

Division 21: South West Development Commission, \$4 482 000 —

Mr P.B. Watson, Chairman.

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

Mr D.T. Punch, Chief Executive Officer.

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

Ms C. Yates, Acting Chief Executive Officer, Peel Development Commission.

[Witnesses introduced.]

The CHAIRMAN: I give the call to the member for Collie–Preston.

Mr M.P. MURRAY: First, I welcome the chief executive officer, Don Punch, but he is a bit like our funding: way down the end there. It is the third year in a row that I have asked this question, and last year the minister all but assured me that I would be swimming in Lake Kepwari. I see that the only good factor is that the interest rate has gone up from, I think, 3.4 to 3.6 per cent. Can the minister give us some indication of when I will be able to have a swim in that lake?

Mr B.J. GRYLLES: I am personally going to sneak the member for Collie–Preston in the back way and take him for a swim in that lake.

Mr M.P. MURRAY: The member does not have to!

The CHAIRMAN: There must be marron in there.

Mr B.J. GRYLLES: That is right. I would like the member to direct me where the best place to put the pot is!

The member for Collie–Preston will be happy to know, because he has asked me that question for three years in a row, that when I met Don Punch, the CEO of the development commission, this morning, my first question to him was based on the fact that I have been asked that question about Lake Kepwari for three years in a row. I think about two years ago we got a little ambitious and thought that we were about to invite the member to the opening, and then we had the flood event that damaged the infrastructure, which set it back on its heels. I welcomed the intervention of the angry water skiers group, which said, “Get your act together.” I accepted that on the chin and told my agencies—not just the development commission, but also the Department of Environment and Conservation, the State Solicitor and the other 800 government agencies that have their approvals processes involved in this—that the amount of time it was taking was ridiculous. I think that Don will now inform the member of the ridiculous amount of time that this is taking.

Mr D.T. Punch: There are two aspects to the Lake Kepwari project. The first is the repair of the diversion channel for the river. Premier Coal is underway with the final engineering solution for that. That has to be submitted to the Department of Water for approval, but we expect that this year. In anticipation of that, the commission has been discussing with the Department of Environment and Conservation taking out a licence to occupy the land side of the lake. If we can achieve that, that will clear the way for infrastructure to be developed, and the Department of Environment and Conservation is just consulting with its legal staff to confirm that that is a possibility.

Mr M.P. MURRAY: With the funding being available, is there any consideration or movement towards some of the infrastructure work such as the roadworks being started before the actual clearance so that we do not have another lag time while we are waiting for the roads or the ramps to be built?

Mr B.J. GRYLLES: I agree 100 per cent with the member for Collie–Preston. Mr Punch?

Mr D.T. Punch: The only thing stopping that happening is the Department of Environment and Conservation agreeing to take out a licence to occupy what is land under a state agreement. Once the department agrees to take out a licence, Premier Coal is willing to issue that licence; and, in issuing that licence, the Department of Environment and Conservation will accept public liability for the land. We will then be able to proceed with construction.

Mr B.J. GRYLLES: So that I can give the member for Collie–Preston full credit for driving this over three years, why does he not put a question on notice to me about the Department of Environment and Conservation issuing a licence to allow the early construction work to take place so that we can seamlessly finally get approval for public access to Lake Kepwari and at the same time have the facilities to be used completed when that occurs? I will be very happy to give the member full credit for it because he is quite right: this has been vexed.

Mr M.P. MURRAY: If I live long enough!

Mr B.J. GRYLLES: Who knows!

The CHAIRMAN: There lies the question. Any more questions, members?

Mr M.P. MURRAY: The second paragraph on page 270 states —

Income from RfR for the Regional Grants Scheme has been estimated at \$1.0 million for 2012–13. This represents a decrease of \$160,000 (13.8%) from the 2011–12 Estimated Actual. This is due to a reduction of funds allocated to the RfR Regional Grants Scheme.

Why has that amount been reduced?

Mr B.J. GRYLLS: I am happy for Don Punch, the CEO, to answer on the technical aspects, but I think it is the same as the answer to the question asked of the Peel Development Commission. They were grants that were made, but matching funding could not be found. Therefore, we put an end date on that, and those funds were returned essentially back to the Regional Development Council, the central body of the nine development commissions, rather than being held in the individual accounts of the development commissions. Is that right, Don?

Mr D.T. Punch: That is correct, minister. Some carry-forward funding in the previous years has been expanded, but the future fund represents the allocation under royalties for regions for 2012–13.

Mr M.P. MURRAY: Across all the development commissions, do we know of a figure for returned moneys that have not been expended? Each group seems to have some returns, and I wonder whether that adds up to a significant sum, which I think it would.

Mr B.J. GRYLLS: I think—I am going only from memory—the figure is about \$1.5 million across the nine development commissions. What was the Peel figure, Colleen?

Ms C. Yates: I think it was \$560 000.

Mr B.J. GRYLLS: The equivalent amount for the South West Development Commission is \$160 000. What was the figure for the Peel Development Commission? Was it about the same?

Ms C. Yates: No. I would have to take a look at it, but I think it was around \$700 000.

Mr B.J. GRYLLS: I think they were all around that figure. It must be remembered that these are all essentially from the small grants rounds, so they were not substantial grants. They were from the small grants rounds whereby the local bowling club says, “We’re going to upgrade our clubrooms.” The commission sought outside funding to match the funding that was proposed in the application. It then could not source that matching funding, or something happened, so essentially the commission was holding money, waiting for supplementary funding to come from other sources for a project. We essentially created an end date at which they either had the funding and could complete the project or returned the money back to the commission.

Mr D.A. TEMPLEMAN: Further to that, my understanding of it was that the amount for the Peel Development Commission was about \$635 000. That is a significant amount of money. Just for clarity for the member for Collie–Preston, by way of supplementary information, could we ask for a breakdown, for each of the development commissions, of the exact amounts that were returned, because it looks as though the Peel Development Commission had half.

Mr B.J. GRYLLS: I do not think I need to include it as supplementary information, because the South West Development Commission includes it in the budget papers and the Peel Development Commission includes it. The Gascoyne Development Commission just told me that it did not list its amount because it was insignificant. So the information the member seeks is available in the budget papers for each of the commissions.

Mr M.P. MURRAY: On what the minister has just said, quite a sum of money that would not come through the budget could be unaccounted for within the systems.

[3.30 pm]

Mr B.J. GRYLLS: No, because it is very accountable. My instruction to the nine development commissions was that if they have money sitting in their accounts that is for grant applicants that need to leverage or build on that funding to do a project and that has not been completed in a set amount of time, I want the money removed from the development commission account and put back into the Regional Development Council, which essentially comes back to the Department of Regional Development and Lands internally. That money is then reallocated by the Regional Development Council—the chairs of the nine commissions—into further projects. Therefore, it came out of the individual commission’s account because it was essentially stuck—it was not actually doing anything—which then allowed the Regional Development Council to reallocate that money to other priority projects. That should all be listed in the budget papers.

Mr M.P. MURRAY: I refer to the first dot point on page 268, which deals with new population forecasts for the south west. Looking at royalties for regions funding, my ballpark figures are that the midwest got more than the

south west. I heard the member for Mandurah argue about Peel's allocation. I remind the minister that over many years, the coal industry, along with the alumina, sand and other industries, in the south west contributed many, many millions, if not billions, of dollars in royalties, yet it gets the short end of the stick, to say the least. It is starting to hurt, with pre-election promises to the tune of \$450 million withdrawn from my area. Why are areas such as the south west and Peel not getting their fair share, when the midwest gets about \$10 million more than what the south west got? Can the minister give some indication why? The issue really is how does the minister come to that decision—I heard his previous explanation, but I ask again—for the south west region given we have substantial mining down there?

Mr B.J. GRYLLS: The only thing I would say is that the member for Collie–Preston does not want the distribution of the royalties for regions program funding to be based on exactly where the royalties come from because if we did that, it would be called royalties for Pilbara; it would not be called royalties for regions. The Pilbara Development Commission would think that was a very good idea, but I am very comfortable that we have the split between the nine regions right, that this year —

Mr D.A. TEMPLEMAN: How? The two biggest regional Western Australian populations are Peel and the south west.

Mr B.J. GRYLLS: Yes, and that is the exact opposite of the reasoning that I use. I do not consider population at all in making these proposals because, member for Mandurah, if we based our decision on spending by population, we would not spend any money on regional development; we would spend it all in Perth. I know the member was part of a government that did that and that hurts, but —

Mr D.A. TEMPLEMAN: We are only asking for a fairer share —

Ms R. SAFFIOTI: That is not what the minister said to the Premier —

The CHAIRMAN: Members! Member for Mandurah, you did not ask the question; the member for Collie–Preston asked the question. So, could you answer the member for Collie–Preston, please, minister.

Mr B.J. GRYLLS: As the Minister for Regional Development and as the minister who takes every dollar of expenditure to cabinet to be signed off, I take 100 per cent responsibility for the allocation and division of funding. If members opposite do not like that, in March 2013 they can make their case about why they would be better in charge of it. I look forward to that discussion.

Mr M.P. MURRAY: That is why I am getting it in *Hansard*!

Mr B.J. GRYLLS: The member does not need to get it in *Hansard*; that is the reality! The reality is that I am in charge of all those decisions and therefore stand by them.

Mr M.P. MURRAY: Further to my question, the first dot point on page 268 states —

New population forecasts for the South West highlight continued growth and the need to effectively support an increasingly older population with access to community resources.

The way I see the government divvying up the money, it does not take those types of issues into consideration. If the government is going to throw money around, aged care is one area down there that needs it, especially in the outer areas, such as Collie, and Darkan and Boyup Brook, which are not in my electorate. Those people are really suffering, yet we watch royalties for regions money being poured into other regions. I suppose that a better way to put it is that it is not coming into the hinterland of regional centres.

Mr B.J. GRYLLS: Which of the nine regions does the member for Collie–Preston think would be best to remove funding from so that funding to the south west could be boosted?

Mr M.P. MURRAY: If I was getting paid the minister's wage, I would probably tell him, but I am not, so that is his job!

Mr B.J. GRYLLS: Now that we have ascertained that the member does not have an opinion and that it is my job, I am very comfortable with the funding allocations as we see them.

Mr M.P. MURRAY: So the minister is quite happy with the starvation of funds for Peel and the south west.

Mr D.A. TEMPLEMAN: Will that continue under the current government if it is re-elected?

Mr B.J. GRYLLS: Again, each year we pass a budget. The budget allocates funding to different regions. Members can divide it by nine and, again, I am responsible for the funding allocations in my portfolio.

Mr D.A. TEMPLEMAN: In 2010–11, the wheatbelt received \$46 million, I think it was, compared with \$8 million in Peel.

Mr B.J. GRYLLS: There we go! The member should announce that policy now.

Mr D.A. TEMPLEMAN: The population of Mandurah is bigger than the population of the wheatbelt, and I am a wheatbelt person! I am from the wheatbelt. I am just asking for a fairer share; it is as simple as that.

Mr M.P. MURRAY: I refer to the fourth dot point on page 268, which states in part, “Regional growth also requires a continuing focus on infrastructure planning”. I know that some work has been done on infrastructure planning in the south west. Can the minister please tell the committee what funding will be given to Collie for SuperTowns in the next couple of days?

Mr B.J. GRYLLS: Hang on a second, I thought we had just spent the last 20 minutes arguing that Collie had not got anything!

Mr M.P. MURRAY: We are waiting; we are starving!

Mr B.J. GRYLLS: It is best that we wait another couple of days. I think that the Premier is coming to town. It is always good when the Premier goes to Collie.

Mr M.P. MURRAY: Is that because the minister does not have the figures before him or is he not capable of telling us?

The CHAIRMAN: It is probably not in the budget, member.

Mr M.P. MURRAY: I refer to the statement of financial position on page 270, which states —

The Commission’s Total Equity is not expected to have any significant change between the 2011–12 Estimated Actual and the 2012–13 Budget Estimate with limited movement in the asset and liability position.

How can that be if the minister is going to make announcements—I assume he is—about significant funding coming in the future, yet nothing is changing in the commission’s total equity? Where is the money coming from?

Mr B.J. GRYLLS: If the member is talking about SuperTowns, it is because the agreement would be between the government and the local shire, so the money will not funnel through the development commission. The development commission played a key role in the planning, priority setting, project business cases and the like in partnership with the local government—Collie is one of those towns—but the financial agreement is between the Department of Regional Development and Lands and the Shire of Collie. Therefore, the money will not be channelled through the development commission.

The appropriation was recommended.