



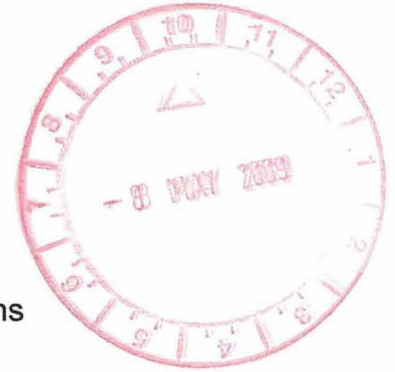
Government of **Western Australia**
Department of **Local Government and Regional Development**

PUBLIC

Your Ref: RFR inquiries
Our Ref: D0901208



Ms Renae Jewell
Committee Clerk
Standing Committee on Estimates and Financial Operations
Parliament House
4 Harvest Tce
WEST PERTH WA 6005



Dear Ms Jewell

Reference is made to your Email of 1 May to John Dedman of this Department, in which you sought additional information in respect of two matters arising from the 9 March sitting of the Inquiry into the Royalties for Regions Policy and our Submission dated 18 February.

In relation to the first matter at Page 13, paragraph 4 of the Hansard record, please note the following extract from the Access Economics report "Local Government Finances in WA for WALGA SSS" (page v - also see chapter 3.4 and 3.5. and 3.6)

"Once past renewals shortfalls are also taken into account, we estimate the total infrastructure backlog for WA councils to be in the vicinity of \$1¾ billion. This is about 14% of the total value of council non-financial assets in WA, which compares with the 10% or so for the finding made for the NSW Inquiry.

108 councils (or close to 75%) are estimated to have infrastructure backlogs in excess of 10% of the written down value of their total non-financial assets at 30 June 2005."

Also at page 34:

"The infrastructure backlog varies widely between councils. As was the case for the annual renewals effort, the infrastructure backlog ratios for metropolitan councils are lower than for regional councils."

Please note the following reference:
<http://www.walga.asn.au/sss/documents/lgfinances>

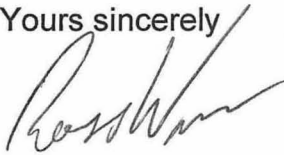
In respect of the second matter arising from an entry at page 14 of the Department's 18 February Submission, under the heading Funding for Private and Public Organisations - Pilbara Power, I am advised that at time of making our submission, the Pilbara Power project had not been suitably scoped and further clarification was needed before a budget allocation could be made. The Department has subsequently been working with relevant agencies to provide a basis for a coordinated approach, redefining and clearly articulating the context and scope of the project.

A plan is being worked through in accordance with EERC Cabinet Submission Guidelines as part of the current budgeting process for the commencement of the Pilbara Power project (Pilbara Underground Power project). Clarification of this amount will be provided with the Budget announcement on May 15.

I trust that the foregoing information has helped to clarify the two areas of concern and will assist the Committee in finalising its deliberations in relation to this Inquiry.

Should you require any additional information please do not hesitate to contact John Dedman, Manager Executive Services on telephone 9217 1562 or john.dedman@dlgrd.wa.gov.au.

Yours sincerely



 Jennifer Mathews
DIRECTOR GENERAL

6 May 2009