

**Division 21: South West Development Commission, \$4 281 000 —**

Mr J.M. Francis, Chairman.

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

Mr D. Punch, Chief Executive Officer.

Ms V. Cartwright, Chief Finance Officer.

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

Mrs J. Sounness, Principal Policy Adviser, Office of the Minister for Regional Development.

[Witnesses introduced.]

**Mr M.P. MURRAY:** I probably should just read last year's question! The statement of cash flows on page 272 of the *Budget Statements* indicates \$2.8 million for the development of Lake Kepwari. I am sure Mr Punch has been waiting for this question, and the Minister for Regional Development has been asked it many times. Another summer has gone, the swallows have gone north and no Lake Kepwari. Could the minister give us some indication of what is happening and when it will happen, as it is costing the town much-needed tourist dollars?

**Mr B.J. GRYLLS:** I agree with the member for Collie–Preston. I have spoken to Don Punch about this today, so I will let him fill the member in on where the project is at. We see great opportunities for the Collie community in promoting Lake Kepwari. It was a project that the member for Collie–Preston had prioritised when he was in government. We have continued that priority. The member will see in the budget that we also have a project called Living Lakes, which is considering building on water sources such as Lake Kepwari and putting in amenability, useability, parking facilities and toilet facilities so that those inland waterways can become destinations for recreation and the community, just as people in metropolitan Perth regard their beaches as a vital part of who they are as Western Australians. Lake Kepwari is the first and best example of a living lake that I can see, and I am happy for Don Punch to fill the member in on where the department is at with that project.

**The CHAIRMAN:** Mr Punch, through the minister.

**Mr D. Punch:** The critical problem has been a difference of view on the interpretation of section 4 of the state agreement covering the area. That issue concerns liability and has now been negotiated and accepted between the Department of State Development and the Wesfarmers board. That is now proceeding to a mine closure and review by the Department of State Development. Once agreement is reached on that, there will be a formalisation process through an exchange of letters on the liability issues and then we will be able to proceed to a partial surrender of the lease. The Department of State Development has advised that that process should take a maximum of four months, so we are proceeding with tender documentation. We cannot commence work until the area dries up. Although there has been no significant rain in the area, we anticipate it starting in late spring.

**Mr B.J. GRYLLS:** I am hoping that the member for Collie–Preston will not get to do another budget estimates hearing in which he pins me against the wall on this!

**Mr M.P. MURRAY:** Further on that, with all things being Collie, at the bottom of page 273 there is reference to the redevelopment of the Collie town centre. There is no funding for that line item but I have heard the minister's comments about super towns. Could the minister give some indication on whether there is any funding to help the local community plan on what may be coming in the future? The line item "Collie Town Centre Redevelopment" on that page with no money against it has certainly put a damper on the enthusiasm of people who wish for it.

**Mr B.J. GRYLLS:** The member for Collie–Preston is a great supporter of local decision making, and if I were to announce which towns would be super towns, that would be ministerial decision making. The South West Development Commission and the other development commissions in that southern part of the state have defined what they believe are the criteria for investment under the super towns program. They will progress the criteria to the Regional Development Council and in the not-too-distant future that recommendation will come to me. I am very happy to not be able to tell the member for Collie–Preston that Collie is a part of that, because that is part of local decision making, which I know the member supports. All I can tell the member is that from my view, as I look in, given the economic advancement that is occurring in Collie and given the opportunities I foresee for its growth into the future, Collie is a very good candidate for investment, be it for enhancement of the town centre, the school or the hospital—decisions we have already made. LandCorp has some land development occurring. We have put some sustainable houses with wind turbine power there to define sustainability in housing. I believe that ticks all the boxes. I am a passionate defender of local decision making. Unfortunately, the good people of Collie will need to wait for the recommendation that will come from the people sitting behind that will define which towns should be chosen. Again, there is \$80 million this financial year for investment in

the super towns project and \$5.5 million for investment in planning. Before we invest anything in projects in Collie, or whichever towns have growth, we will make sure we put in some support from the Western Australian Planning Commission and the Department of Planning so that we do not end up with a situation like Karratha where essentially the power substation was put in the middle of suburbia. That was a very negative outcome. There will be planning first and project funding after that. I am sure the member for Collie–Preston will be talking to Don Punch about elevating Collie as high up the list as he possibly can.

**Mr M.P. MURRAY:** I have a further question. I assume the minister is telling me that we do not have to turn the map upside down now to get some funding into the South West. Is that what he is really telling me? We are hearing all these things and now there is another layer that has been put in the middle of decision makers. Instead of going directly to the community through the shire, there is another layer of people, not all of them from the local community. We have the South West Development Commission that now does not have a Collie representative on it, yet the minister is saying that it is local decision making. I do not want a decision to come from Bunbury; I want a decision to come from Collie. That is the point I am making and I am asking what the minister's considerations are.

**Mr B.J. GRYLLS:** Again, I am very happy with the capacity of the board of the South West Development Commission. It has done a fantastic job in advancing complex projects in the South West region. I do not think we have turned the map upside down. The vast majority of the funding is in the Kimberley, the Pilbara and the Gascoyne. The member for Collie–Preston may be right that we need to focus the southern inland health initiatives for the super towns plan in the southern part of the state. Again, I am very happy to stand by the decisions that we make.

**Mr M. McGOWAN:** I refer to page 272 under the heading “Income Statement” about three-quarters down the page. It states that income from royalties for regions is estimated at \$1.3 million in 2011–12, representing a decrease of \$3.4 million from the 2009–10 estimated actual, due to the reduction of funds allocated to the regional grants scheme. Can the minister explain that, please?

**Mr B.J. GRYLLS:** Yes. In the forward estimates in last year's budget we allocated, as it says here, \$4.7 million for contestable funding for individual development commissions. This year we have more strategic projects of a larger scale. We have reduced the contestable funding for each individual development commission to \$1.3 million, and the Regional Development Council—being the nine chairs of the commissions that have come together—has the balance of that funding allocated to it to allow the South West to apply to the Regional Development Council for bigger projects that have more long-term sustainability. So, yes, the individual commissions in the South West have had that money taken off them for contestable funding, but so has every other development commission. However, they now have a larger amount of funding held in a central fund to access larger projects.

**Mr M. McGOWAN:** Therefore, by definition that money will not necessarily go back to the South West, but could very well go somewhere else?

**Mr B.J. GRYLLS:** That is correct. Those funds will be prioritised by the Regional Development Council and, again, the best projects as presented to the Regional Development Council will receive the funding. That degree of contestability delivers us the best possible outcome.

**Mr M.P. MURRAY:** No political bias in that, I am sure!

**Mrs C.A. MARTIN:** It is not going to Merredin; it is going to Broome!

**The appropriation was recommended.**