

Chairman; Mr Peter Watson; Mr Brendon Grylls; Mr Mick Murray; Mr Chairman; Mr John Bowler; Mr Vincent Catania

---

**Division 16: Great Southern Development Commission, \$1 805 000 —**

Ms A.R. Mitchell, Chairman.

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

Mr B.W. Manning, Chief Executive Officer.

Ms P.C. Grogan, Regional Manager, Community and Corporate.

[Witnesses introduced.]

**The CHAIRMAN:** Member for Albany.

**Mr P.B. WATSON:** I refer to the second dot point on page 230, which identifies that a significant issue for the region is identifying and securing future water sources for public drinking. A lot of people would not realise that it is a huge issue in that area. Can the minister tell me what the development commission is doing in this area?

**Mr B.J. GRYLLS:** I ask Mr Bruce Manning from the Great Southern Development Commission to talk to that question.

**Mr B.W. Manning:** Member for Albany, a significant effort has been made to address water issues in the region on a number of fronts. The Water Corporation has produced a strategic planning document called “Water Forever” and as I understand it, it is updating that regularly. More particularly, the commission is leading the development of a great southern water supply plan in partnership with the Department of Water. That is well progressed and we expect to have it completed in July or early August.

**Mr P.B. WATSON:** How serious is the water situation in the great southern, especially in Albany?

**Mr B.J. GRYLLS:** I will get Mr Manning to continue to answer that.

**Mr B.W. Manning:** Based on our interactions with the Department of Water and the Water Corporation, these are not serious issues in the next five-year framework, but the strategic picture is of more concern in the longer term. Outside Albany there are continuing issues with roaded catchments for various towns et cetera, but the Water Corporation is moving to address those progressively.

**Mr M.P. MURRAY:** My question refers to the sixth dot point on page 230, which begins with the words —

The region’s key industry sectors are affected by skills shortages ...

What funding has been put aside for, and how many places have been applied for by, subclass 457 visa workers?

**Mr B.J. GRYLLS:** Is that the sixth dot point on page 230? I have tourism.

**Mr M.P. MURRAY:** It is page 230 and the dot point that contains the words —

... affected by skills shortages in a range of services ... to facilitate the sponsorship of permanent employees.

**Mr B.J. GRYLLS:** The great southern is working —

**Mr M.P. MURRAY:** It could even run into migrant labour and I am asking how many positions have been applied for, whether there are migrants, how many positions have been filled and at what cost.

**Mr B.J. GRYLLS:** The Great Southern Development Commission is in partnership with the Department of Training and Workforce Development to look at planning future workforce needs. I think talking generally, before I ask Mr Manning to add to that, that the Great Southern Development Commission has taken a real lead with its sponsorship of workers in the abattoir industry in Katanning and the like. With other major projects coming online in the great southern region, it is well placed to do that. Obviously, at the end of the day, migration agreements are the province of the commonwealth government, which is having some slight challenges with one at the moment. However, if we look at that agreement in its entirety, we can see that it is a good agreement. It is good for Australian and Indigenous workers. Although it is becoming quite a political hot potato, the Roy Hill agreement is quite good. I will allow Mr Manning to add his comments.

[2.30 pm]

**Mr B.W. Manning:** Member, we are doing a lot of work in the labour market and skills migration space. As the minister has said, I am not sure of the budget because it is in the province of the Department of Training and Workforce Development. We have appointed consultants to research the development of a workforce plan for the whole of the region. That is well on the way and is due to be completed towards the end of this financial year.

Chairman; Mr Peter Watson; Mr Brendon Grylls; Mr Mick Murray; Mr Chairman; Mr John Bowler; Mr Vincent Catania

---

The minister has pointed out we are heavily reliant on migration labour in the great southern, particularly in our two abattoirs. The first is Fletchers about 20 kays north of Albany and the other is Western Australian Meat Marketing Co-operative at Katanning, where something like 15 nationalities now live. The migration program started there with the Malay community in the 1970s and has progressed from there. The commission's specific role in these issues is to not only assist management and workers in both those abattoirs, but also certify certain commonwealth migration categories, mainly focused in the regional skilled migration scheme. I cannot give the exact figures of how many recommendations the commission as a regional certifying body made to the commonwealth last year, but I am signing off on one or two of those a week. It is a considerable aspect of the development commission's work. We calculate probably half a full-time equivalent position at the commission is focused on migration services.

**Mr M.P. MURRAY:** I have a further question. As it is a very topical issue at the moment, I am wondering what surveys have been done of the community to see whether there are people out there who can be trained up to take some of these positions some of which, in my view, are semiskilled—not fully skilled—and what positions may be made available for younger people so they can stay in the community and do training to fill those positions in the future? What costs have been put into that?

**Mr B.J. GRYLLS:** Before Mr Manning adds to that, the unemployment rate in Western Australia is three per cent. Youth unemployment fell from 16 per cent to 11 per cent in the last reporting period, and in the last reporting period 70 per cent of all jobs created in Australia were created in Western Australia. If someone wants a job, Western Australia is the place to be.

**Mr M.P. MURRAY:** With all due respect, I am trying to localise the issue.

**Mr B.J. GRYLLS:** I am just making a point about the facts.

**Mr M.P. MURRAY:** The minister can broad brush it and use the north west if he wants to, but I am talking about the great southern.

**Mr P.B. WATSON:** I have kids in Albany who cannot get jobs up north.

**Mr CHAIRMAN:** Thank you, members! The minister has indicated that he will pass to Mr Manning.

**Mr B.J. GRYLLS:** I hope that more people will see moving to regional Western Australia as an opportunity to get a job and raise their family. We are doing a great deal of work in that area. I think the member's specific question was, essentially: what work is the Great Southern Development Commission doing to ensure that we are not bringing in 457 visa workers or workers on enterprise migration agreements to the detriment of existing opportunities for people who live in the great southern? Again, with an unemployment rate in the state of 3.8 per cent, the challenge is on the other side of this issue. That is not to say that everyone who wants a job can get one. I am happy for Mr Manning to add to that if he has anything to add.

**Mr M.P. MURRAY:** The question was: what moneys have been expended and what research has been done in the community, not the greater part of Western Australia?

**Mr CHAIRMAN:** I think Mr Manning is now answering on behalf of the minister.

**Mr B.W. Manning:** The commission has not done any research in this area specifically, but I ask the member to remember my earlier point that we deal in only one visa category. The rest is the sole responsibility of the commonwealth. The commission used to deal with 457 visas, but it no longer does so. That is the prerogative of the commonwealth government. Decisions about labour of the type the member is talking about and the numbers that can come in, lie entirely with the commonwealth. I make the point that the great southern has a slightly higher unemployment rate than the state average, but not much higher.

**Mr P.B. WATSON:** I refer to the second dot point under "Significant Issues Impacting the Agency" on page 229 of the *Budget Statements*, which reads, in part —

The Regional Economic Development Strategy (REDS) 2012–22 is a key planning document for the region that is currently being developed by the Commission.

Can the minister tell me whether the gas pipeline from Bunbury to Albany is in this development strategy; and, if so, what has happened with it?

**Mr B.J. GRYLLS:** I have not yet seen the regional economic development strategy 2012–22 because it is currently being developed. An enormous amount of work has been done on the Albany gas pipeline and I think that the member will be quite excited in coming weeks when more details of it become public. I am happy for —

**Mr P.B. WATSON:** Only \$500 000 has been put in the forward estimates; there is nothing exciting about that.

Chairman; Mr Peter Watson; Mr Brendon Grylls; Mr Mick Murray; Mr Chairman; Mr John Bowler; Mr Vincent Catania

---

**Mr B.J. GRYLLS:** It might not be exciting to the member for Albany, but it will be exciting to me. I dare say that if we can get gas piped down to Albany, that would also be exciting for the member. I am happy for Mr Manning to add how the strategy would be influenced by reticulated gas to the great southern.

**Mr B.W. Manning:** Member for Albany, the commission has been indirectly involved in the gas pipeline issue. It has been a member of the reference group looking at the possible routes for the pipeline. However, other than that, the commission has not taken a direct role in it. The member referred to the \$500 000 in the forward estimates. I point out that the Premier announced in March this year that the state government has committed \$20 million in royalties for regions funding towards the development of the pipeline route from Bunbury to Albany.

**Mr P.B. WATSON:** I have a further question. Minister, is the fact that Grange Resources will not use that facility—after the minister tried to bully it into it—a concern in getting this pipeline off the ground?

**Mr B.J. GRYLLS:** I noted that the member for Albany in his local paper voiced his concerns about Grange Resources not using gas from the gas pipeline, while the member for Collie–Preston in his local paper voiced his concerns about Grange using coal. They are both real concerns for each local member. After working closely with the Premier, I am comfortable that the potential to establish a gas pipeline to Albany is not rendered impossible because of the decision of Grange to use coal-fired power through that transmission line.

The work that we are doing at the moment is to finalise and register access rights for a 50-metre-wide corridor for the Bunbury to Albany gas pipeline. In doing that, we will have to obtain native title heritage clearances and the like. I think that will mean substantial progress. Both the Premier and I remain determined that the provision of the reticulated gas through the great southern to Albany will be a really important extension of that key infrastructure. It will help the great southern region grow into the future. The issue that will be resolved shortly is the route.

**Mr M.P. MURRAY:** I have a further question. Now that it looks as though the pipeline is dead in the water, I suppose the \$20 million that the government was to offer the gas companies to assist them to use gas is now spare cash in the minister's area. Therefore, will that money now be offered to the coal-generation industry to help it upgrade its facilities so that everyone is on a level playing field?

[2.40 pm]

**Mr B.J. GRYLLS:** The member for Collie–Preston is not within arm's distance of the member for Albany, so obviously that question was okay. The \$20 million —

**Mr M.P. MURRAY:** The decision was made to use the cheapest, and Collie coal produced that. That is why I am asking that question—much against the minister's wishes.

**Mr B.J. GRYLLS:** Again, I would have liked to have seen Grange be the foundation customer for the gas pipeline. I think that that would have been a good outcome. That has not occurred. I do not resile from that. There is no \$20 million spare, because we are putting that money into establishing the corridor so that a gas pipeline to Albany can be established. There is no spare money. The member for Collie–Preston will be very happy to know that I will be going to Collie soon—

**Mr M.P. MURRAY:** I do not know about that. I think the minister is a bit presumptuous to think I would be happy to see him come to my electorate.

**Mr B.J. GRYLLS:** —to talk about some of those things they are doing to help Collie's growth in the future.

**Mr M.P. MURRAY:** What you bring is what the issue is.

**The CHAIRMAN:** Thank you very much. I think we will stay on the budget papers.

**Mr J.J.M. BOWLER:** Going back to the question by the member for Albany about water in the great southern, can the great southern benefit from the inevitable tapping of the Yarragadee?

**Mr B.J. GRYLLS:** The great southern has some challenging places, such as Denmark, where there was some tightness of supply. They were trucking water to —

**Mr B.W. Manning:** Were—not now.

**Mr B.J. GRYLLS:** There was another small place.

**Mr B.W. Manning:** Walpole.

**Mr B.J. GRYLLS:** Walpole and Denmark have had challenges in dry seasons. Obviously the development commission is looking at long-term water planning. I think that a lot of the opposition in the south west and great southern towards the Yarragadee was providing Yarragadee water to Perth. I do not think there was as much

Chairman; Mr Peter Watson; Mr Brendon Grylls; Mr Mick Murray; Mr Chairman; Mr John Bowler; Mr Vincent Catania

---

opposition in the south west and great southern about tapping the aquifer underneath their communities for the growth in the population or for domestic consumption, and industrial or agricultural consumption is certainly not there. Certainly through some of the programs that are happening with the Minister for Agriculture and Food, we are looking at investigating that. Some announcements will be made in coming weeks that will talk about how we might utilise the available water supplies for the growth of agriculture in the south west and great southern.

**Mr P.B. WATSON:** I have a question on tourism, which is referred to in the fourth dot point on page 230. Before I go on, I would like to congratulate the Great Southern Development Commission on the great work it does in our region. Tourism is a big issue. It is listed here as one of its major issues. I am just wondering whether the Minister for Regional Development is concerned about Skywest being the only flight service to Albany. From 1 July it is going to cost \$620 return, for which someone could probably go from Perth to Melbourne on any other aircraft. Is it an issue for regional development for a regional airline such as Skywest to have a monopoly when we are trying to promote tourism and get people to come to the area? I know it is probably not in the minister's bivaouac, but it is just an issue that is of huge concern to my constituents.

**Mr V.A. CATANIA:** Stop Skippers!

**Mr B.J. GRYLLS:** I thank the member for Albany for the question; it is a very good one. The government went through a review of all our regulated airlines. The decision was made to keep Albany as a regulated airline, with Skywest the winning bidder. I know there was some concern in Albany about that. We were simply basing it on the number of trips and what competition may cause. The government made a decision that regulating one carrier to Albany was still in the best interest of Albany. That will obviously need to be reviewed into the future as passenger numbers grow. The member did not ask it, but it is very important and I know of his interest, but we are very determined to provide a hotel on either of the two hotel sites, which will help to drive the inbound —

**Mr P.B. WATSON:** I do not think there will be one on the Middleton Beach site, minister.

**Mr B.J. GRYLLS:** We continue to work to deliver that. The member for North West makes a valid point; that process delivered an outcome whereby Skippers was chosen as the regulated provider to Carnarvon. That has turned into a very unpopular decision. It is something that the member for North West and others are extremely concerned about. In these areas where we do not believe there are other flights to have head-to-head competition between airlines, we end up with a regulated outcome. The regulated outcomes are never perfect. The member is talking about some non-perfect outcomes with Skywest and the cost of flights to Albany. The member for North West is concerned about the regulated outcome and the cost and the service delivery of Skippers into Carnarvon. It is something that I am very concerned about and something that I think will need to be continually reviewed. I do not think it is just a matter of making a decision and coming back and visiting it every five years. I think that we need to continue to look closely at that, because when the airlines are working well, it is working well for the tourism sector and the small business sector. It allows the free flow between business and government agencies. When it is not working well, when it is too expensive, people in the member's area choose to drive anyway.

**Mr P.B. WATSON:** There are more people on the roads now.

**Mr B.J. GRYLLS:** That is right. That takes paying customers out of the system and, I assume, makes it worse rather than better in terms of driving for competition. It is a good question and something that government, through the development commissions, has to keep a close eye on.

**The appropriation was recommended.**