalisation and the Goldfields–Esperance revitalisation. Four development commissions did not have an opportunity to have a revitalisation program focused on them—they were the wheatbelt, great southern, south west and Peel. In the 2014–15 budget, as part of the royalties for regions program, we announced a \$600 million initiative. Of course, the decision was made to have that in the budget, and projected figures were shown in the out years. At the time, that was loaded up in the out years, as the member would appreciate, because that was where the unallocated resource was. Since the program has come into play, 31 Growing Our South projects have been approved in cabinet as at 13 May this year, equating to a total investment of \$287 million. That investment will deliver \$414 million worth of projects, so there is good leverage in that R for R resource.

[9.40 am]

In total, \$424.3 million is allocated to this initiative over the forward estimates from 2016–17 onwards. I will give the member an idea of the sorts of projects that have been approved. There has been \$58.3 million towards the Margaret River perimeter road. The Transform Peel initiative was announced by the Premier and me when we held the regional cabinet down in Mandurah. That is a fantastic initiative, and \$41.3 million was allocated to phase 1 of that initiative. There is \$45.9 million for the upgrade of Busselton–Margaret River Regional Airport so that it is able to take eastern states traffic. The City of Busselton also has put a submission into the federal funding round to upgrade the airport to cater for freight traffic from overseas, and there is quite a bit of interest in that from the agricultural sector of the south west to export high-value products from the likes of V&V Walsh into key markets. Therefore, it will be interesting to see whether that is successful; it has my support, by the way. As the person responsible for its steering committee, the member will be very familiar with the Bunbury Waterfront development, and \$24.9 million was announced for that just recently by the member, the Premier and me. There is also the revitalisation of the Manjimup town centre. Manjimup is one of the SuperTowns and a significant service centre for the region. There is well over \$100 million of agrifood product out of that area now, yet the town still looks like a service centre, and we need to get it beyond that. That is a solid initiative. There are two projects sitting within the Katanning SuperTown heritage centre for which there is \$15.7 million. There is also the Mandurah traffic bridge project, which is making what would have been a good bridge into a really outstanding bridge through the allocation of \$8.8 million. I do not know whether the

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member has seen the schematics of that upgraded bridge, but it is very significant to the City of Mandurah and historically significant for the people of that community. There is a big focus on the drivers of economic growth, population growth and employment growth, and on trying to leverage funds from other sources.

That is the current state of the Growing our South initiative. There are 10 projects sitting in the great southern, five in Peel, 10 in the south west, and six in the wheatbelt. Looking at the total breakdown of where those projects are now, I am really pleased with and proud of where we are going with that. The four chairs of the development commissions play a key role in pulling those initiatives together, with a key set of criteria. It is not something that goes to an expression of interest. Projects come through the development commissions. These are projects of significance through which we can drive growth and jobs in those four development commission areas. I thank the member.

**Mr M. McGOWAN:** I refer the minister to the line item “Regional Strategic Projects Grants” in the table headed “Details of Controlled Grants and Subsidies” on page 165. I refer also to page 197 of budget paper No 3 and the line item “Regional Grants Scheme” under the subheading “Regional Strategic Projects”. Can the minister provide details about what that money is going to be spent on this year and in the out years?

**Mr D.T. REDMAN:** Can I ask the Leader of the Opposition to clarify the last part of his question?

**Mr M. McGOWAN:** There is \$43.1 million outlined on page 197 for the regional grants scheme. Has the minister allocated any of that money; and, if so, to what over the coming year and the out years?

**Mr D.T. REDMAN:** Was that page 197?

**Mr M. McGOWAN:** Yes—of budget paper No 3. The way it works is that the minister mentions something in his budget division, but then in budget paper No 3 there is the list of all the separate initiatives, so we have to work with both of them.

**Mr D.T. REDMAN:** There are dot points on page 193—is that right?

**The CHAIRMAN:** Minister, we are talking about page 197 of budget paper No 3. It is towards the top of the page; in fact, it is the first item there—“Regional Strategic Projects”.

**Mr D.T. REDMAN:** So, is it allocations to the regional grants scheme?

**Mr M. McGOWAN:** I refer to the regional grants scheme under “Regional Strategic Projects”. Has the minister made any allocations of the \$43.1 million across those two projects?

**Mr D.T. REDMAN:** I will comment on the regional grants scheme. The regional grants scheme is allocated to the development commissions. I think, from memory, there is about \$1.1 million for each development commission over those four years. It has been a very successful program and has been significantly oversubscribed. They go to their communities in those development commission areas and seek submissions from communities for a range of projects at the community level. The member for Albany will be very familiar with the ones in the Great Southern Development Commission area. Therefore, for 2016–17, they are intending for submissions to come in and be decided upon towards the end of this year for a number of different development commission areas. I sign off on those regional grants schemes projects at my level. Smaller projects come under “Community Chest Grants Scheme”, which is the line item just under the regional grants scheme line item, and is for grants of up to \$50 000; therefore, it is on a slightly different scale. Again, it is all administered by the development commission areas. They do the work on that and they prioritise it. Recommendations come to me, the Department of Regional Development provides advice to me on them and I then sign off on those grants to go out. It is very oversubscribed and well received by little community groups that would otherwise have to struggle to access key resources to support their projects. I will ask Mr Paul Gregson to make a comment on the regional strategic projects.

**Mr P. Gregson:** That \$3 million line is allocated to the regional community childcare development fund; that is yet to go to cabinet for approval, but there is certainly an allocation there, with \$1.5 million in 2016–17 and a further \$1.5 million in 2017–18.

**Mr D.T. REDMAN:** That has been particularly well received in the wheatbelt communities, where there is pressure on ensuring that childcare facilities are up to the standard required to get the certification necessary to be able to have childcare managed safely. There is pressure on to ensure that we keep that program going.

**Mr P.C. TINLEY:** I take the minister again to page 197 and the line item “Asia Market Development” under the subheading “Seizing the Opportunity Agriculture”. There is a \$4 million allocation out to 2017–18. The minister has said before that he allocates money under royalties for regions programs, but that they are sometimes administered and managed by other departments. Where is that money being allocated to?

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**Mr D.T. REDMAN:** The lead agency for that is the Department of Agriculture and Food. There are three staff in key overseas trade offices who are dedicated to agriculture; we have not had that in the past. One is in India, from memory, I think there is one in China and one in Indonesia—no, Singapore; sorry.

**Mr P.C. TINLEY:** So, just for clarity, it is India, Singapore —

**Mr D.T. REDMAN:** It is India, Singapore and Indonesia.

**Mr P.C. TINLEY:** Whereabouts in those locations are they?

**Mr D.T. REDMAN:** They are in the overseas trade offices. Again, the global focus of Seizing the Opportunity Agriculture was to ensure that we supported investments throughout the supply chain that unlocked potential. Market intelligence and understanding market needs is a component of that. Supporting the funding specifically of agriculture people in those trade offices is a strategy to strengthen the connections of the agrifood sector as it applies to markets into Western Australia. Traditionally, it has not been funded before, but we have been able to fund it and support it. For example, there has been a lot of work done in getting live trade into key markets like China. That market intelligence and supply chain information is critical to strengthening agriculture, and that is the sort of stuff that is funded there. I am happy to give the member more detail about all of that funding, because there is clearly more money there than would fund three people.

[9.50 am]

**Mr P.C. TINLEY:** I am particularly interested in that. I am also interested in whether there is a strategic plan, key performance indicators or objectives and what guidance they received when they were deployed to those three markets. Can the minister provide that as supplementary information?

**Mr R. Addis:** The Department of Agriculture and Food provided the Department of Regional Development with a business case for each of the projects, which mapped out milestones, deliverables and KPIs, and they track progress against those and report to us regularly.

**Mr P.C. TINLEY:** Minister, can I receive those?

**Mr D.T. REDMAN:** To the extent that the lead agency is the Department of Agriculture and Food.

**Mr R. Addis:** We can get an extract of the deliverables and targets outcomes.

**The CHAIRMAN:** Can you define what you are providing please, minister?

**Mr D.T. REDMAN:** By way of supplementary information, we intend providing some more clarity around deliverables, targets and KPIs for those staff who are in the overseas trade offices, or does the member want it for this whole project?

**Mr P.C. TINLEY:** I want it for that whole project.

**Mr D.T. REDMAN:** That project is titled “Asia Market Development” and it is funded under the Seizing the Opportunity Agriculture banner, on page 197 of budget paper No 3.

**Mr P.C. TINLEY:** I refer to the minister’s previous comments and I want to make sure this is captured in the same supplementary question. The minister noted that the allocation would fund more than three people, so what is the detailed allocation of those funds?

**Mr D.T. REDMAN:** That will be captured in the deliverables of that particular project.

[*Supplementary Information No B46.*]

**Mr P.C. TINLEY:** Further to that, a note about the out years states that they go through only to 2017–18 and that funding tapers off in 2017–18. Does that mean the minister does not intend to fund it any further into the forward estimates?

**Mr D.T. REDMAN:** No, that is not the case. When our royalties for regions projects come through, they are approved on a four-year time frame. This depends on when they go through cabinet and over the course of decisions that are made in this term of government. As they come to an end, a review is done of the value of a project and whether it has delivered the outcomes required before any decisions are made to fund the project longer than the four-year time frame that has already been allocated in cabinet. It may stop; it may change; or we may do something entirely different. In the last two out years of the forward estimates—2018–19 and 2019–20—we have allocated an extra \$50 million of royalties for regions funds for Seizing the Opportunity Agriculture, which is designed to capture the benefits from reviews of those particular projects and to support decisions that give the agriculture sector a clear signal that they are not coming up against a cliff face and that the government is supporting future investment but that decisions will be made on the best spend on the basis of reviews of projects under the Seizing the Opportunity Agriculture banner.

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**Mr P.C. TINLEY:** The minister says that this is on a rolling arrangement on the basis of a four-year allocation but only two years are allocated here—2015–16 and 2016–17. If I characterise the minister’s response, the allocation is made on a four-year term, but there is nothing in the previous years, and based on what the minister said, theoretically, the cabinet decision on this initiative was made two years ago.

**Mr D.T. REDMAN:** I think my words were that typically a royalties for regions program runs for four years. It would not be for all programs; it would depend on whether it is a recurrent project that goes for a period or a capital-type project, but typically it is four years.

**Mr P.C. TINLEY:** Clearly, this is just a thought bubble.

**Mr I.C. BLAYNEY:** I refer the minister to page 160 of budget paper No 2 and to the Seizing the Opportunity Agriculture initiative. Given all the water discoveries being made under the \$40 million Water for Food program, can the minister advise how much land could potentially be used for irrigated agriculture?

**Mr D.T. REDMAN:** I thank the member for Geraldton for the question. This has been a fantastic initiative. I remind members in the chamber that the \$300 million initiative we took to the 2013 election was around those things that were identified to unblock potential. We were pursuing about five areas in that respect: understanding our land and water assets; research and development, given that our total factor productivity in Western Australia is flatlining; efficient pathways to market; trade and investment, and understanding market intelligence about our trade opportunities and seeking investment into Western Australia into a sector that is capital constrained; and ensuring we have the skills to grow and develop the agriculture sector to meet those opportunities in Western Australia. There is a very solid story behind all the initiatives. The \$40 million Water for Food initiative is one of those and it sits in two portfolios. The Minister for Water is proving up the underground water assets. We know there is water there, but we do not have the appropriate level of assessment to understand what water we can make available to projects—in this case agriculture projects. If we do that work, we can de-risk private sector investment. That is what has been happening. To date, 50 624 hectares of irrigated land is available for horticulture in Western Australia. The Water for Food project has so far identified over 10 million hectares that is suitable for irrigated agriculture, with the greatest opportunities being identified in the West Kimberley, great southern and midwest. This program has significantly de-risked water as one of the key ingredients for irrigation as it applies to agricultural development. The other part of the project is land tenure, which is working through my portfolio. A great example of the Water for Food program is the Mowanjum trial at a little Aboriginal community south of Derby. This community has a community resource centre and now, supported under the Water for Food banner, it has a trial for how an agriculture project can be developed around feed-on facilities for cattle. It is fantastic that the first trial is being conducted on an Aboriginal-owned pastoral lease and helps us to demonstrate what can be achieved in the Kimberley. Given that cabinet has signed off on a pathway for some 4 000 hectares of freehold land, the private sector is coming to the table. Wellard Rural Exports is one company that wants to be an investor and a partner in a 4 100 hectare freehold agriculture development. We think this is the sort of thing that can be achieved by unlocking potential in Western Australia.

We can do a lot more but a trial like this demonstrates what can be achieved. The next project is likely to be at Gogo station. If members have been to Gogo, they will be aware that it has a number of centre pivots operating with a feed-on facility for a beef cattle enterprise. Gooniyandi Aboriginal Corporation represents the community and is negotiating with Gogo about an Indigenous land use agreement to support their pathway to freehold, hopefully, to allow investment and capital to come to the table to develop a significant project. If members look at these sorts of precincts right across regional Western Australia where there is underground water and it matches up with a soil type that is suitable for agriculture, they will see that we can target well beyond the current 50 000 hectares. Given the interest in agricultural development in Western Australia, we need to play a key role to unlock that potential. The Water for Food program is part of that; it also includes land tenure and things such as the rangelands reform, which will no doubt come up in discussion under the lands portfolio, because giving levels of tenure can bring in third party investment, which has been called for for a long time.

**Mr M. McGOWAN:** I again take the minister to page 165 and refer to line items “Pilbara Cities Initiative” and “Regional Capital Works Initiative”. I then take the minister to page 197 of the *Economic and Fiscal Outlook* and expenditure under “Regional Capital Works Initiative”, “Pilbara Cities Strategic Infrastructure” and “Pilbara Cities Community Projects”. Those three line items allocate nearly \$400 million of expenditure across the forward estimates. What is that money allocated to in this financial year and in the following three financial years?

[10.00 am]

**Mr D.T. REDMAN:** Did the Leader of the Opposition include the line item “Regional Capital Works Initiative” at the top of page 197?

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**Mr M. McGOWAN:** I referred to the line items “Regional Capital Works Initiative”, “Pilbara Cities Strategic Infrastructure” —

**Mr D.T. REDMAN:** — which does not necessarily include Pilbara Cities, because one of those was the Augusta Boat Harbour, for example.

**Mr M. McGOWAN:** That is right, but I asked about three line items: “Regional Capital Works Initiative”, “Pilbara Cities Strategic Infrastructure” and “Pilbara Cities Community Projects”. Can the minister give me a list of what that money will be spent on this financial year and the coming financial years, and have decisions been made about that?

**Mr D.T. REDMAN:** Under the “Regional Capital Works Initiative”, obviously the Augusta Boat Harbour has been finished, which was a \$36 million project. A number of action-agenda projects came out about four budgets ago, so this is the remnant of those investments. I am sure that if no-one here can provide an answer about the \$1.1 million in 2016–17, we can find out about it. There are a number of regional capital works initiatives —

**Mr M. McGOWAN:** The total appropriation for “Regional Capital Works Initiative” is \$12.5 million.

**Mr D.T. REDMAN:** Okay; I will give the member an answer to those. Listed in the *Budget Statements* under “Regional Capital Works Initiative” for the 2016–17 financial year is \$3.09 million and \$3.1 million, which includes just over \$1 million for the WA location information strategy, which is a Landgate project, and one component of a further investment for the Denmark recycling scheme to take wastewater treatment from the wastewater plant that currently goes into the Wilson Inlet onto the golf course and the agricultural college to support an irrigation project. The \$12.5 million in the 2017–18 budget will go to the Water Corporation. It has undertaken that project because of significant local concern about treated wastewater going into the Wilson Inlet. That covers the regional capital works projects. The Karratha health campus is a \$207 million project under the Pilbara Cities project.

**Mr M. McGOWAN:** Is that under strategic infrastructure?

**Mr D.T. REDMAN:** It is on page 197 under the headings “Regional Infrastructure and Headworks Fund” and “Pilbara Cities Initiative” and the line item “Karratha Health Campus”. There is an allocation of \$184 million in the forward estimates. I think it is a \$207 million project in total—I may have that figure wrong—and it is underway. I think the Leader of the Opposition went to Karratha recently and he would have seen it.

**Mr M. McGOWAN:** I have, but I am not sure that we are talking about the same thing. There is a list for the Karratha health campus, but I am referring to the line items “Pilbara Cities Strategic Infrastructure” and “Pilbara Cities Community Projects”. I am asking for a list of what that \$374 million will be spent on. Sometimes I think we are not looking at the same page, because page 197 has two —

**Mr D.T. REDMAN:** The Leader of the Opposition is referring to the line items “Pilbara Cities Strategic Infrastructure” and “Pilbara Cities Community Projects”.

**Mr M. McGOWAN:** Between the two, \$375 million has been allocated. What will that money be spent on?

**Mr D.T. REDMAN:** I am advised that it is a pretty big list of projects.

**Mr M. McGOWAN:** That is fine.

**Mr R. Addis:** The member is pointing to two line items. The line item “Pilbara Cities Strategic Infrastructure” has a total of \$300.5 million.

**Mr M. McGOWAN:** It is \$300.6 million.

**Mr R. Addis:** My eyes are not that good. The member is also talking about the line item “Pilbara Cities Community Projects” totalling \$74.4 million.

**Mr M. McGOWAN:** Correct.

**Mr R. Addis:** That is the first line.

**Mr D.T. REDMAN:** I will provide some more information, but I will give the nature of the headings of the projects here. The amount comprises a contribution to the Karratha city centre infrastructure works and the Karratha city centre infrastructure works stage 2A. There is also a contribution of \$2.8 million to the Karratha City of the North project, which is a LandCorp project, and a contribution to the Port Hedland hospital site release for development, which is a LandCorp funded project. The South Hedland and CBD revitalisation stage 2 project and the Newman town centre revitalisation stage 3 project have also been allocated resources. The Pilbara Aboriginal town-based reserves project, which is a \$20-million initiative over the forward estimates, has also been given a component of that money.

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Under the line item “Pilbara Cities Community Projects”, funding has been allocated to Paraburdoo Childcare Centre, the allied health training centre, which is a Department of Training and Workforce Development investment, and the electrical specialist centre at Pilbara Institute. I think I launched that a couple of years ago. That has been done in conjunction with Woodside, which has also made an investment in the project. Those funds comprise a number of investments. If the Leader of the Opposition is happy with that response, we will take it; if not, I am happy to provide that —

**Mr M. McGOWAN:** Can the minister provide by way of supplementary information the allocations against each?

[Mr M.J. Cowper took the chair]

**Mr D.T. REDMAN:** On page 197 of the *Economic and Fiscal Outlook* are the two line items, “Pilbara Cities Strategic Infrastructure” and “Pilbara Cities Community Projects”. I undertake to give the Leader of the Opposition, by way of supplementary information, detail about the nature of those projects and the decisions that have been made about funding allocations.

**Mr M. McGOWAN:** Correct. Thank you.

[*Supplementary Information No B47.*]

**Mr M. McGOWAN:** I have one last question relating to the Pilbara Cities initiative. The Quarter is a government offices—cum apartment complex. Can the minister advise us of the status of the apartments? Are they up for private sale, have they been set aside for public servants and the like, what is their date of completion and what will happen to the accommodation in the apartments?

**Mr D.T. REDMAN:** Leader of the Opposition, there are two options. Obviously, the Department of Regional Development pays royalties for regions to support The Quarter development. However, it is a LandCorp project. I can provide some information about this, but I do not have the advisers behind me to provide the detail that the Leader of the Opposition is chasing. It would be more appropriate to ask that question during the LandCorp division. If he is happy to put it off until then, he will get a better answer.

**Mr M. McGOWAN:** All right; no problem.

**Mr P.C. TINLEY:** I refer to the Carnarvon Community College, which is the first dot point under “Education” on page 191 of *Economic and Fiscal Outlook*. As the minister said, royalties for regions is allocated through a couple of different lead agencies, and I imagine this would be true for Education. The Carnarvon Community College will receive royalties for regions funding of \$29.5 million, which will be added to the \$6 million of consolidated funds, bringing the total to \$35.5 million. Firstly, is \$35.5 million the correct total allocation; and, secondly what is the total cost of the project?

**Mr D.T. REDMAN:** I cannot respond to the last question because although I have some indicative numbers, there has been a provision for allocated components in the out years for the last tranche of resources but we do not have a business case to secure the cost of that. I do not want to put a number in the budget papers without having a business case attached to what that might be.

**Mr P.C. TINLEY:** Where is the money that the minister is talking about?

**Mr D.T. REDMAN:** In the royalties for regions budget papers there are unallocated provisions in what we call the blueprint initiative and there is unallocated funding in the various revitalisation funds.

[10.10 am]

**Mr P.C. TINLEY:** So, there are a couple of hollow logs lying around?

**Mr D.T. REDMAN:** No, they are not hollow logs. The member can imagine that every year we make predictions about the royalties for regions funds that come into the out years and every year they get adjusted. We do not populate all of those with budget commitments, because it depends on projects that come through in a very strategic sense for the blueprint process and the strategic approach for regional development that is taken to regional investment. They are not hollow logs; they are there, but, yes, they are unallocated. There are no specifics about those out-year allocations, and this is an example of a project about which we know there is a third stage to finish it off. We do not have a business case that states what that number is, but some provision has been made in the budget because it is a project that needs to be finished off.

**Mr R. Addis:** From memory, there was \$17.6 million in the previous year and \$17.9 million this year—that is, \$35.4 million or thereabouts.

**Mr P.C. TINLEY:** So, I am close.

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**Mr R. Addis:** The member's number is pretty much close to the mark.

**Mr P.C. TINLEY:** Has the minister finished his response; is he happy with it? I have a further question on this when he is ready.

**Mr D.T. REDMAN:** We have essentially been able to achieve resourcing in this budget that allows the works to be done to get the high school onto the primary school site. Works have been done already on the primary school site. I did a tour of the high school site and it was a dog's breakfast and hugely in need of a revamp. A community college approach is being taken to the community—basically, a K–12 school on one site. It has been a very successful model in Merredin and has been a successful model in Mt Barker. That K–12 school will be consolidated on the primary school site. The resources allocated this year will allow the co-location of the complete high school onto the new site and there are a couple of years of build time on this. Bear in mind that when dealing with schools, it is difficult to progress those works without interrupting the educational process. A last tranche of funding needs to be allocated for upgrading facilities on the existing primary school site. That is the number I cannot secure, because we do not have the business case work done to give clarity around what that is. Provision has been made in unallocated resources in the budget, but it is not visible in these budget papers because we do not know the specifics of that number.

**Mr P.C. TINLEY:** I take it that the Department of Education is responsible for the business case to receive any further allocation?

**Mr D.T. REDMAN:** Yes.

**Mr P.C. TINLEY:** Does the minister have an agreement with the department or are there other processes of co-funding for that final stage? I see that the Department of Education is putting in \$6 million and royalties for regions is doing the heavy lifting on the balance there. What is the allocation for the final amount or the split?

**Mr D.T. REDMAN:** Again, I do not know what the final allocations are, but, yes, there are some consolidated funds and some royalties for regions funds. I have committed to the project because of the nature of it. At the other end of the state is Cape Naturaliste College, which has some royalties for regions funds and a significant contribution from the consolidated fund, and that includes other projects happening around the state. This is a project that needs to happen. I support the community college model. We are going to grow and develop these communities and education is one of the themes that came through in the blueprint work. I do not know the final number, because Education has not provided me with the business case to give direction to that.

**Mr P.C. TINLEY:** My point is this: does the minister not find it galling that somewhere close to 70 per cent or 75 per cent of funds, I estimate, are coming from royalties for regions to be spent on something that should be funded from consolidated revenue as a normal delivery of basic services? Royalties for regions—in my estimation, speaking to the history of it—was not set up for that purpose, surely.

**The CHAIRMAN:** Member, what is the question?

**Mr D.T. REDMAN:** If I take a global response to that question, since 2008, about 25 per cent of royalties for regions money has been spent on health and health-related services in regional Western Australia. An argument could be run that that should be funded by Health. The bottom line is that it never was and we never got to the level of investment needed to support what we believe to be the sound regional development objectives of growth and building jobs in regional Western Australia. If health and education are not covered, people will not move to regional Western Australia. Royalties for regions was designed to enhance that. It is an extra, dedicated program for regional Western Australia to make a difference.

**Mr P.B. WATSON:** That was not what I voted on.

**Mr D.T. REDMAN:** It took what might have been an average hospital in Albany to an excellent hospital with an extra \$60 million funding.

**Mr P.B. WATSON:** Yes, but it was promised by the government in Health, and royalties for regions came in.

**Mr D.T. REDMAN:** Labor promised that for two elections and never did a damn thing!

**Mr P.C. TINLEY:** He got re-elected!

**Mr D.T. REDMAN:** The point I make is that if a strategic approach is taken to the nature of royalties for regions investments, they can be used to make a difference to what historically has happened; that is, over successive governments there has been underinvestment in regional Western Australia. We have fundamentally turned that around in our two terms and it is starting to make a difference now, but it means making investments in those areas that people see as significant when making decisions to live, bring up their kids and, hopefully, retire in regional Australia, and health and education are two of those.

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**Mr P.C. TINLEY:** Just for the record, is the minister absolutely committed to completing the entire project of Carnarvon Community College from whatever funds?

**Mr D.T. REDMAN:** Yes, because I cannot go up there and look those people in the eye and say that they have a satisfactory educational outcome in the community of Carnarvon.

**Mr P.C. TINLEY:** Yes, because the Barnett government has let it down.

**Mr P.B. WATSON:** The education department has let it down.

**Mr B.J. GRYLLS:** My question refers to regional health on page 165 of budget paper No 2. I take members of the committee back to when there were very few doctors in regional Western Australia and the director of the WA Country Health Service described country health as “blatantly bloody unsafe”. I ask the minister to outline the Southern Inland Health Initiative, which has already delivered some great outcomes in attracting general practitioners to areas that have been traditionally difficult to staff. Can the minister explain to the committee what will be done in the next year of this very important program?

**Mr D.T. REDMAN:** I thank the member for Pilbara very much. I think this highlights the premise of the last question; that is, is investing in health something considered inappropriate for royalties for regions, given that there are agencies that do that?

**Mr B.J. GRYLLS:** It is good timing, is it not?

**Mr D.T. REDMAN:** History says that a person living in regional Western Australia has more than an even chance of not getting the same level of service or access to specialists and so on that are needed.

**Mr B.J. GRYLLS:** “Blatantly bloody unsafe” was what was delivered by the previous government—by its own staffer’s submission.

**Mr D.T. REDMAN:** Absolutely.

**The CHAIRMAN:** The member for Pilbara has asked the question; let the minister answer, please.

**Mr D.T. REDMAN:** The Southern Inland Health Initiative was a \$560 million program, with just over \$300 million focused on capital works and just over \$200 million focused on service provision to the southern part of the state. The program is not finished; it is still rolling out. There are an additional 36 GPs in the SIHI area, with, interestingly, an increase in retention rates after four years from 35 per cent before SIHI to 67 per cent staying for four years now since the SIHI investments have been made. GPs are staying there for longer and that is a fantastic outcome for those who receive those services. Previously, a person going to an emergency department in a region after five or six o’clock in the evening had a 20 per cent chance of seeing a doctor in that ED; now they have something like a 98 per cent chance of seeing a doctor in that ED—that is, in key regional centres that provide ED support services. There are services such as emergency telehealth. If someone is in an area of regional WA with a telehealth facility, wherever they are, they can be put in contact with the best doctors we have in metropolitan Perth, including doctors operating from their homes. It is an outstanding project. Capital works construction is either underway or shortly to commence in six district hospitals, including Narrogin, Katanning, Northam, Merredin, Collie and Manjimup. I am pleased to see the member for Collie–Preston here, because he is very aware of the works that are happening at Collie Hospital; it is a very important project. Upgrades to a number of smaller hospitals and nursing posts are also occurring to ensure that we maintain facilities so people have access to key health services.

I do not have the numbers in front of me, but, from memory, the number of people who have to go into more permanent care for chronic diseases has reduced because of access to GP and support services that have come through programs like the Southern Inland Health Initiative. Some key preliminary findings from an evaluation show that country people in the SIHI regional area now receive safer, better and more reliable health care, with significant improvements in emergency care and access to GPs. That has been a product of this investment. To make the point that royalties for regions should not fund those things because they are Health’s responsibility is to say that this investment has not made a change. It has. It has improved things and that is something of which this government is extremely proud.

[10.20 am]

**Mr G.M. CASTRILLI:** I refer to page 159 of the *Budget Statements*. Under “Significant Issues Impacting the Agency”, the first dot point refers to —

Ongoing structural changes to the Western Australian economy reinforce the importance of a coordinated and focused regional development effort.

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Can the minister explain to us what the government is doing to support regional tourism and talk about the marketing strategy for regional tourism?

**Mr D.T. REDMAN:** I thank the member for Bunbury. As the resources sector moves from construction to production, we are seeing a fundamental transformation in the nature of the economy in Western Australia. An opportunity that is now starting to present, if we are to truly diversify the economy, is to build on agriculture as a significant theme. Tourism is also part of our planning and is a sector that we need to strengthen. Going to the last election, we committed to about \$24 million; to meet that commitment, we have used \$11 million from the royalties for regions program to support the development of innovative marketing programs to attract and increase domestic and international visitors to regional Western Australia. We have not only secured the commitment that was made, but also ensured a focus on the role that regional Western Australia plays in the tourism sector. All our investments across the royalties for regions program that support tourism directly and indirectly create better tourism experiences in Western Australia. We are investing in national parks with projects at the Natural Bridge and the Gap in Albany and the cantilevered structure being constructed at Kalbarri National Park. Camping and caravanning programs support camping facilities in key national parks, including the provision of more dump sites for caravans. Getting people here is one thing and that is what the \$11 million has focused on, which complements the destination marketing that Tourism WA is doing, but having the facilities in regional WA to enhance the experience is just as big a part of that.

The regional development program is ensuring that tourism is not missed in this. It is coming through as a strong theme. In fact, I will refer to a particular development commission, members of which are probably sitting at the back chamber. The Mid West Development Commission developed a specific tourism strategy as a subset of its regional development blueprint, which includes projects such as investment in Kalbarri National Park and camping nodes up and down the coast. Good Western Australians like to camp out and having support and the facilities to do that is another component of the strategy. The strategy is also about investing in the Abrolhos. The Abrolhos Islands have largely been a fishing destination for those with the right to catch crayfish having sites on the islands. Unlocking that to allow tourism opportunities in a managed way is another project led by the development commission that is getting close to fruition right now. That is the sort of work that we need to do. We are doing it by not only improving facilities at the grassroots level, but also supporting destination marketing, complementary to what Tourism WA is doing.

**The CHAIRMAN:** The member for Eyre has been offered a question.

**Mr M. McGOWAN:** He has to sign on.

**The CHAIRMAN:** Anyone can ask a question. Is there any objection to the member for Eyre having one question? He can have a question but he cannot vote.

**Dr G.G. JACOBS:** Thank you for the committee's indulgence. I draw the minister's attention to the details of controlled grants and subsidies at page 165. The 2015–16 budget allocation for the line item "Goldfield Esperance Revitalisation" was \$20 million and the estimated actual is \$6.4 million. The budget estimate for this year is \$3.3 million. I put to the minister that he understands, obviously, that this is an oversubscribed program. Firstly, do we take from those figures that this is under-allocated and, if you like, we have trouble getting money out the door for the appropriate projects? Secondly, of the \$198 million in the pot, if you like, what is unspent so far for allocation into the future and over what time frame?

**Mr D.T. REDMAN:** I will make a couple of global comments and others might be able to respond to what has been allocated and approved versus what is still available in unallocated resources. The member is familiar with the revitalisation funds across the state. Goldfields–Esperance has revitalisation funds for a number of projects, including contributions to the school, road upgrades and others. As is written in the budgets in the *Economic and Fiscal Outlook*, there are investments for Ray Finlayson's Sporting Complex, the Golden Mile Loophole Railway and the Goldfields Arts Centre. There have been supported projects. There have also been some recent announcements that Hon Wendy Duncan made public as a product of this budget, including cabinet decisions around investments in independent living units; the revitalisation of Kalgoorlie's Hannan Street central precinct; Norseman airfield, which the member would be familiar with; a drug and alcohol detoxification and rehabilitation program, which is a capital works project to support the groups doing fantastic work on that front; Killarney Street retirement living; an essential expansion of aged care in the Esperance community, \$3 million; and the Laverton community hub, including upgrading the pool that is leaking profusely. A number of projects came through after a call was put out for expressions of interest. The Goldfields–Esperance Development Commission has made another call for expressions of interest and a number of projects will come forward. That is a specific revitalisation fund available and unspent funds are still available for that. The development commission is leading that project.

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We have at a statewide level a blueprint initiative, which is \$642 million in 2016–17 and the out years, which is unallocated. That supports statewide strategic investments that might or might not be involved with the development commissions, but picks up opportunities to fund a range of projects right across Western Australia. To say that there is so much left of a particular fund does not mean that the opportunities that royalties for regions brings to regional Western Australia will stop; they will not. Certainly, we are taking a more strategic focus on some of the bigger projects, but the regional grants schemes and the like are still happening. I am in discussion with the Regional Development Council about the reform and garnering its support for moving that forward. Do we have a figure on what is left?

**Mr R. Addis:** Total approval for the goldfields–Esperance revitalisation fund to date is approximately \$135 million out of the total \$198 million available.

**Dr G.G. JACOBS:** Is that allocated or to be allocated?

**Mr R. Addis:** That is committed, so approved.

**Dr G.G. JACOBS:** There is about \$60 million left in the pot. In the latest round of announcements, two of the projects are in my electorate—the Norseman airstrip and the Esperance aged-care facility. The minister mentioned that Hon Wendy Duncan, as the member for Kalgoorlie, was aware of them and has made public announcements. However, it was somewhat disappointing that that same courtesy was not shown to me for those two projects when it came to their release to the public. People have been asking me about these projects and I have been saying that the public announcement has not been made. Hon Wendy Duncan had been informed and I had not.

**Mr D.T. REDMAN:** I accept that was not a perfect process. However, Hon Wendy Duncan gave a budget address to the Kalgoorlie community and was aware of those projects; there was a level of public knowledge about that.

[10.30 am]

It does not take away from the fact that some substantial projects are going to make a big difference in both those communities. For the airfield in Norseman, I ran a very, very compelling case for a relatively small group, which was around safety in particular. Yes, I take that on board, member.

**Dr G.G. JACOBS:** And so did I.

**Mr M. McGOWAN:** I have two questions on the statewide regional blueprint initiatives on page 165 of budget paper No 1 and page 199 of the *Economic and Fiscal Outlook*. Firstly, I note that the minister indicated earlier that the statewide regional blueprint initiatives are not allocated for in the forward estimates, which totals \$642 million. I am confirming whether that is current and whether there is an allocation for that in the forward estimates. Did the minister make a mistake earlier? Secondly, the southern investment initiative, on page 198 of the *Economic and Fiscal Outlook*, has \$293 million allocated to it over the forward estimates. What is that money allocated for?

**Mr D.T. REDMAN:** I will work backwards. The Growing our South initiative is another name for the southern investment initiative. I think I have given the amount that has been approved by cabinet, the money it is leveraging and what remains in that fund. I have already made those comments. I do not have the paper in front of me now, but I made those comments at the start of the session.

**Mr M. McGOWAN:** I am sorry, I missed that. Did the minister just say that just now or earlier?

**Mr D.T. REDMAN:** I will see whether I can find that for the member, if he is patient with me. I use the term “Growing our South initiative”, because that was the original pitch. In the *Economic and Fiscal Outlook*, it is listed as the southern investment initiative, so the Leader of the Opposition can take those as being one and the same. As at 13 May 2016, 31 Growing our South projects have been approved by cabinet, equating to a total investment of \$287 million. This investment will deliver \$414 million worth of projects. In total, \$424.3 million is allocated to the initiative over the forward estimates. A component of that is unallocated and will be driven by the strategic focus that those four development commission areas are taking with their blueprint works that have been endorsed and are now public documents integrated into the “State Planning Strategy”. The initiatives that will unlock potential will be brought forward in conjunction with regional development. This is taking a statewide approach to unlocking potential in regional Western Australia and I will seek cabinet endorsement for those projects. I cannot do my maths quickly enough to work out what is left over.

**Mr M. McGOWAN:** Which bits are unallocated in the Growing our South investment initiative? I could not work out the minister’s maths.

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**Mr D.T. REDMAN:** I make the point that it was a \$600 million initiative. There is \$293.4 million in unallocated funding for the Growing our South initiative.

**Mr M. McGOWAN:** Okay. The minister then indicated that the statewide regional blueprint initiative is totally unallocated.

**Mr D.T. REDMAN:** Yes, that is the case. There is an allocation of \$1.243 million under the statewide blueprint initiative in the 2015–16 financial year and \$3.576 million, some of which has been allocated for the 2016–17 financial year. Very little has been allocated—if we want to get an outcome—of the \$642 million that has been agreed to in the cabinet process. I make the point that after the Duncan review, which was under the leadership of the member for Pilbara, a recommendation was made to place a much more strategic focus on royalties for regions as it applies to regional development. That is where the blueprints came from. Each of the development commissions develop a blueprint that is focused on economic and social development to respond to the economic drivers that emerge in their particular areas. There is some influence from regional development at a statewide level. Aquaculture, for example, comes up as a theme in a number of the blueprints. It is appropriate to pool together a statewide focus on aquaculture as an investment opportunity, and therefore work happens, and is happening, on aquaculture, even though it applies only to certain development commissions. That is what things like this regional blueprint resource—albeit the funding is unallocated—is designed to focus on; that is, the more strategic big-ticket items. In many cases it applies across multiple development commissions. It is driven out of the very good work that is being done by those development commissions to highlight areas that will unlock potential. If members look at last year’s budget, they will see, from memory, that about \$293 million was in the blueprint allocation. I have given an undertaking that in future years I want more and more resources allocated to the blueprint to take a statewide approach to very strategic investments that will make a long-term difference. That has been responded to because, historically, we have had many, many years of under-investment. We have done a lot of work in small communities to support investments around and including health and education; in some cases, amenity; liveability; and enhancing people’s capacity to want to live in parts of regional Western Australia. Therefore, that is where the investment has gone. Increasingly, we have been more strategic about how we do that, not forgetting the importance of little groups out there that make a contribution. The blueprint resource is designed to do that, and that is why in this year, compared with last year, as we bring on funding in future years, it is going into a statewide allocation, which has not had projects put to it yet. Certainly there are plenty of ideas out there that are coming through the process we have in place.

**Mr M. McGOWAN:** Just to follow on from that, I also take the minister to the new regional and statewide initiatives on page 201 of the *Economic and Fiscal Outlook*, which is allocated \$451 million, including \$25 million in the coming financial year. What has that money, over the coming financial year and the out years been allocated to, and how much has been allocated?

**Mr D.T. REDMAN:** The administration one —

**Mr M. McGOWAN:** No, there are two there.

**Mr D.T. REDMAN:** There are two there. The administration one funds the Department of Regional Development—that has been the case—and it also funds supporting the administration components of the nine development commissions, so that is roughly \$50 million a year. I will ask Paul Gregson whether he will comment on the new regional and statewide initiatives line item.

**Mr P. Gregson:** That particular line item is used to hold funds that are currently unallocated and is also used for projects that are yet to be released publicly. There is some work to be done around those to develop a business case and the like, so those funds are not transferred to an agency’s account; they are actually kept in that particular line item until the work has been done on the business case before the funds can be allocated.

**Mr M. McGOWAN:** Is that \$451 million not included within the \$642 million new statewide regional blueprint initiatives?

**Mr P. Gregson:** No.

**Mr I.C. BLAYNEY:** I noted what the minister just said about aquaculture and I have been following the midwest project quite closely. Is the minister saying that from now on an aquaculture project will have to go through another level of approval within the department?

**Mr D.T. REDMAN:** No. A number of projects will still come through the development commissions under their respective revitalisation funds. There is an aquaculture project in the midwest. It is not necessarily the case that that would not be treated in isolation; it might well be. However, I make the point that if we look at regional development strategically across the whole state, we can see that it is important to make investments where we can develop opportunities. Aquaculture, as a theme, is underdone in Western Australia. The Minister for

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Fisheries and the Premier have made that comment, and when we look at the needs of Asia, we can see that that gives us a very clear signal to say that there is an opportunity there.

A project called Project Sea Dragon is happening just across the border in the Northern Territory, 80 or 100 kilometres from Kununurra. The project is potentially a \$1.5 billion investment in prawn production. That is the sort of investment potential we have in aquaculture. We need to ensure that we are locked into the opportunities that present at a statewide level. We want to set ourselves up to be able to take that investment and work out what we need to do, certainly as far as regional development is concerned, to support it. It often goes across development commission areas. The strategic focus is important. It does not mean that a particular focus that might have aquaculture written next to it will not come through a development commission and be funded.

[10.40 am]

**Mr I.C. BLAYNEY:** With that, minister, let us assume that an aquaculture project wishes to access funds that are within the blueprint process. Is it still possible for such a project to be approved locally by my development commission board?

**Mr D.T. REDMAN:** No. The blueprint process is at a strategic level. The Regional Development Council would have a role. That comprises the chairs of all the development commissions. Therefore, as the member can imagine, there are the chairs of all the development commissions form the Regional Development Council, and there is the Department of Regional Development and the Western Australian Regional Development Trust. That is the statutory structure of regional development in Western Australia. We are reforming the process to get a much better pipeline and process of decision-making at various levels for what finishes up being funded by royalties for regions and to take a much more strategic approach. That is the reform we are working through now, led by the director general. However, there is still a strong role at the development commission level for various projects that apply to their regions and that have merit, and funds may or may not come through for those projects. I will ask the director general to make a comment on that approach.

**Mr R. Addis:** With a fund such as the blueprint fund, which is statewide—we have nine regions and whole-of-state initiatives that could apply—we clearly need to find a way of making decisions that are not just within each region, otherwise the fund will be oversubscribed very quickly, as the member can imagine. Therefore, we are in the process of finalising decision-making approaches that will make the decisions clearer and more streamlined across the state than has been the case in the past.

**Mr P.C. TINLEY:** I draw the minister's attention to page 197 of budget paper No 3. One of the items under the heading "Seizing the Opportunity Agriculture" is the Water for Food initiative, which has funding of some \$22.3 million in the out years. I presume the delivery of that initiative is through the Department of Agriculture and Food and the Department of Water. Can the minister confirm for me who the lead agencies are?

**Mr D.T. REDMAN:** No; it is through two agencies and ministers—the Minister for Water, and the Minister for Lands, which is me.

**Mr P.C. TINLEY:** So it is the minister and the Minister for Water. How many projects will the Water for Food initiative cover in the 2015–16 and 2016–17 years?

**Mr D.T. REDMAN:** In short, I do not know. Two bodies of work are being done. Through the Minister for Water, seismic and exploratory work is being done to prove up the water resources that sit in areas such as the La Grange aquifer in the Fitzroy Valley, for example; in the Canning Basin; in and around Carnarvon; and into the south west and great southern regions. Work is being done to prove up underground water. That will de-risk what the private sector would otherwise have to do if it wanted to initiate an agricultural irrigation project. That is essentially the work being done by the Department of Water. At a global level, the department has identified precincts, if you like, where opportunity exists, particularly around significant underground water supplies. The department has a pretty good idea where those areas are, it is just not able to say that this is how much it can allocate to a project through the water licensing arrangements. That is happening within the Department of Water.

At the same time, the Department of Lands is progressing tenure pathways under the framework of the Water for Food program. It is using current legislation, not new legislation, so this is separate from the rangelands reform work that is happening. In the rangelands, tenure is typically a pastoral lease. That means that pastoralists can run only livestock. They cannot engage in irrigation projects unless they have a diversification permit, and that diversification permit must be aligned with running livestock on a pastoral lease. It has to fit within that—they cannot go off and grow cabbages, cauliflowers and other things. We have identified under the section 79 lease arrangements in the Land Administration Act that if we pathway certain areas from pastoral lease to a section 79 lease, that enables other levels of things to happen, potentially going through to

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freehold. The Minister for Lands can sign off on that pathway. It is a proponent-driven process, not state driven. The Ord–East Kimberley project was a state-driven initiative; this is proponent driven.

If I can use the Mowanjum example, the Mowanjum community was the proponent. It submitted to the Department of Lands that it wanted a pathway to get 4 000 hectares of freehold land, because the moment it gets freehold, it can get third-party investors, bankability and security around an investment business. We offered the community a three-year option to lease. That option to lease gives the community time to work through all the necessary things it needs to do to access a high level of tenure. Native title is one of those—having an Indigenous land-use agreement in place and signed off. It might involve clearing permits, or permits from the Department of Mines and Petroleum because there are mining tenements in and around the area. A whole range of things need to be ticked off. However, there is no tenure change in that option-to-lease period.

If the proponents get through all that and say they have it all done, they will then be offered a development lease. That is a new lease type. It is for a maximum of four years. Proponents have to go through development gates in order to get their full-blown lease. If they do not achieve that, it will revert to unallocated crown land. In our process, we are saying that cabinet approves it up-front, which gives the proponent the pathway through to freehold. It is not a decision at the end; it is a decision at the start, and therefore a proponent does not make all this investment without knowing that they can potentially get that outcome. That is what is happening under the framework of the Water for Food program.

**Mr P.C. TINLEY:** Does the Water for Food program fund any irrigation infrastructure like pipe centre pivots or that kind of stuff?

**Mr D.T. REDMAN:** It does for trials only. Mowanjum is an example of a trial that is being done. Yes, the Water for Food program has funded that infrastructure as a trial for feed-on facilities and species, and agronomic work is also being done by the department of agriculture in and around that, to demonstrate what can be achieved in high levels of irrigated agriculture in areas like the Ord Valley or other precincts.

**Mr P.C. TINLEY:** Did the Water for Food program, or any of the other royalties for regions expenditure that we are talking about here, fund a centre pivot for Warrawagine station?

**Mr D.T. REDMAN:** Yes, but it was not under the Water for Food program; it was under the Pilbara Hinterland Agricultural Development Initiative, under the Pilbara Cities program.

**Mr P.C. TINLEY:** How much was that?

**Mr D.T. REDMAN:** It was \$12.1 million. The focus of that project came out of the development commission looking at diversification opportunities in the Pilbara, given, obviously, the strong support from the resources sector. Mine dewatering was seen as an opportunity. Again, it was a trial. If I use the example of Rio Tinto on Marandoo, it is now mining below the watertable just next to Mount Bruce. Rio Tinto had to get rid of 35 gegalitres of water a year, which is a significant volume of water. The town's supply into Tom Price can take only about six gegalitres of water. It was being pumped out onto the ground but there were significant environmental threats to doing that for areas that were essentially dry land. There were environmental concerns about it. Therefore, Rio Tinto progressed and invested in 17 centre-pivot irrigators that produce about 30 000 tonnes of hay a year as a project. We think that sort of project is an opportunity in the Pilbara. The Warrawagine example was a trial to achieve that.

[10.50 am]

**Mr P.C. TINLEY:** How much was spent on Warrawagine?

**Mr D.T. REDMAN:** We would have to take that on notice.

**Mr P.C. TINLEY:** Can I get that by supplementary information?

**Mr D.T. REDMAN:** I will ask the director general to make contextual comments.

**Mr R. Addis:** The \$12 million in the PHADI project covered some trial infrastructure centre pivots and also, more broadly, significant water investigation by DAFWA. We can get the details.

**Mr P.C. TINLEY:** Can I get that?

**Mr D.T. REDMAN:** I undertake to provide for the member for Willagee, by way of supplementary information, details of the funding spent under the Pilbara Hinterland Agricultural Development Initiative.

**Mr P.C. TINLEY:** That is specifically in relation to Warrawagine station.

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**Mr D.T. REDMAN:** That will be specifically in relation to Warrawagine station.

[*Supplementary Information No B48.*]

**Mr P.C. TINLEY:** I understand that Warrawagine station was part of that trial. I would be very interested to see what happened from the investment in the irrigation infrastructure. Would the minister comment on whether this underscores the risk, and hence the trial, that when the Woodie Woodie mine, which had the dewatering provision, closed, that infrastructure—probably hundreds of thousands of dollars of centre-pivot infrastructure—became redundant?

**Mr D.T. REDMAN:** Yes, the member is right. The Woodie Woodie mine has closed and given the nature of commodity prices, I am not sure whether it will get going again. I have been out to that site. Significant underground and very good quality freshwater is being pumped out of the ground. We stand by the notion of looking at opportunities for mine dewatering as a strategy to support agricultural investment. That program has not stopped. While the Woodie Woodie mine was operating, it was pumping water out of the mine under pressure, but the mine does not have to be operating to pump the available water out of the mine. I have not had a briefing on that. The premise of the member's comment is right. There is risk attached to commodity prices in and around whether dewatering occurs. The trial is designed to give us a better understanding of the agricultural opportunities in the Pilbara region, as a strategy of diversifying the economy. I remember someone saying that some of the biggest food-producing areas in the Middle East have climates just like the Pilbara. Given the international third party investment in this space, it would be greenfields development. We think this is something we need to be working through to try to trigger that investment into Western Australia.

**Mr P.C. TINLEY:** I look forward to the information.

**Mr B.J. GRYLLS:** I refer to page 159 of budget paper No 2 and the reference to driving growth and new investment in the regions. Will the minister explain how the new regional film fund will contribute to the economic development and diversification of regional Western Australia? I congratulate the minister for conceiving this plan and now getting it into the budget. It is one of the major announcements of the budget and I think it will make a substantial difference. How is that going to go?

**Mr D.T. REDMAN:** I thank the member for Pilbara for the question. We have had a lot of interest in this area. In fact, 14 films have been produced in regional Western Australia. Members would be familiar with *Red Dog* and its sequel *Red Dog: True Blue*—very successful films produced in regional Western Australia and profile what Western Australia is about. To have those films produced here rather than somewhere else is a driver of the economy in the first instance because that supports local businesses and enterprises. Secondly, if it is successful, the potential for profiling Western Australia in the international market will be staggering. At the other end of the scale is the film *Breath*, which has just finished filming. The film has had its cut-out, or whatever it is called. The next three or four months will be spent putting that film together. We put a total of \$1.5 million into that film, which means that that film will be produced in Denmark rather than Melbourne or somewhere else.

**Mr P.B. WATSON:** I have never seen the minister in Albany.

**Mr D.T. REDMAN:** The member for Albany would know Doug Burke, a friend of mine, who has just retired from working for Elders and who now drives trucks. When Doug Burke says that what those guys are doing is gold for our local economy—he is using his truck to cart equipment around the film's different locations—I know I am making an investment that is making a difference in the community.

**Mr P.B. WATSON:** They filmed in Albany at the high school, too.

**Mr D.T. REDMAN:** The Mt Barker pub was one of the locations as well and I went on site when they were filming some surfing scenes. All the films so far in WA, including *Drift*, *Red Dog*, *Jasper Jones* filmed in Pemberton and *Breath*, have been single projects that have come through, in some cases, development commissions that decided they were a good idea and would like to see them happen. There I was sitting at my desk, saying, "I have to make a call on whether or not this film is a good idea." My cultural understanding and experience is about as big as my little finger and I decided that it was not satisfactory that I make that call, so we supported a film fund that will be managed by ScreenWest and will be much more adept at working out what will and will not fly. That signalled to the film industry in Western Australia that if it wants to make a film in Western Australia, there is an opportunity to get support from the state government to ensure that it is made. There will be spin-offs for the regional economy from that. The business case for *Breath* referred to a potential \$30 million spin-off if that film gets international carriage. That is likely to happen with the likes of Simon Baker as the lead actor, who is also producing and directing. It is based on a Tim Winton book —

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**Mr P.B. WATSON:** An Albany boy.

**Mr D.T. REDMAN:** That is right, and he is a four-time Miles Franklin award winner.

**Mr P.B. WATSON:** If we take Albany out of the equation, we have nothing.

**Mr D.T. REDMAN:** I live in Denmark, member for Albany.

The point is that the great southern is going to be a beneficiary. If that film goes anything like it is expected, there will be a huge opportunity, and that is something that we should not miss. I think we have to get our headspace out of thinking that the economy can be driven from only, in some cases, traditional areas. The south west regional blueprint has identified creative industries as a theme and the people who live in that area have the skills and knowledge to develop those opportunities. It is something that we want to support if it is an economic driver. The film fund is something that goes towards that.

**Mr P.B. WATSON:** Well done, minister.

**Mr D.T. REDMAN:** Thank you, member for Albany. I look forward to seeing the member's media release.

**Mr P.B. WATSON:** I will get a media release out of it; do not worry about that.

**Mr M. McGOWAN:** I refer to pages 199 and 200 of the *Economic and Fiscal Outlook*. In the middle of page 199 is the item "Midwest Investment Plan", which sets aside \$93.8 million. Can the minister advise what that allocation is to be spent on over this year, the coming financial year and the forward estimates? I have the same question for the North West Health Initiative and Southern Inland Health Initiative line items on the following page.

**Mr D.T. REDMAN:** The "Midwest Investment Plan" line item is midwest revitalisation funds, many of which have allocations that sit just below that. A range of projects would sit in that. I am best to provide that by further information.

**Mr M. McGOWAN:** That would be fine.

**Mr R. Addis:** It is a very long list of projects that would be best provided separately.

**Mr M. McGOWAN:** That is under the \$93 million.

**Mr D.T. REDMAN:** I will deal with that first. I am undertaking, by way of further information, to provide detail around the investment decisions that apply to the midwest investment plan, as outlined on page 199 of the *Economic and Fiscal Outlook* under "Mid West Revitalisation".

**Mr M. McGOWAN:** I am interested in the amounts allocated to the projects.

**Mr D.T. REDMAN:** Yes. Was the other question about the North West Health Initiative?

**Mr M. McGOWAN:** Yes, and the Southern Inland Health Initiative.

**Mr D.T. REDMAN:** I will refer to the Southern Inland Health Initiative first.

**Mr M. McGOWAN:** Has the Chair got that first set of supplementary information?

**Mr D.T. REDMAN:** The Southern Inland Health Initiative is a program worth over half a billion dollars. Over \$300 million of that is allocated to capital works and over \$200 million of that goes to services, including emergency telehealth services, GPs and other allied health support. I will go through them. For the Southern Inland Health Initiative, in the 2016–17 forward estimates, allocations are to stream 1, district medical workforce investment programs; stream 2, district hospital and health services investment program; stream 2B, district hospital and health services investment program; stream 3, primary health services demonstration program; stream 4, smaller hospital and nursing post refurbishment program; stream 5, telehealth investment program; stream 6, residential aged and dementia care investment program; and renal dialysis expansion.

[11.00 am]

**The CHAIRMAN:** Can you please wrap that up for me for Hansard's purpose?

**Mr D.T. REDMAN:** I am answering directly the question from the Leader of the Opposition.

**The CHAIRMAN:** He was asking for supplementary information. I have not allocated a number yet.

**Mr M. McGOWAN:** It was supplementary information.

**Mr D.T. REDMAN:** I have just provided it to the member, so he has got it. He wanted a breakdown.

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**Mr M. McGOWAN:** I am interested in the midwest investment plan, the Southern Inland Health Initiative and the North West Health Initiative. How much has been allocated over the forward estimates and how much has not been spent?

**Mr D.T. REDMAN:** We could rattle our way through that, but I am best to provide this as supplementary information. Under the three areas the Leader of the Opposition just mentioned—midwest investment plan, the Southern Inland Health Initiative and the North West Health Initiative—within the forward estimates in the budget papers, the Leader of the Opposition wants to specifically know what is unallocated —

**Mr M. McGOWAN:** What has been allocated and what is unallocated.

**Mr D.T. REDMAN:** Yes.

**Mr M. McGOWAN:** And what the allocated amount has been allocated to.

**Mr D.T. REDMAN:** Yes. Bear in mind that not until we see a business case do we put an allocated number down. Sometimes there is provision in unallocated amounts for projects for which we have not reached that business case stage. We will provide by way of supplementary information allocated and unallocated amounts for those three initiatives.

[*Supplementary Information No B49.*]

**Mr P.C. TINLEY:** I refer to budget paper No 3.

**The CHAIRMAN:** Members, while the member for Willagee is getting his questions together, we have to make note of the time. A number of other divisions need to be attended to, so I ask you to cast your collective minds to that situation.

**Mr P.C. TINLEY:** Thank you, Chair. We are fairly comfortable with where we are going on the divisions. We will make sure we are through by one o'clock.

**Mr I.C. BLAYNEY:** Is it appropriate for us to have a five-minute break?

**Mr B.J. GRYLLS:** The Leader of the Opposition has taken one arbitrarily.

**Mr P.C. TINLEY:** That is the freedom of opposition, as the member will soon find out.

**The CHAIRMAN:** Members, we will adjourn for about five minutes, please. We will recommence at 11.10.

*Sitting suspended from 11.04 to 11.10 am*

**The CHAIRMAN:** The member for Willagee had a question.

**Mr P.C. TINLEY:** I refer to Coral Bay seasonal staff accommodation under the heading "Gascoyne Revitalisation" on page 199 of budget paper No 3. Can the minister advise how many units will be built in accordance with the total allocation?

**Mr D.T. REDMAN:** It is for the Coral Bay service workers' accommodation. It funds the construction and management of staff accommodation in Coral Bay. Construction has finished, so what we are seeing in the budget papers is for the management of those facilities. The project was rolled out in two stages and completed in July 2012. Funding for contractual and seasonal staff accommodation on 8 263 square metres of land owned by the Baiyungu Aboriginal Corporation currently provides accommodation for 70 people at full occupancy. I do not have the number of lots there.

**Mr P.C. TINLEY:** That is all right. The seasonal staff accommodation at Coral Bay would have been part of a wider strategic plan for Coral Bay. I do not want to misquote the minister or anybody else from the government, but there was an intention to fund the loop road through Coral Bay, which is currently a cul-de-sac. At the end of it is a motel, which is probably the best accommodation currently available at Coral Bay. It was recently bought by the RAC, which is prepared to spend millions of dollars on upgrading that facility to make it part of a wider offering. The loop road has been asked about for years—it has been talked about, but it does not seem to be on anybody's radar—to extend what is currently a dead end to deal with the extremely difficult issue of traffic management through the high season.

**Mr D.T. REDMAN:** In short, I am not aware that there is any live request for the funding of that, but Coral Bay was the subject of a subcommittee of cabinet that Hon Kim Hames chaired. As a result of that, the Department of Planning put through a formal structure plan, and that was a progression to a point that had not been reached before. It also set some policy settings in and around the scale of Coral Bay and whether there should or should not be pathways to freehold land versus leasehold land, in the interests of protecting the Ningaloo coast. There is also a Ningaloo coast strategy that gives us some direction as to what should or should not happen at Coral Bay.

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I am not aware of any initiatives; I am aware of the issue, but I am not aware of any live initiatives. If I become aware of that, I will certainly make it available to the member.

**Mr P.C. TINLEY:** Has that subcommittee concluded or is it ongoing; and, if it is ongoing, who chairs it?

**Mr D.T. REDMAN:** I understand that that subcommittee has concluded; Kim Hames was the chair and presented to cabinet. The focus area was Coral Bay, and some announcements were made around structure planning for Coral Bay and, I guess, future policy settings of government. Another one was the Houtman Abrolhos, and there is some work coming through on tourism opportunities there. The other part of it was the south coast coastal communities, which are dear to my heart.

**Mr B.J. GRYLLS:** I refer to page 165 of budget paper No 2 and the line item “Regional Health Programs”. Can the minister please explain what the government delivered in Newman as part of the North West Health Initiative?

**Mr D.T. REDMAN:** I thank the member for Pilbara. The initiative was driven by a strong and competent local member. We have been able to support a significant investment into north west health. A proportion of that is capital and to highlight that, when business cases come to the cabinet table, that is when we are able to allocate that resource, so \$49.75 million of royalties for regions investment and \$10 million of funding from BHP Billiton will be used to redevelop the existing Newman Hospital site to construct the new hospital, hopefully meeting current and future needs of not just Newman, but also the broader community. It services a big area. The new hospital will have a six-bay emergency department; a 12-bed medical inpatient unit; a digital medical imaging department; a pathology collection area; a new purpose-built ambulatory healthcare centre with outpatient facilities and a two-chair dental service; administration facilities; a six-bay morgue; and new non-clinical support service areas for linen, kitchen, supply store and maintenance. The project also includes demolition of the existing buildings.

Under the same North West Health Initiative, the emergency telehealth service will be expanded into additional sites in the north west; that is significant. That service is now available in 74 health centres and nursing posts right across the state and provides some 1 400 consultations a month, which is substantial. The emergency telehealth service has been one of the highlights. I have been to many of the centres, including the one in Laverton, some in my own electorate and some in very isolated parts of the state. They give local nurses, nurse practitioners and doctors confidence in responding to the emergency events—in some cases, catastrophic—that they have to respond to in a medical sense. Having someone over the videoconferencing facility back in Perth giving them guidance in responding to emergency events helps their confidence and helps them make the decision to stay there. One can imagine that junior nurses or junior nurse practitioners might often be challenged by some of the events that they have to respond to, which might in turn be a significant influence in their making the decision to leave. In that respect, the game has been changed. Royalties for regions supported that initiative to get better outcomes for those who live, work and invest in regional Western Australia. I thank the member for Pilbara. It is a good project.

**Mr P.B. WATSON:** I refer to page 201 of budget paper No 3 and the line item “Middleton Beach Hotel Site” under the subheading “Regional Infrastructure Projects”. There was \$3.3 million allocated, and \$1.4 million for 2015–16 and \$200 000 for the rest. Can the minister tell me what the original money was for and why such a small amount is going into the out years?

**Mr D.T. REDMAN:** Does all that add up to \$7 million? Not quite.

**Mr P.B. WATSON:** No. We have the most expensive sandpit in the world. I wondered whether the \$200 000 was to rake it every year to keep the sand down.

**Mr D.T. REDMAN:** I will give the member a high-level summary; if it is not satisfactory, I am happy to provide some further information. LandCorp is involved with that project and will have its own division examined later on, if the member wants to get some detail on that. In order to make the business case work and for the government to acquire that lot, we required basically a community service obligation in the business case. It was owned by private people overseas who were not doing a damn thing. The community, including the member, wanted a better outcome than that. It is very unusual for government to intervene and forcibly buy something from the private sector. However, we made the decision at cabinet level to do that. It was a little unusual, but it was necessary in order to have something happen on that site. Royalties for regions allocated \$3.3 million in 2014–15 to LandCorp as partial funding for the purchase of the lots for about \$7 million—I am pretty sure that was a public figure—and \$1.5 million was approved in recurrent funding in 2015–16 to LandCorp from the royalties for regions program for the Flinders Parade realignment in beachfront landscaping. Resources were allocated to support a number of things in there that has allowed LandCorp to make a business case to revamp the site. It has enabled LandCorp to put in a new structure plan and to get that approved for hotel, commercial, retail and private residential development on that site in a way that we can get the best use of

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Middleton Beach, a significant iconic site for Albany. Last night the City of Albany was considering feedback from the community and I understand it deferred making a decision.

[11.20 am]

**Mr P.B. WATSON:** They were going for 12 storeys last night, I think.

**Mr D.T. REDMAN:** I am not sure of the reason for deferral, but I thought LandCorp's submission was for five or six storeys; I did not think it was for 12 storeys. I thought LandCorp's submission, which had been out for community consultation, involved five to six storeys. There were some concerns about height from feedback. The council has to make its decision, and that decision has been deferred. Once that decision is made, LandCorp will have the authority to move forward on putting that to market to get investment interest. I am giving the member for Albany the detail because I do not have the advisers here for this project.

**Mr P.B. WATSON:** The Leader of the Opposition will be asking a question later because I have to go. I will not be here for the division on the Great Southern Development Commission, so I want to congratulate Peter Rundle and Bruce Manning on the great work they do—although Peter Rundle has, unfortunately, gone to the dark side now. I congratulate them for the work they have done. I do not have to issue a press release now.

**The CHAIRMAN:** That is not a question.

**Mr B.J. GRYLLS:** That is a great endorsement.

**Mr P.B. WATSON:** It is for those two people!

**Mr D.T. REDMAN:** We will get the *Hansard* and cut that out, frame it, and send it around!

**Mr M. McGOWAN:** I refer to "Regional Investment" at the bottom of page 160 and to the front-page story in *The West Australian* of 31 March this year titled "Pilbara left with boom hangover", which outlines vacant properties in the Pilbara, in particular in Hedland, and the level of cost that that local council is incurring in maintaining facilities. Does the minister have any plans under the budget to assist councils, particularly in the Pilbara, to maintain the state government-assisted facilities that are in place, and has the minister been advised by any of those councils that there may be efforts to close, downgrade or stop the operations on any of those state government-assisted, funded or provided facilities?

**Mr D.T. REDMAN:** I thank the Leader of the Opposition for the question. I do not know whether there were follow-up articles in *The West Australian* but I suspect there were not. There were certainly follow-up articles in local media that put the record straight over the sustainability of local government as it applied to those pieces of community infrastructure. In total, there were about four projects, and royalties for regions funded about \$20 million out of a total of \$80 million. There were pretty substantial investments by other parties, including the resources sector. At the time, tensions were running high over some local government elections, so a fair few things were hitting the media. In short, it is not my intention to give any extra funding to support sustainability around that. We put a very close ruler over all projects that have local government as a proponent for sustainability and management of the upkeep and maintenance of those facilities. I am advised by the CEO that the council is more than capable of managing those projects and the longer term commitments in and around them.

**Mr M. McGOWAN:** Is that the CEOs of both Karratha and Hedland?

**Mr D.T. REDMAN:** It is the CEO of Port Hedland. He came down and directly met with me on those projects and to make it clear where the council is at. As a shire, Port Hedland has just sold the lease rights to the airport for \$150 million, or something in that order. Port Hedland is hardly a local government that does not have sufficient cash; the issue is how it manages that cash flow through its forward estimates. I am not aware that that is a problem.

**Mr M. McGOWAN:** The minister confirmed that he is not prepared to assist the councils any further and he has confirmed both councils have not advised him that they are planning to close, or that they cannot manage or maintain, the facilities they have that might have been jointly funded by the state. Is there any money in the budget to assist with the construction of a marina in Hedland?

**Mr D.T. REDMAN:** Yes, there is. A cabinet decision was made on Spoilbank marina some time ago and that is still alive. There is a lot of work to be done in and around planning and impact studies, including a dust study, which had to play through and which has now reported back. There were concerns around planning and, effectively, land-use conflict in the port. A scope change has been suggested to not have any permanent residential facilities as a part of the marina development, which had been a major concern to the port users in particular. That project now has strong local government support. My understanding is that although BHP Billiton is not actively supporting it, it will not actively not support it, although its preferred position is not to have it on that site. I have had discussions with the Minister for Transport about concerns that he may or may

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not have, and certainly his response gives me more than enough room to make adjustments to get his support. Again, LandCorp is the proponent there and if the Leader of the Opposition wants to use LandCorp's division rather than this division to get more detail, I am happy with that. I support that project, which would unlock the west end for amenity. People use boats up there a lot. The boat ramp is literally right next to the narrowest part of the channel as all the ships come in, and this development would get boats away from that and allow boat users to use a marina facility, which, under the Pilbara Cities vision, is an essential piece of kit I would have thought.

**Mr M. McGOWAN:** How much is allocated?

**Mr D.T. REDMAN:** It is \$72 million in the forward estimates.

**Mr M. McGOWAN:** Under which line item is that?

**Mr D.T. REDMAN:** The advice I have been given is that \$72 million is in the forward estimates. If it is a different figure, I will advise the Leader of the Opposition.

**Mr B.J. GRYLLS:** Minister for Regional Development, *The West Australian* reported on its front page that Pilbara shires could not afford their infrastructure and they would be forced to close them down. The Leader of the Opposition questioned the minister on that. Was that request made by the shires of the Pilbara and did they mention to the minister that they were going to close down government-funded infrastructure? Just for the record, so *The West* can maybe report it, can the minister state whether or not the local governments of the Pilbara said that they were going to close down their infrastructure and whether they requested funding from the minister for ongoing support for them?

**Mr D.T. REDMAN:** It is no to both. Local government did not request support from me.

**Mr G.M. CASTRILLI:** Minister, I refer to the Growing our South initiative. I ask this question for my good friend down there the member for Mandurah, and also the member for Murray–Wellington.

**Mr D.T. REDMAN:** Can the member speak up a tad, please?

**Mr G.M. CASTRILLI:** I keep forgetting this is our House of Lords! I am sorry.

I refer to the line item “Growing our South Initiative Provision” on page 162. The minister recently approved the Transform Peel initiative. How will that support the growth of the Peel region? I presume that my two learned friends the member for Mandurah and the member for Murray–Wellington who are sitting in this chamber are probably interested to know that as well.

[11.30 am]

**Mr D.T. REDMAN:** Thanks, member, for the question. When we were in Busselton—not, Busselton, in Bunbury; not Bunbury, but Mandurah, for regional cabinet —

**Mr D.A. TEMPLEMAN:** Mandurah is the largest populated city in Western Australia!

**Mr D.T. REDMAN:** The member for Mandurah is here! I remember at one stage taking questions from the member for Mandurah about the workforce development centre. He was concerned about it given the high level of unemployment in his area. My response at the time was that the project I much preferred was the Nambeelup project to unlock the potential that both LandCorp and the private sector had in landownership. I think a Malaysian group owns land on the Nambeelup industrial site. But, of course, there needed to be backbone infrastructure to get to that site to allow investment and development to occur. The significant component of Transform Peel will be managed by LandCorp, with \$45.2 million to support phase 1. That will now trigger—I cannot remember the final scale of it—the development of, I think, about 1 000 hectares, and that will support investment in industrial areas. The focus is essentially on two areas—namely, agrifood and agri-processing operators and ancillary industries; and transport and logistics. They are the two key drivers of the comparative advantage of the region. It is very close to the city's population, but having an agrifood processing focus is an important driver of that region.

Member for Mandurah, I think the Leader of the Opposition made a commitment that should the Labor Party win government, the focus would be on Kemerton, supporting the member for Collie–Preston's push, I guess, to have an agrifood processing facility there. I suggest that the member for Mandurah's support for what we have announced as a significant project is probably in some conflict with that, which the Labor Party will need to work through. However, if this plays out over a 25 to 35-year period—because it is a big investment and it has a long time frame in which to be fully developed and, of course, it needs investment behind it and businesses using the site for development—being transformational by nature, it will lead to the creation of potentially 33 000 jobs; an economic output of an estimated \$16.2 billion; an export value estimated at \$1.8 billion; projected gross value added of \$5.3 billion; the transition of unskilled, unemployed workers into employment;

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accumulative stamp duty estimated to be \$750 million accruing to the state; and private sector investment to the tune of \$2.5 billion in the Peel Business Park at Nambeelup. The economic opportunities are clear. We have made the investment because, member for Mandurah, I would much rather invest—this is one of the themes for royalties for regions—in those areas that unlock potential and drive growth and jobs as an investment base rather than put money into addressing the symptoms of a lack of jobs and growth. Although there has been support for the workforce development centre, which is very important, if we do not make these investments, we will not address the longer term issues and challenges, and I think this is an important one.

**Mr D.A. TEMPLEMAN:** The minister may be interested to know that our workforce development centre has finally been re-established after being closed by the government. It has been re-established in the Peel because of the importance of workforce development in the region. Indeed, they go hand in hand; it should not be one or the other.

**Mr D.T. REDMAN:** Yes, I agree with that.

**Mr D.A. TEMPLEMAN:** I refer to the regional health programs highlighted in the *Budget Statements*. Mine is a general question about how a community such as the Peel gets funding from royalties for regions when a social issue arises. I will give a quick example of youth suicide in the Kimberley and Peel regions. We are having difficulty getting a youth mental health program that is ready to go funded by government. The Minister for Mental Health and the Mental Health Commissioner have basically built a brick wall and said no, but the issue is a key concern for the Peel region. I know that the minister is aware that it is also a key concern for the Kimberley with its tragic number of young Indigenous people, with something like 20-plus taking their own lives in the last six months in particular. In our region, there have been about 10 youth suicides since the beginning of the year. The program is ready to go; it is a \$400 000 ask of government over three years to address this issue. How do we go about getting the program included in the health considerations for the Peel region? I know that health initiatives in other regions have been funded, but we cannot seem to get traction with this even though it is of urgent need. I recognise that the blueprint is an economic development document, but there is a particular need for our young people and their mental health and we cannot get traction. Can the minister tell me how royalties for regions might be able to assist in an initiative such as the 3 Tier Youth Mental Health Program, which is only a \$400 000 ask over three years?

**Mr D.T. REDMAN:** I will clarify the comment the member made about the blueprint being just an economic development blueprint—it is not. To me it goes beyond that; it is economic and social. The classic case is the Kimberley blueprint, which refers to its vision to move the Kimberley forward. The Kimberley has an Aboriginal population of 45 per cent and significantly high levels of unemployment. If the Kimberley is to achieve its vision for developing the opportunities that present, one significant thing that needs to be dealt with and managed is mobilising the potential workforce. In some cases that refers to training, health and other areas that are in fact the barriers to achieving that. Some of the work that I am doing on the remote reform group targets exactly that. When we apply a blueprint planning process to a region, it is not clinically economic because often other factors limit the development of those regions that need to be taken into account and that is why in many cases we have supported significant investments in health, as the member highlighted. Some facilities and services in regional Western Australia are second rate and often that means that people decide to not stay. My parents live in Walpole, but they are moving to Denmark. One of the drivers for people in their mid-70s to move is their health, because they want to be closer to the services that they need. I point out that it is not clinically economic; there is more to it than that. It is a bit more of a complex question. Wherever I go, be it a community, a development commission or a community group, there is a plethora of issues and a plethora of requests for funds to be allocated to particular projects. The member is talking about one in his electorate.

**Mr D.A. TEMPLEMAN:** No, in the region, to deliver services to young kids in Waroona, Boddington and Murray; it is not just Mandurah-centric.

**Mr D.T. REDMAN:** The only way I can talk about this is at a global level because I am not aware of the project at a level that allows me to comment on its merits, but I am sure it does have merit. At a global level, if I do not use and support what is a significant resource for regional Western Australia in making investments that help drive longer term sustainability for regional Western Australia—businesses growing and developing, a population coming back, liveability and all those things—we will look back in a decade and say that there was an opportunity squandered. I believe we do a pretty good job of that investment. I think there has been a lot of learning since 2008. Early in the program there was significant underinvestment, which we needed to square off before we could even have a conversation about making sure that our regions thrive into the future. The challenge is complex. We are trying to set up robust processes and we are within what I call the pipeline of decision-making, from development commissions through the Regional Development Council through to the Department of Regional Development, including higher level advice to me from the Western Australian Regional Development Trust, to ensure that we get those investment decisions right. Advice comes from the

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development commissions. They have significant input and will give us views about the respective merits of various projects and where investment should go. One of the things I have said as it applies to remote Aboriginal communities and as an educationalist—that has been my history—is that in every community I go to, there is a range of acute and chronic health issues that need to be sorted. Although we have supported some of these, I do not want to finish up using royalties for regions as a strategy to address symptoms. I would rather ensure that I have backbone investment decisions that support the longer term challenge of someone getting a quality education so that they can actively engage in the workforce and participate in the economic development opportunities that the Kimberley presents. The point the member is making is that there are a lot of complexities.

[11.40 am]

**Mr D.A. TEMPLEMAN:** The minister cannot ignore some of the social issues that are priorities.

**Mr D.T. REDMAN:** Absolutely.

**Mr D.A. TEMPLEMAN:** The fact is that kids are killing themselves in the Peel. A program is ready to go and I cannot find anything from the minister's government. The mental health minister is saying no and the Mental Health Commissioner is saying no. Royalties for regions has been used for good projects in other regions from a health perspective. I am asking the minister how I get that bite of the cherry for the Peel for that specific purpose. The minister is actually going back to the reasons that it is in economic development. I just want the minister to tell me how I get a bite.

**Mr D.T. REDMAN:** When the member for Mandurah asked the question, he said that he would make some general high-level comments; that was the premise of his question.

**Mr D.A. TEMPLEMAN:** But I want specifics.

**Mr D.T. REDMAN:** The member is now specifically asking how that particular project gets ticked off right through to a minister's decision to invest in it. The member has been a minister before and he knows that process.

**Mr D.A. TEMPLEMAN:** Yes, but the minister has changed the process of how all that happens; he mentioned it in his preamble before. Honestly, all I am asking the minister is: when a key social issue in the region is not addressed but there is a program that can be implemented tomorrow but it cannot get funding, how do we make sure that consideration is given to royalties for regions funding it? At the moment, there is the community chest fund, which is a limited fund that has a program of application, and the result is announced after X number of months. It is not appropriate for the dollar figures that we are looking at. I want to know whether the application should be put through the Southern Inland Health Initiative program or through a more general fund. It is an urgent priority. I know that the member for Murray-Wellington has spoken about this in the chamber. I want to know how we get that project up, because, from my perspective, it is a key issue for us.

**Mr D.T. REDMAN:** Member for Mandurah, the shopfront to go through for that is the development commission. That is the first port of call, because the four chairs of those southern development commissions are responsible for the Growing our South initiative. If the project has merit and works for that process, that is an opportunity. But I make the global point that I go to communities up north and kids present with scabies. There are some challenging issues, which, if listed, present a whole statewide focus on challenges that we are confronted with out there to fix up. I do not like the idea of how we sometimes emotionally prioritise these things. They are very important for individual groups and they are very important to people who live in local areas, but I have the challenge of working that through at a state level. We have a pretty robust process there. The shopfront is the development commission; that would be the appropriate starting point.

**The CHAIRMAN:** Minister, I have given the member for Mandurah a bit of latitude on a very important question, and I think we should move on, but let me say that nothing is more difficult and challenging than telling a grandparent about his 17-year-old granddaughter who committed suicide two weeks ago.

**Mr D.A. TEMPLEMAN:** Absolutely.

**Mr D.T. REDMAN:** I am not intending to downplay any of that at all.

**Mr M. McGOWAN:** I would like to get on to the development commissions at some point and we also have to get on to LandCorp. As you know, Mr Chairman, we finish at one o'clock this afternoon, so we have a few time pressures. Therefore, I have only one final question in this division regarding the Seizing the Opportunity Agriculture initiative. I refer to page 160 of budget paper No 2. Is the department funding in whole or in part the new agriculture unit within the Department of State Development headed by Rob Delane; and, if so, why is the Department of Regional Development funding that and not State Development?

**Extract from *Hansard***

[ASSEMBLY ESTIMATES COMMITTEE B — Wednesday, 25 May 2016]

p311c-337a

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**Mr D.T. REDMAN:** We are not funding any of that.

**Mr R. Addis:** We are not funding any part of that role, although DSD is clearly taking a more proactive approach, particularly using its overseas trade network to focus on agribusiness opportunities. There will be strong interactions between that initiative headed by Rob Delane and other parts of the Seizing the Opportunity program, but we are not directly funding that.

**Mr D.T. REDMAN:** If I can just add to that, I recently announced \$20 million towards WA Open for Business. That was one of the projects in Seizing the Opportunity and it was taken to the 2013 election. It addressed a very strong view that we need to do a better job of having a shopfront for agribusiness investment in Western Australia. This program is led by DRD. In the business case and in the work we are doing now, the interactions with State Development and the discussions we have had with the Premier are significant, because State Development is the trade office link and there is support for officers in agriculture in some of those trade offices, so that supply chain needs to come through this. That is a very small unit. Half of it is focused on inward investment interest and getting that right and half of it is focused on our side of that—that is, the agriculture community of Western Australia being business ready to take investments and to have discussions to be able to take productivity to another level with what is emerging, particularly with Asian interest in the agrifood sector.

**The appropriation was recommended.**

[11.50 am]