

Chairman; Mr David Templeman; Mr Brendon Grylls; Mr Peter Watson; Mrs Glenys Godfrey; Mr Mick Murray; Dr Graham Jacobs; Ms Mia Davies

Divisions 12 to 20: Gascoyne Development Commission, \$246 000; Goldfields–Esperance Development Commission, \$221 000; Great Southern Development Commission, \$215 000; Kimberley Development Commission, \$253 000; Mid West Development Commission, \$229 000; Peel Development Commission, \$215 000; Pilbara Development Commission, \$282 000; South West Development Commission, \$211 000; Wheatbelt Development Commission, \$234 000 —

Ms J.M. Freeman, Chairman.

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

Mr N.L. Brierley, Manager, Finance Corporate Services, Wheatbelt Development Commission.

Ms W. Newman, Chief Executive Officer, Wheatbelt Development Commission.

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

Mr S. Winter, Manager, Corporate Services, Kimberley Development Commission.

Mr D. Punch, Chief Executive Officer, South West Development Commission.

Ms S. Fitchat, Chief Finance Officer, South West Development Commission.

Ms C. Grogan, Regional Manager, Community and Corporate, Great Southern Development Commission.

Mr R.W. Hicks, Chief Executive Officer, Goldfields–Esperance Development Commission.

Ms C. Abbott, Manager, Corporate Services, Peel Development Commission.

Mrs M. Teede, Chief Executive Officer, Peel Development Commission.

Mr G. Treasure, Chief Executive Officer, Mid West Development Commission.

Mr S.V. Webster, Chief Executive Officer, Gascoyne Development Commission.

Mr K. Walsh, Chief Financial Officer, Pilbara Development Commission.

Ms A. Banks-McAllister, Acting Chief Executive Officer, Pilbara Development Commission.

The CHAIRMAN: This estimates committee will be reported by Hansard staff. The daily proof *Hansard* will be published at 9.00 am tomorrow.

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 committee clerk by Friday, 30 August 2013. 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.

I now ask the minister to introduce his advisers to the committee.

[Witnesses introduced.]

The CHAIRMAN: Member for Mandurah.

[5.00 pm]

Mr D.A. TEMPLEMAN: It will be a stock standard question on full-time equivalents for each of the commissions; however, can the minister tell me, with reference to "Total Cost of Services" on page 183 of the *Budget Statements*, why the total cost of services will drop by more than 55 per cent from 2014-15?

Mr B.J. GRYLLES: I thank the member for Mandurah. The decision taken for royalties for regions to fund the budgets of the development commissions means that, essentially, I need to go to cabinet to win approval for the appropriation to be made. So the full funding for the development commissions is in the budget, but it is in two parts: the money that is available to the development commissions here; and then a decision that the cabinet will make to make a further appropriation to get them back to their level of appropriation that we have agreed.

Mr D.A. TEMPLEMAN: So, in terms of spending changes then, which are on the second part of page 183, can the minister outline how he intends to achieve the \$611 000 in savings for the Gascoyne Development Commission, and what that means in terms of the numbers of FTEs and programs that will be cut or revised?

Extract from Hansard

[ASSEMBLY — Tuesday, 20 August 2013]

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Chairman; Mr David Templeman; Mr Brendon Grylls; Mr Peter Watson; Mrs Glenys Godfrey; Mr Mick Murray; Dr Graham Jacobs; Ms Mia Davies

Mr S.V. Webster: Are we referring to the public sector workforce reform?

Mr D.A. TEMPLEMAN: In my reading, it is intended that there will be a saving of around \$611 000, and I would like to know how that saving is to be achieved. Will it include a reduction in FTEs; and, if so, how many; or will other programs be cut to achieve that saving? How is the department going to get there?

Mr S.V. Webster: Part of the major program that the commission will be involved in will be the development of blueprints, and with the development of the regional blueprint we will also be looking at the appropriate staffing levels. The expectation is to work very closely with the royalties for regions funding to look at what is appropriate to staff the commission to achieve the blueprint key priorities.

Mr D.A. TEMPLEMAN: So how many will be lost?

Mr S.V. Webster: To achieve those savings as indicated there, that would be approximately one FTE.

Mr D.A. TEMPLEMAN: Thank you.

Mr P.B. WATSON: I have been trying to find this, but I am sure a man of the minister's great intelligence will be able to find it more easily. It is under the royalties for regions regional and statewide initiatives in relation to taking over the development commissions. Does the minister have an idea of the total cost of royalties for regions taking over the development commissions—the day-by-day running?

Mr B.J. GRYLLS: I am finding it. It is actually not in this division, but it is a fair question. The funding of the development commissions in 2013-14 will be \$25.8 million, which would suggest that that would mean it is around \$100 million across the forward estimates.

Mrs G.J. GODFREY: My question is on division 12, "Gascoyne Development Commission", and my interest is around the revitalisation plan. The question relates to the first dot point under "Significant Issues Impacting the Agency" on page 184 of the *Budget Statements*, which references the continuing delivery of the Gascoyne revitalisation funding. Can the minister please provide details of the work being undertaken as part of the Gascoyne revitalisation plan?

Mr B.J. GRYLLS: I thank the member for Belmont. The completed projects under the Gascoyne revitalisation are the Carnarvon boat ramp, and the fascine, which is the waterfront. The waterfront was under enormous structural pressure, so that is being, essentially, re-sheeted and protected for the future. In Exmouth we have done a major CBD revitalisation, and for anyone who travelled up there during the recent school holidays, the CBD of Exmouth has a whole new lease on life with the new water park and playgrounds and major refurbishment of its small business district. In Shark Bay, a new community recreation centre is being built. As to funding to come: the Carnarvon police and justice complex—I know that the last time I was there that work was just underway; Carnarvon hospital; the flood mitigation works are underway; Tantabiddi boat ramp, which is on the beautiful Ningaloo coast; the HMAS *Sydney* memorial site in Shark Bay; and the Gascoyne Junction town centre rebuilding—remember that Gascoyne Junction was, essentially, washed away in the flood. We have rebuilt the shop, the pub, the supermarket and the caravan park, and they tell me that Gascoyne Junction will be reopening the pub some time later this year—I would have thought that would be a relatively quiet affair in Gascoyne Junction! Some work has been done on the Mt Augustus resort development; Carnarvon One Mile Jetty; and planning for the Ningaloo Centre, which was just awarded funding through one of the commonwealth regional grant programs. The Ningaloo Centre is essentially a research and development centre, as well as a community facility in and around the Exmouth CBD. The Gascoyne revitalisation has been important for many of those communities that have been underinvested in for a long time. Carnarvon as a horticultural producer is a really important part of the state's agricultural production, Exmouth continues to play a role in the development of oil and gas, and down through Shark Bay and Denham, obviously, tourism is a strong focus for them. This has been a good project that is delivering a real boost for that community.

Mrs G.J. GODFREY: Well done, minister.

Mr D.A. TEMPLEMAN: I would like to ask a question about the Goldfields-Esperance Development Commission.

Mr B.J. GRYLLS: We need to pass the Gascoyne one; I think that is how we do it. Do we pass each of the divisions?

Mr D.A. TEMPLEMAN: I think it is one division in total; they are just parts.

The CHAIRMAN: I think it is division by division, member for Mandurah, but I am happy if the minister wants to be a bit flexible about it, given that we are not bringing in each person; we have just brought them all in en masse. I think the minister is technically right, and if he wants to proceed, technically he can.

Mr B.J. GRYLLS: I am not going to argue with the Chair!

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Mr D.A. TEMPLEMAN: I refer to the Goldfields–Esperance Development Commission on page 190 of the *Budget Statements*. Under “Spending Changes” my understanding is that there is an estimated saving of \$2.8 million to be achieved: can the minister or the chief executive officer indicate how that will be achieved, particularly in regard to how many FTEs may be cut or lost from that development commission to achieve those savings and/or programs cut to deliver those savings?

[5.10 pm]

Mr B.J. GRYLLS: Essentially, the full-time equivalent positions cap put savings measures on each development commission. That reduced their full-time equivalent positions over the course of 2012–13. In this budget the decision has been made to take over the funding of the development commissions. We will work with each development commission to essentially rebase their funding. There has been an allocation, as I said, of about \$25 million for this year. There is still a process to go through in cabinet, but I have assured the development commissions that they will have their budgets rebased. Each commission does not have exactly the same number of FTEs, but we are looking at how we will manage that. We have broad formulas, but they have to be finalised by a cabinet submission. There is a degree of uncertainty for the commissions in this transition period, but I am confident that we are not finding massive savings in the development commissions to add to the government. They will be appropriately resourced given the work that they are doing.

Mr D.A. TEMPLEMAN: The Gascoyne Development Commission CEO indicated a potential loss of one FTE position. Can the Goldfields–Esperance Development Commission provide any figures for potential lost FTE positions?

Mr B.J. GRYLLS: They are statutory authorities with their own boards, so it is up to each commission to decide whether it will have fewer higher level staff or fewer lower level staff. That flexibility is available to them. We will determine their allocation through cabinet. Those discussions are already underway. I met with each development commission this morning and they did not look at me with too many angry looks as we defined how we will manage the transition.

Mr D.A. TEMPLEMAN: They are too scared of the minister!

Mr M.P. MURRAY: My question is on the third dot point on page 184. I may have missed it, but I will ask again: has the Carnarvon police and justice complex been completed?

Mr B.J. GRYLLS: No, it has not been completed, but I think, from memory, the last time I was there construction work had started.

Mr M.P. MURRAY: They did the same for me in 2008.

Mr B.J. GRYLLS: There is more than a sign there, member. There was a sign there before; now there seems to be piles of dirt there. The development commission CEO, Stephen, may be able to say exactly what is happening on that side opposite Gwoonwardu Mia.

Mr S.V. Webster: It has substantially started. The earthworks are complete and the foundations have been put in. Significant concrete work has been done. It is well underway.

Mr P.B. WATSON: My question relates to the third dot point from the bottom on page 197, which states —

The Commission has a range of complementary strategic planning documents that are ... being progressed (Housing Audit, Energy, Tourism) ...

Could the minister explain what we are looking at in those housing audit, energy and tourism documents?

Mr B.J. GRYLLS: I thank the member for Albany. Christine will provide some detail on this, but each commission is completing a regional blueprint. It is probably the most comprehensive planning exercise to be undertaken by the development commissions in their history. The process will draw to a close at the end of this year and all the blueprints will be ready early in the new year. Every development commission will have a comprehensive plan for their community that touches on all the different aspects of economic and community development and the like. Before I ask Christine to add further information, I might get Don Punch from the South West Development Commission, which has its plan at the most advanced stage, to outline what is in his commission’s blueprint. That will give Christine time to think about answering the member for Albany’s question.

Mr D. Punch: The blueprint will contain an aspiration of what the south west will look like by 2050. It will look at population and what that means for employment. It will then set out the roadmap of what is required from a social point of view, an economic and industry point of view and a built-form point of view to get to that point so that we are prepared for growth in the region. It also incorporates plans to accelerate growth beyond the predicted values that the Department of Planning has provided for normal population growth. The blueprint will

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contain a strategy to accelerate growth through economic development and the provision of social infrastructure to support the population as it develops.

Mr B.J. GRYLLS: The Great Southern Development Commission has done some complementary documents to its blueprint in housing, energy and tourism. Could Christine outline to the member for Albany where that is headed?

Ms C. Grogan: The housing audit is a joint project between the commission, LandCorp and the Department of Housing. Basically, it looks at projected housing needs over the next 13 years, I think it is, and housing stock right across the region for key target areas, such as key workers and seniors. That project is happening now. We expect that to be completed by the end of this year. The energy plan has not started yet. We are hoping to secure some further planning moneys to undertake that energy audit.

Mr P.B. WATSON: How can you get a gas pipeline?

Ms C. Grogan: That will be part of the picture. We are also doing work with key stakeholders in the region to look at a strategy for tourism development across the great southern. That is what we are doing at the moment.

Mr P.B. WATSON: The Minister for Regional Development is now in charge of the development commissions. Will they have any different strategies or pathways because the Minister for Regional Development is now coughing up the money for them?

Mr B.J. GRYLLS: I was in charge of them before. I was the minister responsible for them as statutory authorities, so they should not notice any change except that their appropriation is coming from the royalties for regions account and not consolidated revenue.

Mr P.B. WATSON: I was just wondering whether the Premier having his finger on the till would change the directions of the development commissions.

Mr B.J. GRYLLS: I talk to the Premier about the same amount now as I did before, but I am happy for the member for Albany to believe what he wishes to believe.

Mr P.B. WATSON: But does he listen now?

Dr G.G. JACOBS: I refer to the Goldfields–Esperance Development Commission’s income statement on page 193. The 2012–13 estimated actual for “Total Income from State Government” was \$5.65 million and for 2013–14 it is \$3.9 million. Does that reflect the major allocation in grants and subsidies, which is really halved? At the top of the table, under “Expenses”, “Grants and subsidies” is \$5.5 million and it goes to \$2.3 million. Is the Goldfields–Esperance Development Commission worse off because there have been some significant reductions in “Total Income from State Government”? I have another question of mechanics, I suppose. There has been a line item for \$1 000 every year to ensure disclosure of the operations of each commission. Can the minister tell me what that is about?

Mr B.J. GRYLLS: I will have Robert Hicks explain the ups and downs in the development commissions’ budgets. It has always been difficult to get a gauge of the activity of the development commissions by the way we present the budget papers, because there are grants in, grants out and carryovers and the like. I cannot answer that for each agency, but I am sure that Robert will provide some advice on it. Given that we announced \$150 million in the budget for the goldfields revitalisation, Robert represents one of the development commissions that do not feel they have been too hard done by in this budget process.

[5.20 pm]

Mr R.W. Hicks: That reduction in fact represents grants and subsidies. In fact, we have managed our grants very tightly to the extent that only two grants under the previous regional grants scheme need to be finalised. That is why the member will find zero allocated in the out years. It is just a function of a very tightly managed grants scheme.

Dr G.G. JACOBS: What about the \$1 000?

Mr R.W. Hicks: Yes, it is a function of the government, as I understand it. In order for us to continue to be—I guess crudely put—a statutory agency we need to be reflected within Treasury. Treasury has allocated \$1 000 to this commission as well as to the other commissions essentially for us to continue to function as commissions.

Dr G.G. JACOBS: Is that to do audit work to submit to the state government in a transparent and accountable process? What is the \$1 000 worth of work for?

Mr B.J. GRYLLS: Member for Eyre, because the funding is now coming from royalties for regions, my advice tells me that a nominal appropriation of \$1 000 has been provided to ensure disclosure of the commission’s operations in the budget papers. I think it is a nominal \$1 000 rather than for doing something with it. It is a book entry.

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Mr D.A. TEMPLEMAN: I refer the minister to the Kimberley Development Commission on page 203 and specifically “Significant Issues Impacting the Agency” on page 204. As the minister would be aware, the Kimberley has a remarkable demographic given the nature of the number of children and young people who make up the population. In terms of significant issues impacting the agency and the region, does the Kimberley Development Commission have scope to involve itself in some of the pressing social issues? I read through all the dot points at the bottom of page 204, which focus on some of the economic stimulation themes, such as employment generation et cetera. However, I ask on behalf of the member for Kimberley, whether the Kimberley Development Commission will broaden its scope in focusing on royalties for regions projects to include issues such as the tragic suicide statistics that continue to come out of the Kimberley region, particularly among young Indigenous people. I refer to difficulties programs such as the Helping Young People Engage program, which operates in Kununurra and in Broome in partnership with Save the Children Australia. I understand that the HYPE program and other programs funded by the Department of the Attorney General are under threat. Can the minister or the CEO make comment about some other pressing mental health issues and social health issues impacting on the Kimberley community that are resulting in the tragedy of suicide in young people? The member for Kimberley tells me that about 16 young people took their life in the last six to 12 months. That is just awful. I would like to know what the commission is able to do about that sort of issue, given that the minister has boasted that this government through royalties for regions has invested a lot of money in health services and given that the mental health of many vulnerable people in the community is a pressing issue. I would therefore like some comment on that from the minister and from the CEO as well.

Mr B.J. GRYLLES: I thank the member for Mandurah. He is exactly right that 50 per cent of the population of the Kimberley is Indigenous. The age demographic there is young and getting younger. There is a large population bubble, I suppose I would say, of young Indigenous kids coming through and the challenge that that provides. I hope that this government is being seen to be putting an enormous amount of effort and resources into that challenge—because it is real and it is present. Even the anecdotes that I receive on the ground in the East Kimberley is that Kununurra in particular has been transformed over the past few years; that is, transformed from quite a dark challenging place to a slightly less dark place but still challenging in terms of mental health issues, opportunities for young people, school attendance and the like. As part of the Ord stage 2 expansion, which I believe is a little unheralded, our determination was to invest in the growth of the community as well as in the growth of agriculture development. What we saw in the Pilbara was a huge amount of industrial development and communities left well behind that development. In the East Kimberley, through the commonwealth partnership with \$200 million from the federal government, we have been able to invest in social infrastructure, health services, education services, child care and the like for the community. Those services have made a substantial difference. That investment has paralleled the expansion in agriculture. The anecdotes from the ground are better but still more work needs to be done.

In this budget we have funded a foetal alcohol program throughout the Kimberley to look at the challenge of that demographic of young babies born with foetal alcohol syndrome. As the member said, numerous programs are running that are funded by the state, the commonwealth, the not for profits and the like. Jeff Gooding, the CEO, will be able to talk about them. However, just so that it is on the record for the member for Kimberley, I say that I take very seriously my continuing obligation to try to improve the opportunity and the life of young Indigenous kids I meet when I go there. I have become friends with them. My little white kids play with those little Indigenous kids in the billabongs of the East Kimberley, which happened on my last visit. Every time I chuck my kids in the car and drive home, I am aware that my kids have a very different level of opportunity in life than some of the kids in the East Kimberley. I hope that we can do more through the Kimberley Development Commission, through the Department of Regional Development and through the government. This issue is bipartisan now; it is not an issue that ebbs and flows with politics. It has to be a major focus. In a lucky state like Western Australia we have to do more to provide opportunities for those young Indigenous people in remote parts of the state.

Mr D.A. TEMPLEMAN: I appreciate the minister’s answer. I just highlight the HYPE program as an example that involves Save the Children people who are working in Kununurra and Broome. I understand that they are also working up north towards the Cape Leveque peninsula. My understanding is that the program’s funding runs out at the end of this month. The people running that program pick up kids as young as four years old off the streets of Broome and Kununurra on Thursday, Friday and Saturday nights. A lot of those people employed in that Save the Children–focused program are Indigenous themselves. However, if they go to the commission for help, it is likely that they will not be funded from the program grants or whatever. If the minister is using royalties for regions funding for health services, mental health services et cetera, then this should be an example of the core business of the development commission and its strategic plan for accessing funding.

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Mr B.J. GRYLLS: I will ask Paul Rosair, who is working on a response to the exact issue the member has talked about, to comment and I will then ask Jeff to comment on some of the other programs operating and the Save the Children program.

Mr P.B. Rosair: The royalties for regions program is investing some \$266 million into Aboriginal initiatives over the next four years of the estimates program. The minister established a fund initially known as the emergency response fund so that government could quickly respond to areas where there was a looming crisis. It is a \$10 million program. We have funded the re-establishment of the Laverton shop and we are looking at a women's shelter. We are also working on the particular program the member is talking about with an interim arrangement under that fund to address the immediate problem so that we can get people back onto a stable footing. There are opportunities under the emergency response fund administered by the Aboriginal Affairs Coordinating Committee, which is made up of by the directors general of Health, Education, Corrective Services, police, Aboriginal Affairs, Training and Workforce Development and ourselves, so the government can quickly respond, and the \$10 million royalties for regions fund allows for that.

[5.30 pm]

Mr J. Gooding: Where to start for a brief answer? Fifty per cent of the Kimberley population is Indigenous, so it is much more than 50 per cent of our workload; it is almost all that we do in the Kimberley. It is intrinsic in all of the words in our section of the budget papers. We have met with the member for Kimberley on the two issues that have been highlighted and we are advocating to the commonwealth government now for a reinstatement of those funds. I am not sure whether we will be successful, but we are certainly articulating that position directly back to the commonwealth government, which actually pulled the funding. I guess we understand how all these issues are intrinsically linked. The work that our board is pointing us to do is to try to break some of those cycles, which leads us into what we can do about housing and employment. There are initiatives through the budget that we are trying to take a lead with on some new models with Indigenous housing and employment to specifically break some cycles. We have done a lot of work in the Indigenous space, although mental health is not an area we are working closely in, albeit we are advocating for the retention of those funds that the member has specifically identified.

Mr D.A. TEMPLEMAN: How many Indigenous people are there on the board of the Kimberley Development Commission?

Mr J. Gooding: There are two Indigenous people on our board. In the past we have had an Indigenous chair and the member for Kimberley has been our deputy chair. To the extent that we can get Indigenous leaders on our board, we certainly try to do that all the time.

Mr D.A. TEMPLEMAN: That is two out of how many people?

Mr J. Gooding: Nine.

Mrs G.J. GODFREY: My question is about division 14, "Great Southern Development Commission". In budget paper No 2 on page 197 under the heading "Significant Issues Impacting the Agency", the second dot point refers to the launch of the workforce development plan. Can the minister please provide details on this plan?

Mr B.J. GRYLLS: The Great Southern Development Commission has taken a keen interest in this. Some of the region's bigger employers have had challenges in attracting a skilled workforce, and I refer in particular to the abattoirs. Christine will add something to this, but the Great Southern Development Commission put in place its workforce development plan, which was completed in April last year. It includes 29 recommendations and Christine has travelled all the way from the great southern to explain what some of them are.

Ms C. Grogan: The plan was launched in April last year and the commission has worked very closely with the Department of Training and Workforce Development to manage that alliance, which now has responsibility for implementing the recommendations contained in the plan. We have identified some high-priority action areas and are in the process of exploring available resources, estimating time frames and allocating responsibilities to facilitate the implementation plan to 2016. The plan itself is available from the commission's website and copies can be made available for anyone with some interest in that.

Mr M.P. MURRAY: I thought I was never going to get there! This is a true Dorothy Dix for the fourth or fifth year in a row—Lake Kepwari. The minister promised that he would have a swim with me two years ago in Lake Kepwari and it has not happened. I see the funding has been moved back to 2015–16, which is indicated at the bottom of page 232 of the *Budget Statements*. That is my main concern; I understand there are other issues. I am watching very carefully, because everywhere I look in the budget under royalties for regions and the South West Development Commission there are brackets, which means money is being taken away. In saying that, I would like to put to the minister that extra work be done, alongside that of the Department of Water, for a trial period

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over this summer. The money is there, and has been there for quite some time, although it has been moved back. I have spoken to the Department of Water and there need to be some crossovers so we can get the insurance issue sorted out. Also, while water testing is being done out there, there could be weekends with boats being on the lake. I am not challenging the minister to that swim; I am challenging him to get the boats on the lake. As the minister knows, this has been a long time coming and it is still not there. I would like to hear a response from the minister about having a test period for boats on the lake this summer.

Mr B.J. GRYLLS: I will have the member for Collie–Preston know that if he was not here I would have asked a question of myself about Lake Kepwari for exactly the same reasons that there has been much promised and much under-delivered! Don tells me that that the storm damage that the member caused in 2012 resulted in a geological breach of the diverted south branch of the Collie River into the lake. The investigation found that the constructed channel is unlikely to meet engineering specifications to maintain a permanent diversion of the river, and as such, the river will regularly flow into the lake and discharge at the western end. The environmental locations on water quality are now being investigated. So although there was some great hope that the member and I could don the mankinis and dive in to Lake Kepwari, it now seems that if we want to do that we have to do it at night, because people are not allowed to go there. However, Don was telling me earlier that one of the problems now is that the good residents of Collie have decided to stop waiting for the government to sort itself out and they are using the lake quite regularly for water activities anyway. Given that Don has promised this every year and we have still failed to deliver it, is only fair that Don gets to explain what the latest delay is.

Mr D. Punch: As the minister has explained, the delay has occurred because the time line for the delivery of the project is subject to two years of water quality monitoring through the winter rain periods. The informal advice I have received, both from the company and the Department of Water, is that there is no indication that water quality is compromised, but neither the company nor the Department of Water will move faster than the agreed two years for water quality monitoring to ensure that there are no downstream implications on the Collie River. The funding for infrastructure is secured in our budget. It is under our restricted cash and we have indicated that in 2015–16, as soon as we get clearance for the land to be handed back to the state, we will move to tendering and getting works underway.

Mr B.J. GRYLLS: I have a further question for the CEO of the South West Development Commission. Is there any way possible, given that it looks likely that as long as I am minister I will not have fixed Lake Kepwari, that we can start work on infrastructure so that when the lake is ready, the infrastructure is completed?

Mr D. Punch: No, there is not.

Mr M.P. MURRAY: We will change the name of the lake, if the CEO can get it going!

Mr D. Punch: The reason is that the state agreement requires that the company hold public liability until such time as the land is handed back to the state and comes under state control. The Department of State Development has advised me that it will not recommend any variation to the state agreement and allow public liability transfer to the state for public access to the site.

Mr B.J. GRYLLS: It is going well, member for Collie–Preston!

Ms M.J. DAVIES: Under the Wheatbelt Development Commission division on page 240 of the *Budget Statements*, the second dot point states what both the minister and I know—that is, that population growth is inevitable for the Avon arc. I was pretty disappointed to discover that despite the planning we have done for growth in the Avon there was the announcement of the cessation of the *AvonLink* and I wonder whether the minister has any comment about that.

[5.40 pm]

Mr B.J. GRYLLS: I thank the member for Central Wheatbelt. I was hoping she would not find it in the budget.

Mr P.B. WATSON: She did not; she found it on the cheat sheet!

Mr B.J. GRYLLS: The *AvonLink* has been a challenge. It is an issue that came up previously. The number of patrons has been low. The rail car is capable of carrying 120 people; it is averaging approximately 30 people. There was a good reason for that decision. Even though it was put forward as a commuter train, I do not think it ran at times that were suitable for it to be considered as a commuter train. The cost was much higher than the good people of Mandurah get to use their train for, and they can use their SmartRider —

Mr D.A. TEMPLEMAN: It cost me \$8.14 today!

Mr B.J. GRYLLS: Some \$8.14 to get from Mandurah to Perth.

Mr P.B. WATSON: He came as a child!

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Mr B.J. GRYLLS: The timing was problematic and even the ticketing, to a degree, was problematic. Given all of those things, the patronage was low. In a difficult budget circumstance, low patronage led to the decision to wind it up; it will be replaced by coaches. I would hope off the back of the work that has been done around Avon city—maybe the CEO, Wendy Newman, can talk about this—there is a great potential for there to be a commuter service essentially from Northam–Toodyay into the eastern corridor with the development of Midland. It is a major centre now given that a new hospital is being built, a university is proposed, it has a major small business sector and it is almost like a regional hub. There are lots of people from the eastern corridor coming in and using it; I think there is a unique opportunity. I take the member’s clip across the knuckles seriously. I think that if we are to get a good result for a commuter service, we need to have the rail cars and we need the ability to run more than just one service a day. We need to get it on to the SmartRider, to get the fees back to the \$8 or \$9 fare, as we have in Mandurah and, at that point, relaunch *AvonLink* as something that will work as opposed to what we have at the moment. I think it is hard in the current financial circumstances to justify running the train up and back with essentially no-one on it. For those residents who are concerned, they need to remember that the *Prospector* will still run through town every day. From looking at the schedule in the last couple of days, there is the ability to get on the *Prospector* in Northam at about lunchtime, which will bring people back into the metropolitan rail grid. There is the ability to get on the *Prospector* first thing in the morning at around seven and travel out there. There is still the ability for people to travel out and back on the *Prospector*, but I think if we are to truly develop the potential of the Avon city, we need to utilise that rail line that is there and put together a dedicated program. I have asked the Wheatbelt Development Commission to take a look at that as a priority project into the future, but just running a train up and back once a day, clearly, was not working. If we were to develop a commuter service in that area, which has tremendous growth potential, I think the Avon arc will have 100 000 people living there in the next 20 or so years. Therefore, our job is to make sure that can be facilitated.

I will ask Wendy Newman about making some further comments on that.

Ms W. Newman: I thank the minister. Specifically, in relation to Avon city, it is a unique concept that recognises the work we have done in our economic planning for the subregion. It recognises the peri-urban pressures that are occurring in the Avon arc. Importantly, the notion that a service centre, such as Northam, is co-dependent on its surrounding communities and that the economic relationships that occur across the 11 local governments in the Avon arc are significant. The notion of Avon city is to focus on Northam as the CBD and the other 10 local governments or the other 10 communities as the suburbs of that city. From a planning perspective, and the aspirational growth that the minister is aiming for that we certainly support, it means that in the Avon arc there will be multiple liveability options, multiple industry options and lots of under-utilised infrastructure there. For very little investment, we can get a very big bang for our buck. Certainly, that issue of public transport becomes a key transformer in enabling that to happen. The *AvonLink* will be a key plank in the determination of Avon city’s investment strategy.

Mr D.A. TEMPLEMAN: Northam is my home town.

The CHAIRMAN: A further question.

Mr D.A. TEMPLEMAN: Is the minister saying that he will have 100 000 in the Avon arc in less than 20 years? What is that based on in terms of population growth, given that the Peel region has had a population growth of 4.5 per cent or over 4.5 per cent for the last 10 years? Is the minister dinkum about those figures? Some 100 000 people? What is the population of Northam now?

Mr B.J. GRYLLS: I say to the member for Mandurah that I was being aspirational.

Mr D.A. TEMPLEMAN: The minister may be aspirational, but he has to also be realistic. It would be great if the minister could get that figure, but the minister is talking about hyper-population growth that has not been seen anywhere in Australia; that is the reality.

Mr B.J. GRYLLS: No, I was being aspirational.

Mr D.A. TEMPLEMAN: I think the minister has to be much more clear. I have a further question.

The CHAIRMAN: The members for Mandurah, Eyre and Albany are next on the call list. It is now a quarter to six. I have to put each of the divisions of the development commissions—each area bit by bit. I will start putting them at five to six, and we have not got to division 29. Members need to be aware of that.

Mr D.A. TEMPLEMAN: I am now looking at the Peel Development Commission at page 218 and also the first dot point under “Significant Issues Impacting the Agency” at page 219. Has the minister had any discussions with the Minister for Local Government about the government’s metropolitan council amalgamations and the potential impact on the viability of the Peel region of merging Serpentine–Jarrahdale with the City of Armadale,

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given that Serpentine–Jarrahdale has a population of just over 25 000 and makes up over 900 square kilometres of the Peel region currently? That is my first question.

Mr B.J. GRYLLS: The answer is yes. I have had a discussion with the Minister for Local Government. Essentially, it is his local seat—that is, the Minister for Local Government is also the member for Darling Range, which includes Serpentine–Jarrahdale. The development commission has also been quick to come and brief me on its concerns and opportunities in and around that area. It has been put to me that with the Shire of Serpentine–Jarrahdale coming together, everyone in Armadale will be eligible for a fuel card!

Mr D.A. TEMPLEMAN: Give it to Mandurah first!

Mr B.J. GRYLLS: I do not think that will be happening. But there will be some challenges in how that is delivered. I have had that discussion with the Minister for Local Government and the development commission. The development commission has spoken to him as well, and obviously there is still a fair period of time before any implementation of that for those issues to be worked through.

Mr D.A. TEMPLEMAN: Finally, I refer to the third dot point on page 219. The commission has outlined its progress with the Peel regional blueprint. I am particularly interested in the last sentence on page 219. It relates to the health and wellbeing of the Peel–Harvey system. The minister would have seen *The West Australian's* headline article in Saturday's edition, highlighting the major concern about the health and wellbeing of the Peel–Harvey system. What is proposed in terms of the commission's plan and funding application from royalties for regions to deliver genuine protection of the waterways? I preface that question with the minister's previous commitment some six or seven years ago that was related to a National Party commitment for a governance model for the Peel–Harvey system. If we are going to save the Peel–Harvey system, royalties for regions is going to be the saviour. That is my honest opinion. It will cost some \$10 million-plus if we get the governance structure right. However, I think we need a legislative framework as well; that is why at the election we proposed a bill that will enshrine a governance model and the responsibility of all the agencies to respond. What urgency will the minister place on this particular dot point in terms of the Peel–Harvey system? If it fails, the whole Peel region is in peril—economically, socially, the investment capital—all of it. I ask the minister: what personal interest can he place? I will work with the minister on this matter. I will do anything to get this up so that we get this right because it is now so crucial. I reckon we have got less than five years.

[5.50 pm]

The CHAIRMAN: Member, put your question.

Mr D.A. TEMPLEMAN: What can the minister do to get this up, to help the Peel Development Commission get this issue absolutely central and to get it funded from royalties for regions, please?

Mr B.J. GRYLLS: The member for Mandurah will be happy to know that my first meeting with the Peel Development Commission after being reappointed as the minister was on this issue. It also ascribes to it the same level of priority and concern as the member does. I do not think the story on the weekend provided any new information, but it did show the level of pressure that the system is under. The member is right; we have to get the governance structure right first before we look at putting in funding. I will ask Mellisa Teede to talk about the work that is being done on the governance structure and where we might go after that.

Mrs M. Teede: As the minister has explained, the commission has been very concerned about the issues around the estuary. The commission has undertaken some work over recent months to look at past models and what might be appropriate governance arrangements. It has looked more at, and has leaned quite favourably towards, a statutory model. However, a number of agencies are involved that have responsibility including local stakeholders. Paul Rosair and I are certainly working together to have another look at that governance arrangement with the relevant parties to make sure that whatever governance is put up works and that it has the effect that I know is dear to the member's heart.

Dr G.G. JACOBS: Again, my question is about grants and subsidies. There is reference to grants and subsidies for the Goldfields–Esperance Development Commission on page 195 and there is also the Kimberley example. I presume that there is some variability in government contributions through grants and subsidies for the commissions to do their work. For instance, there was a budget of \$1.7 million for the Kimberley in 2012–13, but it ended up being \$7.6 million, and this year it is only \$1.2 million. There seems to be some variability in targeting the grants and subsidies for the commissions to do their work. I could say to Robert Hicks tomorrow that I have some issues with doing a business scoping study for the stranded asset of Tasmanian blue gums, and he might say that he has no money. I could say that that is because he had \$5.6 million last year but he has only \$3.9 million this year.

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Mr B.J. GRYLLS: As I have said, member for Eyre, that is normal grants programs being administered with ins and outs. I will ask Jeff whether he has a quick answer off the top of his head about what the seven to one was.

Mr J. Gooding: It largely relates to the enhancement scheme, which is the native title settlement that we are administering. It was carryover from the previous year.

Mr B.J. GRYLLS: The Kimberley Development Commission was basically managing the Ord enhancement scheme, so that was grant money coming in from that native title settlement administered through the commission and transferred as grants. I will ask Robert whether he has anything to add to that.

Mr R.W. Hicks: There are a number of small grants. One that is outstanding is in respect of the foreshore redevelopment.

Mr B.J. GRYLLS: I agree with the member for Eyre; work and planning in and around the Tasmanian blue gums and how we work with that industry to manage the future is vital. I would have thought that, through the regional blueprint process and the goldfields revitalisation fund, that is the sort of project that is funded as a priority by the local leadership.

Mr P.B. WATSON: On the regional blueprint, everyone else has a train! Does the development commission have on its radar reopening the Albany–Perth railway? That would make all my seniors in Albany very, very happy.

Mr B.J. GRYLLS: We cannot beat the member for Albany now, so we are not going to give him any more chances to get votes! The good thing about the growth planning that we are doing with the Western Australian Planning Commission through the regional cities project, which has funded \$16 million, is that it takes an aspirational look at growth into the future. The member for Mandurah is right; Avon will not have 100 000 people living in the city in the next 20 years. But if we start to plan for the potential for 100 000 people to live in that Avon arc and the population of Albany to go to 50 000 or 60 000 in the future, some of those types of things will come into play. That is what the regional blueprint is doing, and that is what our regional growth planning for the regional cities will do. Maybe it is not as far-fetched as we think.

The appropriations were recommended.