

**STANDING COMMITTEE ON
ESTIMATES AND FINANCIAL OPERATIONS**

BUDGET STATEMENTS

**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
WEDNESDAY, 2 DECEMBER 2009**

SESSION THREE

Members

**Hon Giz Watson (Chair)
Hon Philip Gardiner (Deputy Chair)
Hon Liz Behjat
Hon Ken Travers
Hon Ljiljanna Ravlich**

Hearing commenced at 1.25 pm

DUNCAN, HON WENDY,
Parliamentary Secretary to the Minister for Regional Development,
sworn and examined:

MANNING, MR BRUCE
Chief Executive Officer, Great Southern Development Commission,
examined:

RUNDLE, MR PETER
Chairman, Great Southern Development Commission,
examined:

CARNABY, MRS ROWENA
Chief Finance Officer, Great Southern Development Commission,
examined:

The CHAIR: Welcome. I am sorry that we are running a few minutes behind time. On behalf of the committee, I formally welcome you to this afternoon's meeting. Before we begin, I am required to ask you to take either the oath or affirmation. If you wish to take the oath, Renee has a copy of the Bible, if you would like to avail yourself of that.

[Witnesses took either the oath or affirmation.]

The CHAIR: You will have signed a document entitled "Information for Witnesses". Have you read and understood that document?

The Witnesses: We have.

The CHAIR: These proceedings are being recorded by Hansard. A transcript of your evidence will be provided to you. To assist the committee and Hansard, can you please quote the full title of any document you refer to during the course of the meeting and please be aware of the microphones and try to speak directly into them. I remind you that your transcript will become a matter for the public record. If for some reason you wish to make a confidential statement during this afternoon's proceedings, you should request that the evidence be taken in closed session. If the committee grants your request, any public and media in attendance will be excluded from the hearing. Please note that the uncorrected transcript will not be published or disclosed. This prohibition does not, however, prevent you from discussing in general terms evidence that you may have given at the hearing. Government agencies and departments have an important role and duty in assisting the Parliament to scrutinise budget papers and annual reports on behalf of the people of Western Australia, and we value your assistance in this matter. Members, if you could please indicate page numbers, volumes, et cetera in relation to either the budget statement or the annual report in preface to your questions, that would be of great assistance. Members, questions. Hon Ken Travers.

Hon KEN TRAVERS: Thank you. I wanted to commence with the Albany waterfront development. Can you give us a progress report from the commission's point of view of the current state of the Albany waterfront development and when the estimated completion date is?

Mr Manning: Madam Chair, can I refer to members by their names or as “member”? Which would you prefer?

The CHAIR: “Member” or Hon Ken Travers is fine. If you know him really well, you can call him Ken!

Mr Manning: I know two of his brothers.

Hon KEN TRAVERS: I was going to interject and say, “As long as you don’t call me by what my brothers suggested to you!”

Mr Manning: Just to clarify, Ken, we are not managing the waterfront itself. The waterfront tends to be used in a generic sense, meaning the Entertainment Centre; the Albany ANZAC Peace Park, which is a City of Albany project; and the Albany waterfront on the marina development, which is actually a LandCorp project. Our responsibility is for the Albany Entertainment Centre. I am pleased to report that that project is broadly on time and on budget. It was due to be delivered, from memory, at the end of June in 2010. I think it is about six days over. They are talking about the first week in July of 2010 for completion and then fit-out. The opening is still anticipated to be towards the end of 2010, remembering that the state government is mainly paying for that project. The City of Albany, from memory, is committing \$1.2 million and the state government approximately \$68 million. At the end of the build process, it will be turned over as an asset to the City of Albany, which will own and operate it.

Hon KEN TRAVERS: All right. In terms of the actual marina component of it, are you aware of where that is up to in terms of the LandCorp development of that?

Mr Manning: Yes, I pass it quite regularly. They are completing the rock wall for the granite breakwater and they appear to be about halfway or two-thirds of the way through that, although sometimes it is difficult to measure the progress because sometimes it is deeper and it takes more rocks. They are moving steadily to the completion of the rock wall at the moment.

Hon KEN TRAVERS: At this stage, do you know how many berths they are planning to have?

Mr Manning: Because there are contingencies, as I understand it—again, it is not our project—within the budget, as there are for all major projects, until they get close to completion of the building infrastructure that is part of that phase—that is, the rock wall—my understanding is they will not know how many berths they will be able to build within the budget. The answer to your question is that it is up to approximately 70 berths but at this stage they do not know how many berths they will be able to build within the context of the budget.

Hon KEN TRAVERS: All right. I believe there are a number of ocean racing events that you are hoping to attract to Albany in the future, particularly in 2011. Is there a minimum requirement for those events in terms of the number of berths that you would require to be able to host those events?

Mr Manning: I have been copied some email correspondence from various parties with a yachting or boating interest but I cannot tell you from recollection exactly what they need at the moment. I saw some figures of what they are looking for, but I do not have the detail of that in my head.

Hon KEN TRAVERS: Is that something that the development commission would take an interest in, in terms of promoting the region by attracting those events and ensuring that the marina had sufficient capacity to stage and accept those events?

Mr Manning: We are interested in all economic development matters in the broader sense. The discussion has tended at this stage to be focused around the provision of services as part of the marina construction. The debate that I have been copied into has tended to focus around some of the larger players or the more interested players such as LandCorp, who are the builders. I know that the chamber of commerce has taken an interest and clearly there is some interest from within yachting circles.

Hon KEN TRAVERS: In view of your interest in the overall economic development, for which I think there is a fair bit of community interest as well, is it possible for you to take on notice that element about the current requirements? I think that you are saying that they cannot actually predict how many berths they can build, but is there any more detail about how many more they are expecting on the current budget in, you know, broad terms and also what the requirements would be to host the ocean races and any other ocean rallies that Albany is trying to attract—what the minimum requirements would be to do that. Could you take that on notice—if you have any of that information?

[Supplementary Information No CI.]

Hon KEN TRAVERS: Thank you for that. The Albany ring road, particularly stage 2—is the commission involved in encouraging, promoting, facilitating, advocating for that at all?

Mr Manning: No, we are not involved in the ring road at the moment. Our focus in terms of road funding is on some arterial roads. We have made it clear—and Main Roads has been putting in bids in recent years to ameliorate or to address some of the issues on arterial roads—that our focus has not been on the ring road. It tends to be a primary focus of the City of Albany.

Hon KEN TRAVERS: Okay; so are you aware of where that is currently up to then?

Mr Manning: Ring road stage 2 is in the planning, but is yet to be funded.

Hon KEN TRAVERS: Right. So what are the arterial roads? I mean, are we talking about Chester Pass Road or are we talking about —

Mr Manning: The three arterial roads that have been the focus of Main Roads' examination have been Chester Pass Road, passing lanes on Albany Highway and some more work on, I think, Muirs Highway.

Hon KEN TRAVERS: In terms of the ones of economic importance to the region, how are they ranked—both those three roads and the ring road? I mean, does the commission get into trying to rank them from their economic importance?

Mr Manning: We are not road experts or technical experts in terms of road engineering, so we tend to take our advice from Main Roads. My understanding is that Chester Pass Road is probably the priority of those three.

Hon KEN TRAVERS: The new hospital in Albany—I understand that there is the likelihood of a budget shortfall. Have there been any requests to consider royalties to regions funding for that shortfall or is that something that the commission would consider—that is, funding any shortfall in the Albany hospital if it occurs in the budget for the Albany hospital?

Mr Manning: In the first round of grants—round one—as my memory best serves me, there was no application there that related to the hospital. I have not been approached for royalties for regions funding to be directed to the hospital insofar as our components are affected, Ken; remembering that royalties for regions is a broad umbrella and that I am talking about the grants scheme that we administer.

Hon KEN TRAVERS: But if there were a broader request for bigger funds to run it centrally, would you not as a commission be invited to give comment on that?

Mr Manning: We may be; I could not say that we would not be asked to give comment. As a government agency we are regularly asked for comment by government on various issues.

Hon KEN TRAVERS: Maybe the parliamentary secretary could answer that question on those matters—whether or not funding for the hospital is an item that has been considered as part of the royalties for regions funding, or if it is possible that it could be considered if there is a budget shortfall. And also, whether or not, as a matter of course, when projects like that come up, or any other projects that are funded centrally—through the royalties for regions project—whether or not

the local development commission's opinions are asked. Is it part of government policy that they should always be consulted or —

Hon WENDY DUNCAN: I am not aware of requests for funding for the shortfall of the Albany hospital—if there is one. But certainly, in relation to those priorities, those requests for funding, the development commission would invariably be consulted because that sort of expenditure would have to match local priorities.

Hon KEN TRAVERS: Invariably, or is it government policy that they should?

Hon WENDY DUNCAN: I am not aware of whether it is government policy or not. I know that the minister states that the philosophy statement with royalties for regions is that that expenditure is based on local priorities and local decision making. The regional development commissions are the minister's representatives in the regions and consultation would normally take place.

Hon KEN TRAVERS: I have one more question in terms of now and more later.

The CHAIR: Go ahead, Hon Ken Travers.

Hon KEN TRAVERS: The decision to reduce the government car fleet—are you as an agency exempt from that or do you have also to find a reduction in your car fleet? Also, are you aware of any adverse impacts on other government agencies within the great southern area as a result of the reduction in the government car fleet?

Mr Manning: We were part of the requirement. We have managed to make reductions in the way we operate our cars to meet that requirement, so we have not had to reduce our car numbers—bearing in mind we are a very small agency with a fairly small car pool. I am aware that the cuts have been made in a number of government agencies in the region. They will also have been affected. I have not heard yet of any dislocation associated with cuts in the government car fleet. But it is early days.

Hon KEN TRAVERS: How have you actually managed it then? If you are required to make a reduction, how have you managed without reducing your car fleet?

Mr Manning: We have just reduced the way—we have just managed the way that we run the cars. We maintain a car in Katanning and we have also made sure that we have reduced our operating expenses as far as the Albany office is concerned. What were our strategies that we have put in place?

Mrs Carnaby: We were going to look at more car pooling with other agencies—for example, if you have different agencies going to meetings; reduction by FBT for the home garaging of cars, because we have no secure place to park our cars and that was an issue. We are looking at other ways we can reduce; that is, if a staff member takes a car home, we are looking at ways they can go directly from meetings and to meetings. So the planning of meetings and those sorts of initiatives will mean that staff will not go from the office directly home but will incorporate a meeting along the way. They were two of the strategies. There were a couple of others.

Mr Manning: What we said to Treasury in our response is that we think that we will be able to make the economies but that the test will be at the end of the financial year to see if we have proved that up. What we have said is that we will try to make the operational savings within the way that we operate the cars rather than in the reduction of a car, in the first instance.

Hon KEN TRAVERS: So what you are saying is that you think that you can make a 10 per cent saving on your expenditure on motor vehicles without reducing your fleet by 10 per cent; that is, you will maintain the same number of vehicles but you will reduce your operating costs by 10 per cent and one of those will be —

Mr Manning: That is our objective. That is what we have said we will try and do across this 10-month period.

Hon KEN TRAVERS: So as part of that now, your staff are required to organise meetings either at the end of the day or at the start of the day away from the building so that if they take the vehicle home they are not required to pay FBT on it.

[1.45 pm]

Mr Manning: It is not necessarily quite that direct. It is just a way of trying to organise things so that we make those savings. It is not a laborious instruction to make sure that you are going or you are coming or whatever; it is the way you manage the fleet in general terms.

Hon LJILJANNA RAVLICH: I am interested in the various components that make up the Albany waterfront project. Would you have information about initial budgetary allocations for those respective component parts, and any subsequent variation to the costs?

Mr Manning: In relation to the budget papers specifically, or what?

Hon LJILJANNA RAVLICH: Yes, I suppose the budget papers—whether there is any variation on the original cost of the projected component parts, such as the Albany entertainment centre. Would you know, for example, the original budget allocation for that, and whether there has been some increase or decrease in that over time?

Mr Manning: There have been some significant increases in the appropriations over the period of the Albany entertainment centre project. I am not referring to the budget papers here now but from memory, because this is going back a few years now, I think the project was originally costed at something like \$35 million. That was the initial take and that was increased to something around \$52 million, and the final cost is \$70 million, as I indicated previously.

Hon LJILJANNA RAVLICH: Could you take on notice a question about each of the component parts that make up that entertainment precinct and give us the latest set of figures about each of those components?

Mr Manning: I can do that for the entertainment centre.

Hon LJILJANNA RAVLICH: But you cannot do it for any of the other components?

Mr Manning: The waterfront is the province of LandCorp.

Hon LJILJANNA RAVLICH: Do you have a strategic plan for the region?

Mr Manning: We do.

Hon LJILJANNA RAVLICH: Excellent; I have one here. My colleague has just handed it to me. Could you provide, on notice, an overview of the strategic infrastructure priorities for the region?

Mr Manning: When you say the strategic infrastructure priorities, are you talking about —

Hon LJILJANNA RAVLICH: Roads, rail.

Mr Manning: Can I just explain the process as far as we run it in the region? We have a regional infrastructure group that we chair, looking at key aspects of infrastructure. As part of that group, we assess the strategic position of each of the major infrastructure providers, remembering that one of the key elements of instruction via our act is to monitor the level of government services. Where the commission chooses to get involved is where we perceive that there might be more strategic intent needed, or focus needed. In so far as all those infrastructure elements are concerned, there are priorities within all of them, but they are the province of the individual departments, but we have assisted in areas such as strategic planning for water, and strategic planning in particular for power, as you will see from the issues that we flag in our annual report and are actually published in the budget papers as well. The key issues for us relate to roads, power and water. I have already talked about strategic priorities for roads. In terms of strategic priorities for power, the main issue for us is the quality of the feeder lines to the eastern part of the region. A lot of that infrastructure was installed in the 1950s and 1960s, and is now in relatively poor condition and needs upgrading. Unfortunately, the issue here is that the population base out there is quite small and it is difficult to

justify major capital expenditure on the part of the government—I make specific reference to Western Power—justify significant investments under the current regime for infrastructure to populations that are quite small. In terms of water, we have had more issues in the past two or three years, when communities have had water carted to them. We are pleased to report that the Water Corporation is being very proactive at present in consultation and planning to address those water issues.

Hon LJILJANNA RAVLICH: In terms of the power challenge, given the small populations and the costs, which would probably mean that it is cost prohibitive to make a major strategic investment, what do you see as an alternative direction or strategy?

Mr Manning: There is the promise of alternative power sources. For example, at Bremer Bay there is quite an innovative piece of infrastructure. That is one of the classic communities that we have been referring to. There has been an innovation through the installation of some generators, but matched with wind power, so that when the power supply demand goes up—that is a very interesting community where the population swells to something around 5 000 in midsummer but is normally below 500—the generators kick in and provide power to supplement that which is being provided by the wind turbine. That is an example of an innovative solution. The one we are working on at Jerramungup is that we are keen to look at the opportunity for small-scale embedded biomass power plant. I am also aware that the government at the moment is addressing the power issue at Ravensthorpe via a hybrid generation model similar to the Bremer Bay one, although that is not in my area.

The CHAIR: Except that they just told us they installed a diesel, and nothing else.

Mr Manning: Is it not supplemented with—it is not in my area so—

Hon WENDY DUNCAN: It will be. Within two years they are going to supplement it with renewable energy.

The CHAIR: What sort?

Hon WENDY DUNCAN: This is what they are working on. I am not sure yet.

The CHAIR: Okay—just picking up on that.

Mr Manning: It is actually not in my region, but it will be either solar or wind power, I would imagine.

Hon KEN TRAVERS: You have mentioned the power upgrades to the east, but what about Albany itself? I know that there was originally a power upgrade in the main line coming down as part of the Grange development. Is that power still required or, if the mine does not go ahead, is there sufficient power in Albany and along that line at the moment, or is that still an issue in terms of needing the upgrade?

Mr Manning: A number of things are happening on the power front. First of all, there is the issue of the enhancement of power down to the region, and planning is in place for a new line from Kojonup to Albany to partly address that issue into the medium term. That line is in planning. The environmental assessment, as far as I am aware, is being done and the community consultation to establish that line route has been set. I cannot remember offhand at the moment, but I think the build for that is something like 2011-12 or 2012-13—somewhere around there. That should address the general power issue down to the south coast in the medium term. There were power issues to the west of Albany, and some good work has been done by Western Power in looking at power demand in Denmark and trying to address and even out power demand. Western Power has also committed about \$14 million over the next three years to try to address line issues between Albany and Walpole. Now we come to the issue of the proposed Grange mine at Wellstead, which is looking at mining magnetite deposits. It is about 100 kilometres to the east of Albany. That will require around about 85 megawatts of power—a lot more power than we have available on the south coast. The

project cost for that was in the region of about \$180 million and that line would need to come all the way from Muja down to the mine. That line route has been planned. It goes north of the Stirlings and comes down in a big loop to Wellstead.

Hon KEN TRAVERS: Is the Kojonup to Albany line definitely still going ahead?

Mr Manning: As far as I am aware, that is in the planning for Western Power. I just cannot remember exactly in which year it is forecast to happen.

Hon KEN TRAVERS: I am still not clear about whether the Grange Resources powerline from Muja to Albany is solely required for the Grange Resources development, or whether it is also about supplementing the available power in the Albany region.

Mr Manning: That is a good question, because we would look on it as a vehicle to supplement power to the east. It would be a considerable fillip in terms of conventional power, addressing particularly the issues of Bremer Bay and perhaps Jerramungup, remembering that, although they have done a lot of work on those lines, the line from Albany to Bremer Bay, for examples, into which that line would go, is one of those lines that was installed fairly early, and has needed a lot of maintenance work and still needs regular maintenance work. A plus for us in terms of power to the east would be if that Muja to Wellstead line were to go ahead, because that would significantly increase our capacity in that area.

Hon KEN TRAVERS: Thinking of Albany as the hub, is there sufficient power for Albany at the moment for its current needs and its projected needs without the Grange development in the foreseeable future?

Mr Manning: With the new line from Kojonup to Albany, my understanding is that the answer to your question would be yes.

The CHAIR: I understand also that there are already proposals on the books to expand the wind farm at Albany. I know this, because they send me information about what they have in the pipeline, so to speak. What is the consideration of bringing those additional turbines on stream instead of bringing power down from Kojonup? It seems to me a very strange thing to do if you have more capacity there and already projected costs for that expansion.

Mr Manning: It would probably be best to address that question to Western Power.

The CHAIR: Yes, but surely that is part of the consideration.

Mr Manning: I would like to have a punt on it. The consideration would be about the capacity of the wind farm to supply baseload power, and that is an issue with most alternative sources of energy at the moment.

The CHAIR: It will be good when we get the wave power!

Mr Manning: Yes, that is right; it will be good. We are very keen on that project.

Hon KEN TRAVERS: It would probably help if Western Power gave more information in its budget documents than it currently does as well, so you can actually tell what projects they are and are not doing.

Hon PHILIP GARDINER: Just going from the report, I find it is very interestingly set out. The purpose that is shown on page 5 is to achieve economic development potential. There whole lot of other issues, as you know, and you refer to those through the report as being social and other issues to do with people and communities, to which you refer on page 12 and then enlarge upon on other pages. I know there are Indigenous issues and family dysfunction issues, and not just in Albany. I know that in Lockyer and other places such as Mount Barker—is Gnowangerup in your area as well?

Mr Manning: Yes.

Hon PHILIP GARDINER: Do you think it is part of the charter for the Great Southern Development Commission to try to see what it can do to ameliorate those kinds of problems. Is that indefinitely in here, despite that purpose on the front page?

Mr Manning: You are referring to the fact that we see ourselves as an economic development agency. That is, I suspect, attention, not a tension. It is an element of interest to all development commissions. The plus in the structures that we have is that the board sets policy direction, other than what is expressed in the Regional Development Commissions Act. Our board sets policy direction in the areas in which we choose to get involved. The act also says that the commission should look at the monitoring of government services across the region. That is the reason that we take that focus on infrastructure that we do.

Where there is perceived to be a weakness or some work needs to be done, then we will choose or could choose to get involved in that. But if you are serious about monitoring services—you are not a service deliverer; we are never a service deliverer in that sense—then there is a requirement to understand what is happening in the social sense on the south coast and in the hinterland as well.

[2.00 pm]

Hon PHILIP GARDINER: It is just that the purpose did seem to be narrow and did not, in a sense, reflect what actually goes on, because I can see, based on your report, that other things go on, but it is not just to do with economic development.

Mr Manning: No.

Hon PHILIP GARDINER: You are recognising the importance of it. That is just an observation from my point of view.

Mr Manning: Yes. Okay; thanks.

Hon PHILIP GARDINER: The other thing is: looking at page 74, which is about key efficiency indicators, it has that the projects completed have been between 40 and 42. I was thinking that the royalties for regions would have had more involvement in projects completed; or maybe what you define as “projects completed” is something different from —

Mr Manning: Yes. The distinction would be between our own projects and those that we fund as part of the royalties for regions program.

Hon PHILIP GARDINER: Okay. In terms of the costs for the development commission, have the costs increased materially as a result of the royalties for regions obligations in terms of looking at each proposal as it comes through, assessing the merits in relation to the criteria you have and so on?

Mr Manning: Undoubtedly, there is a cost to the grant-giving activity. In the first place, you would be familiar, Philip, with the fact that providing grants has always been part of our work. It has been part of the work while I have been at the commission. So, to some extent, even though the amounts are greater, it is business as usual. However, the business is much more significant. We are talking about millions of dollars now. So we have allocated a greater effort internally to the administration of that grant component, and, indeed, each project officer does take a load in terms of monitoring. We give them a suite of projects—allocated—depending on their expertise, to monitor—whether it is one of our own projects, which they probably are actively pursuing, or monitoring projects which are being funded by other means. That component within the moneys that we have been provided by government, we are allowed two and a half per cent of those moneys from the royalties for regions program to contribute to an administrative function, and we have done that internally.

Hon PHILIP GARDINER: I presume that two and a half per cent covers the compliance costs, some of which are probably laid down for you. Is the compliance becoming—is it too much? You have got to have good governance, but do you think the compliance meets the appropriate

requirement that is needed to make sure that projects are carried out as they say they are going to be and all that kind of stuff?

Mr Manning: The test will be going forward, and then it is up to us, I guess, and it is part of my role as the CEO to ensure that due diligence and good governance apply. I think that my view, and I am sure my chairman's view, would be that whatever resources are needed should be allocated to ensure that that is done in an exacting way. Just going back to my previous comment, our best guide to that is how we performed in the past in the administration of the previous government's regional development scheme. We believe we have done a good job with that, and we believe that if we apply good due diligence and the same principles in the way we manage this money with some more resources, we can perform at a similar level, or we hope we can anyway.

Hon PHILIP GARDINER: So the governance issues are almost the same. There is not much that you have had to add in terms of the governance to apply as a result of royalties for regions.

Mr Manning: The principles of good governance for managing grants remain the same, it would seem to me. The previous grants scheme that we were managing was \$500 000 a year. Compare that with the current royalties for regions and you see a significant difference. But applying the same principles, but applying more effort, would probably be the way I would express it.

Hon PHILIP GARDINER: I have just one final point. I cannot remember which page it was on, but it is in relation to the university facility down in Albany.

Hon KEN TRAVERS: Philip, do you mind if I just jump in and ask some questions on those performance indicators, if that is all right, before you go off them?

Hon PHILIP GARDINER: Yes, certainly.

Hon KEN TRAVERS: One of my hoary chestnuts that my fellow colleagues here will be well aware of—you have the efficiency indicators that you were just talking to Mr Gardiner about at page 74. One of the items there is "Cost per project", which I assume is an average cost per project. I am trying to reconcile that with page 275 of the budget, where you also give efficiency indicators. I might add that you are the first agency to give more than one efficiency indicator, so congratulations. The figures in terms of the average cost per project there are completely different from the figures for average cost per project on page 74 of your annual report. I was just wondering whether you could assist us in reconciling the two.

Mr Manning: Yes; no problem. The difference—I will get Rowena to explain the difference—lies between what we budgeted for and what in actuality turns out to be the case and what we have spent in those projects.

Mrs Carnaby: If we are comparing the budget to the estimated, then I take it we are comparing the 2008-09 budget to the 2008-09 estimated actual; or are you looking at the 2008-09 actual?

Hon KEN TRAVERS: I was looking at the estimated actual for 2008-09 of the budget papers. I note that the previous two figures in the budget papers, the actual and the budget, correlate, I think, but when you get to the estimated actual, you say in here that the actual was \$37 000.

Mr Manning: The difference lies in what the estimation is—our annual operating budget, essentially, simplifying it, Ken. Because, as you said, it is an average, we then look at those projects and average them against what we actually did spend at the end of the year. In that year that you are referring to, we had certain economies. For example, we had two or three staff positions that were not filled, so we were not paying salaries for those, so our actual expenditure was below what we projected we would need for our operational costs. So it is simply that we did not end up spending as much money as we anticipated across the agency in all activities, and, as you point out, it is an average cost, so, therefore, the cost per project came back in actuality. For example, going back to the earlier question, we reduced our staff number in general admin terms and focused on the appointment of a staff member solely devoted to maintaining grants, or looking after the grants—

with grant responsibility—so we moved that as a function, and that component for that particular role will be fulfilled underneath the administrative component of the grants scheme.

Hon KEN TRAVERS: My only comment from that would be, from our ability to use that as an effective indicator, the sorts of variations that you have talked about mean that it is not a particularly efficient—we can sit there and say that you have gone from \$25 000 up to \$51 000 and back to \$37 000, and you are telling me that that is about staff, but in terms of then giving us some indication of how efficient you are, it does not sound like it actually give us a really good measure of the fact that you are actually doing things more efficiently this year.

Mr Manning: Okay. I suppose in our case—I do not know exactly how my colleagues manage their efficiency indicator, but where we do not want to go, because 90 per cent of our effort is project focused—where we do not want to go down to is the accountancy management of every three-minute component of the day, because that is self-defeating in terms of the type of work that we do. If I am asking someone to go to a meeting at Katanning looking at the development of a shire hall or whatever it might be, do you apportion the costs of the car travel and that person's time against that project, or because they are going to be staying in Katanning for the next two days and working out of the Katanning office—it is really getting down to some interesting accounting techniques there.

Hon KEN TRAVERS: Equally, by the same token, in terms of it being a meaningful efficiency indicator—for the benefit of the parliamentary secretary, I might add that the Great Southern Development Commission uses cost per service hour. In the two earlier hearings, there was a similar measure, but everyone has a slightly different terminology for it, and I suspect, looking at the figure, either you are incredibly efficient compared with the other development commissions or you have a different way of measuring it from the other development commissions.

Mr Manning: I am sure it is the former of those, Ken.

The CHAIR: Careful; you are on oath!

Hon KEN TRAVERS: It is something we have raised with the parliamentary secretary about trying to get standardisation, so that we can get some meaningful comparison between the efficiency; but also there may be good reasons why it is more expensive to do it in one region than in another. Anyway, that is my comment.

Hon PHILIP GARDINER: I have found on page 25, Bruce, where you have actually covered the Indigenous economic development programs you have got there. Just on that, if I can, have you done the survey of Indigenous employment and training opportunities and found anything yet on that?

Mr Manning: Yes. From memory, the survey has been completed, Philip. I just need to read the detail of this one. Are you referring to a specific dot point?

Hon PHILIP GARDINER: Yes, that is right; the second last one.

Mr Manning: Yes, that labour survey did take place and has been completed.

Hon PHILIP GARDINER: Were there any meaningful conclusions that you recall from it?

Mr Manning: Yes, I think there were some—I do not have the detail in my head; I will have to take that on notice—but there were some employment opportunities that arose in the timber industry from that, as I understand it. I am not sure whether they are still current or what the circumstances are around it, but I am happy to take that on notice if you wish.

Hon PHILIP GARDINER: We may as well, now that you have gone this far.

[Supplementary Information No C3.]

Hon PHILIP GARDINER: I am under no illusions about how difficult it is to actually have the opportunities and make them mesh with the available people. I know that is going to be quite

difficult. But do you have the training resources within Albany so that they will be trained up with the skills that may fit to those opportunities?

Mr Manning: It is a good question, because the timber industry down there actually started its own training council, or registered training organisation. But with the movement into insolvency of effectively 50 per cent of the plantation timber effort down there, my understanding is that that has closed. Whether it has reopened or not, I am not quite sure. However, there were some timber labour training courses on offer at the local TAFE college. I am not sure if they are still going or what the status of those is, but they were involved in training for the timber industry at one point.

Hon PHILIP GARDINER: So there are some people trying to work together to make it integrated to try to make it work. If I can just go on to the area that I was going to come to before concerning the University of Western Australia's facility down in Albany, I saw somewhere that I think you have pledged \$1.5 million over three years to that.

Mr Manning: Correct.

Hon PHILIP GARDINER: In a way, that is cost shifting, is it not, by the federal government, which is meant to really provide the funding for tertiary education, across to you, in part?

Mr Manning: One could perceive it like that. That is one reading of the situation. The fact is that the commonwealth is contributing to that project. My understanding is that they are contributing \$1 million to that project. An answer may be from them, if you were to tackle them on that, "Well, we are providing substantial funding to the University of Western Australia. It's up to them to make a decision about where they allocate resources." That could be a response. It would not necessarily be mine, but that could be a response. I am just anticipating what the commonwealth might say if you asked them that question, Philip. But the commonwealth has committed \$1 million through a capital grant program to that project.

Hon PHILIP GARDINER: Are you aware whether the Albany university facility is sustainable financially at the current time?

[2.15 pm]

Mr Manning: No higher education institute is sustainable financially as I understand it.

Hon PHILIP GARDINER: You are dead right—around the whole country.

Hon LJILJANNA RAVLICH: UWA is.

Hon PHILIP GARDINER: You are regional; my understanding is that you are absolutely correct.

Mr Manning: My understanding is they are very much a cost centre to the university. I take the opportunity to place on record that in our view UWA has done a terrific job in the maintenance of and commitment to that facility. The vice chancellor has been very strong on Albany being maintained and growing. That was a very pleasing project in terms of the fact that the commonwealth was prepared to come to the party, and the university as well, to see that project go ahead.

Hon PHILIP GARDINER: Is UWA the only university involved?

Mr Manning: Curtin is involved. There is a nursing school, as I understand it, in Albany. The facility is shared there with UWA. The TAFE college that is based in Albany was teaching some higher education programs. I think it put its toe in the water by virtue of contractual arrangements with some of the Perth universities. There were some university arts programs being taught out there. I am not sure of the status of them at the moment.

Hon PHILIP GARDINER: Are there residential facilities for students? I presume they have to come from outside as well as inside Albany.

Mr Manning: There is not a discrete residential facility for students in Albany as such. That would be, I think, part of the longer term planning. I am sure it is. I am aware that what the value of such a facility would be in that context has been discussed at different times.

The CHAIR: On page 2 of the annual report you touch on the timber plantation scenario, which obviously has had a significant impact on the great southern region. I realise you are coming from an overview point of view, but I wonder if you can give us an update of where that is at the moment in terms of impacting on production and what is the prognosis. Will it be recovered or will there be long-term consequences?

Mr Manning: One of the positive aspects of the current issues with two of those companies, Timber Corp and Great Southern—there are four major companies operating in the great southern—has been to show that the plantation timber industry is a profitable one. The best sign of that is the fact that Timber Corp has been purchased for substantial money by an entity that has expertise in the area. I understand it is almost back to full capacity, operating “normally”. The removal of the managed investment scheme layer from that industry, which imposed certain cost structures in its own right, has probably not been a bad thing. One could argue that it was beneficial in promoting investment there in the first place. I do not want to get into that detail, but our view of the whole industry is that the industry is profitable, given certain parameters—distance from port, rainfall and access to land at a reasonable price. That has been shown to be the case by the fact that Timber Corp has been bought.

As of today, unless something has happened I do not know about, Great Southern is waiting for a responsible entity to take control of it to move back into the full operational phase. But to the best of my knowledge three different entities are trying to buy those assets, or different components of them, so that also is a good sign. A further good sign is that, remarkable as it may seem, the price of woodchip did not go down when woodchip prices were set in, not the same, but in a similar way that iron ore prices are set by dominant customers. It was interesting that when the opportunity came for renegotiation of those prices, the price of chip did not go down. They are all positive signs of the health of the industry going forward.

The CHAIR: Does the development commission have a view of the kind of mix of land use? It is a fairly hotly debated topic. At what capacity do you say there is the right mix between more traditional agricultural production of that hinterland that fits those criteria of, as you say, rainfall, distance from the port et cetera and the mix between wall-to-wall plantations, which has a range of impacts on the community and how much remains? Is it purely economics that drives that or is there some other kind of policy objective?

Mr Manning: There are planning issues, but they are typically at local government level. In the regions where trees are grown, some local governments have been more interested in things such as planting fence-to-fence in areas that have tourism appeal et cetera. Some of our shires have shown an interest in that and set their planning frameworks and their policies around that. That is not an area we typically choose to get involved in. One of the things we try to do as a commission is support our local shires in their aspirations for where they want to go in planning terms.

The CHAIR: I think Albany or Plantagenet have specific criteria in that regard.

Mr Manning: Most of those shires have their own by-laws or particular areas they choose to focus on in that area. Plantagenet had a particular interest in where trees were planted, particularly in places such as the Porongurup, which has a strong tourism focus—wine tourism, eco tourism with the park there et cetera.

The CHAIR: Spraying does not generally go down with those interested in growing grapes.

The health of the rail freight infrastructure is a fairly hot topic at the moment. What is the state of the rail infrastructure in the great southern region; is it also in need of upgrade?

Mr Manning: It is like rail infrastructure in most places where there is a network—there are lines that have been regularly used and lines that are not being used as much as they could be. Some of our railway lines are currently not being used to maximum utility. In policy terms, I think I defer to the parliamentary secretary.

The CHAIR: Is that because of their state of repair on some of the branch lines?

Mr Manning: It is a complex issue. They are allowed only certain speeds, and that is problematic in terms of the movement of grain.

The CHAIR: The speed restriction is usually to do with the state of the line I think.

Mr Manning: It also reflects what the design parameters of the line were when it was put into place et cetera. I do not know whether the parliamentary secretary wants to say anything.

Hon WENDY DUNCAN: I do not know that there is much more I can add. The debate has been had in the media and so on. A review is being undertaken and the government will make its decision related to rail.

The CHAIR: When does that review conclude?

Hon PHILIP GARDINER: It has been handed down.

Hon KEN TRAVERS: The minister received it a week and a half ago. It was announced in Parliament yesterday, although the interesting part of it all is that, before the review was completed, part of one of the submissions to federal Infrastructure Australia was for two items as to the royalties to regions funding. One was the resleepering of the great southern line coming down from the Avon to Albany. The other was Chester Pass Road, which I thought was an interesting concept. The connection between the two to call it a grain freight rail item was interesting because it is almost a non-grain freight. It is certainly not rail; it is about transferring it to road. I understand the issues about that area being serviced by road rather than rail.

Hon LJILJANNA RAVLICH: What work are you doing to monitor the levels of social infrastructure in the region?

Mr Manning: We sit on a human services forum that runs across the region. We do not chair that, unusually; we seem to chair most other things. Our regional manager for community and corporate sits on that body and has a role in providing a view on what needs to be monitored et cetera.

Hon LJILJANNA RAVLICH: Has that group actually identified the social infrastructure levels to assess whether there is sufficient social infrastructure in the region and, if not, where those shortfalls might be?

Mr Manning: Yes, I am sure that is the subject of discussion frequently. It is a perfect forum for problems that arise in the region to come before it. That is part of its core business.

Hon LJILJANNA RAVLICH: Is it possible to access information in terms of those identified shortfalls and social infrastructure for the region?

Mr Manning: We can take that on notice and look at the minutes and provide them.

Hon LJILJANNA RAVLICH: If it is substandard, can you provide us with the anticipated cost of bringing it up to a standard, or alternatively, if it is lacking, the cost of introducing it into the community? You may not be able to; I do not know.

Mr Manning: I will not be able to provide costings; that is not within our province.

Hon LJILJANNA RAVLICH: In terms of having the commissions before us, different commissions work in different ways. We have heard from some commissions that sort of take the leadership in a lot of these areas; they become central, if you like. We see other models such as yours whereby you participate in the activities of other organisations. If the question sounded a bit strange to you, it is because there are variations in how the respective commissions achieve their

goals and outcomes. To the extent you can provide that information, given your participation on that group, that would be good.

Mr Manning: Yes, that is not a problem.

[Supplementary Information No C4.]

Hon LJILJANNA RAVLICH: What work do you do with the community business and industry sectors to identify and prioritise infrastructure requirements within the region?

Mr Manning: The community one is largely focused around a range of things. I will try to start at the top. In the first instance, where there is a major initiative, particularly an industry initiative in the region, we try to take a coordinating role. We have something in the commission called major project status. Two projects on our books have major project status at the moment. One is the proposed Grange mine. The other is a proposal from a group called Lignor Ltd, which is looking at trying to add value to plantation timber. Both of those have been in a period of stasis, particularly with the so-called global financial crisis. But our role in those is to identify what are the likely impacts, firstly, of those projects on infrastructure—when I say infrastructure, I am talking more broadly; for example, about labour requirements, what is the operating method of the business, is it going to be running shifts and are we going to be needing accommodation, additional water, those sorts of elements. We will consider, firstly, their impact and, secondly, how to address those as part of that work. In terms of the day-to-day industry stuff, we have good networks and sit on a number of bodies or chair bodies that relate to community and social infrastructure and hard infrastructure. If we go back to the power example, we chair something called the South East Shires Regional Power Group, which consists of the Shires of Jerramungup, Gnowangerup and Ravensthorpe. Our role there is to try to address those long-term and very painful infrastructure issues that we have been talking about a fair bit today. In terms of community needs, all of our focus there is on, firstly, the work of the human services group as well as our ability to get out into the region. We maintain an office in Katanning and either serve or work on committees and projects associated with that infrastructure, whether it be social or economic.

[2.30 pm]

Hon PHILIP GARDINER: In regard to aged care and aged homes, I recall that a few years ago it was a pressing issue for Albany. I know that it is a pressing issue for a number of country towns. Do you get involved in that part of the social infrastructure as well?

Mr Manning: We do. It is really on an as needs basis. I am aware that we have been involved with aged care issues at places such as Cranbrook and Katanning. In the past we have played a facilitation role with proponents of an aged care facility in Denmark. It is really situation specific. If we perceive that there is a need for us to facilitate, we would like to think we work closely with our local governments and we will often be asked to step in and give them a bit of a hand if they are having an issue accessing advice or resources. On many occasions the aged care question goes back to the local government and its ability to solve that issue at a local level, working with whatever group.

Hon PHILIP GARDINER: Does that also involve the commonwealth because it is the funder of aged care?

Mr Manning: Sometimes we make contact with the commonwealth in that role but most often we are working more closely with our local governments and supporting them.

Hon PHILIP GARDINER: With success?

Mr Manning: We have had successes in the past. I like to think we played a valuable facilitation role in the aged care facility that opened at the western edge of Denmark in the past year or so. That was really about coordinating meetings between the various parties and getting them to cooperate in achieving an outcome.

Hon PHILIP GARDINER: Is Albany pressured seriously with the aged care issue in terms of not having enough housing? The report shows that the population increased by about 3 000 over the past five years. I presume a good proportion of those would be aged people. Albany must be getting overburdened with aged people.

Mr Manning: There have been a number of developments in the aged care area. I would tend to think that in aged care terms, Albany has been reasonably well serviced by that sector. Most of the issues that come to our attention tend to relate to aged care issues in our hinterland.

Hon KEN TRAVERS: One of the issues you raised earlier made me look at this again. I note that there is a significant variation between your cash flow statements in the budget and your annual report. I suspect it is related to the fact that you could not fill three or four staff positions. Looking at this, at the end of last financial year, you had \$4.5 million over and above what you were predicting at the time of the budget.

Mr Manning: That is an easy one. That will be the royalties for regions funds coming in.

Hon KEN TRAVERS: No, I think it is because you have saved on staffing costs.

Mr Manning: We would not have saved \$4 million.

Hon KEN TRAVERS: You saved \$400 000 in employee benefits. Was the royalties for regions funding that you received in 2009 included in your budget? Maybe you could explain to me why you think you are carrying over so much cash, over and above what was predicted in your cash flow statement at the time of the budget.

Mrs Carnaby: If we are looking at the cash assets at the end of the reporting period in the 2008-09 estimated actual, we had \$1.756 million. If we are looking at our actual for 2009, the same line, we have \$6.384 million. The variance between those amounts is royalties for regions funding of \$4.44 million, which came in in June and was not expended because of the timing of when it came in, leaving us less than a week to expend that money.

Mr Manning: The fact is that the money came in but it goes out according to the due diligence of the projects and as the milestones are ticked off. That is just the very start of the grant process.

Hon KEN TRAVERS: Had you already awarded the money to the grant applicants?

Mr Manning: The money flowed towards the end of the first year of government. The closing date for applications was 25 March. We began the assessment on 26 March and we completed that and put recommendations to the full board meeting on 14 May.

Hon KEN TRAVERS: So you approved the grants before Treasury —

Mr Manning: It is just a cash transfer into our account.

Hon KEN TRAVERS: I just want to follow this because I always find it fascinating under accrual accounting when expenditure is booked. You are telling me that you booked the expenditure when you physically pay the money out, not when you formally approve the grant. Is that right?

Mr Manning: We knew the grant money was coming. The decision had been made by government.

Hon KEN TRAVERS: The policy decision to do it had been made. That is the basis on which you allocated the money.

Mr Manning: From memory, we had a number of meetings in the lead-up to ensure that due diligence was taking place. We were told that the money would be delivered to us within that financial year. We were not going out on a limb in any sense in taking applications. I cannot remember exactly when the minister made the announcement of the grants but I suspect that maybe the money came in before he made the announcement.

Hon PHILIP GARDINER: The note that page 64 of your annual report states —

GSDC received Royalties for Regions funds of \$4.44million. Ministerial approval was received for successful grant recipients on 29 June 2009.

Mr Manning: I understand that the ministerial announcement was made on 30 June.

Hon KEN TRAVERS: This is the issue I am interested in. You accrue the expenditure when you physically pay it rather than the point at which you formally agree to pay it. Do you understand the difference? You announce that club X or project Y has been formally successful in its grant application and \$400 000 goes to that club or project. You are saying that the point at which you accrue it is not when you formally take the decision but the point at which you formally accrue it into your finances will be the point at which you physically pay the money over to the organisation.

Mrs Carnaby: You would see it as an expense when you pay out the amount.

Mr Manning: It cannot work any other way. It is government's money. It sits in Treasury or it sits in our account. One would assume that the expense accrues to government.

Hon PHILIP GARDINER: This note continues —

In addition Regional Development Scheme funding has not been fully expended as this is reliant on milestones being met by grant recipients prior to funds being expended.

I presume the expending is done on an accruals basis subject to the milestone. Would that be correct?

Mr Manning: When people get a letter from the minister saying, "Congratulations, you have been successful", that is only the start of the process. Each project proponent then needs to negotiate with each commission on the drawdown of those funds. A policy position from our perspective—we are very conservative in this regard—is that we like to pay after the fact. Unless project proponents can demonstrate to us that they actually need money upfront to start the project and get the project rolling and justify that to us, our preference is to pay after the work is completed, particularly where infrastructure is involved as we do not want to end up with half-built buildings around the region. That is our preferred position. The applicant may have a different view. The process is negotiated and each contract is individual and each milestone is individual.

Hon PHILIP GARDINER: Each has its own separate milestone?

Mr Manning: Generally more than one. It is very rare that a project has simply one milestone.

Hon KEN TRAVERS: It is still an interesting point, the point at which you accrue the amount owing. I can understand the milestones but if there is an initial upfront payment, the point at which you accrue is not necessarily the point at which you pay the money. You may accrue the expenditure and then pay it. There is that interaction between the accrual and the cash side of it, which is the payment. It is a more fascinating exercise when you get to the health department's budget, which is why I am interested in how other agencies deal with the issue of the point of accrual because it does vary as to which financial year you book expenditure. Having said that, you still would have saved about \$450 000 in employee benefits last year over and above the \$4.4 million.

Mrs Carnaby: Could you explain that to us?

Hon KEN TRAVERS: You are estimating in your cash flow statements when the budget was brought down in May that your employee benefits would be \$1.4 million. Your annual report indicates that your employee benefits were \$1 million.

Mrs Carnaby: There are several reasons for that. We rolled into shared services in April. In that process we had to restate our 2007-08 budget. There is a categorisation issue with employee benefits and supplies and services. Some of the things that we originally budgeted for under employee benefits fall into supplies and services, one of which was travel expenses. In the estimated budget amount is the salaries component for the royalties for regions grants person.

Obviously, because we got that money so late, that has not been paid out. There is also that component. They are the two main differences, and also our staff savings because we had some vacancies throughout the year.

Hon KEN TRAVERS: How much did you achieve through staff savings?

Mr Manning: We would not have that figure. You will get that variation in a budget in a small agency. We have 15 FTEs. If you were down to 12 or 13 of those for a lot of the year, you will get those significant differences. The majority of that figure relates to salaries.

Hon KEN TRAVERS: That is what I thought. On 42 projects, you made about a \$12 000 per project change to your average. I assume there was quite a saving. My next question was going to be: have you allocated what you will use those savings for or has that been absorbed back into the government under the three per cent productivity cuts? Do you get to spend that money this year; and, if so, how do you intend to spend it?

Mr Manning: I have not said there is a \$400 000 saving. We are now at full complement. Actually, we are one down. I think we are at 14 FTEs at the moment. We will be employing someone shortly to fill that spot, so we are coming up to full complement. Much of that will be absorbed in this coming budget year.

Hon KEN TRAVERS: You can take this question on notice. Is it possible to work out what you achieved in savings by not filling those positions for that period of time?

[Supplementary Information No C5.]

Hon KEN TRAVERS: Are you aware of concerns within the great southern community that all the people who have been appointed to the Great Southern Development Commission in recent times have been of a conservative political hue?

[2.45 pm]

Mr Manning: Do you mean at board level?

Hon KEN TRAVERS: Yes.

Mr Manning: I am not aware of any political element whatsoever in the appointment of our board members.

Hon KEN TRAVERS: All right. The parliamentary secretary may want to answer this: are you aware of any directive by the Minister for Regional Development that all appointments to development commission boards should be people who are known to be politically conservative?

Hon PHILIP GARDINER: I can answer that in part. The chairman of the Wheatbelt Development Commission I am sure is not politically conservative in the sense of a political party. Who is the chairman of the Wheatbelt Development Commission?

Hon WENDY DUNCAN: I do not know, but that is not really the question. No; there is no directive.

Hon KEN TRAVERS: All right.

Hon PHILIP GARDINER: Peter or Bruce—in relation to another development commission they were talking about working with three or four of them together to develop the transport corridors going from Esperance really right the way through the Gascoyne and in that area. Have you considered whether there was any merit in your development commission working with, say, the Wheatbelt Development Commission or others that may be related to having the transport corridors, say, for grain coming down through Albany, because it does involve the port costs, the port capacity for wheat, let us say, and maybe other things and it could be the rail traffic it could take and so on. But what they are trying to do in the other case is to get some kind of cohesive integrated strategy.

Is there a similar interest between the development commissions to work to try to see how that could work in your case?

Mr Manning: Philip, it is situation-specific. I know that the goldfields deals regularly with the mid-west in terms of its mineral industry—its mining industry—interests. We deal regularly with the goldfields on issues such as Fitzgerald River National Park and the recent announcement by government that it is going to support some enhancement of tourism infrastructure in the Fitzgerald because we join the Fitzgerald on one end and Goldfields-Esperance on the other, now it is a significant tourism asset. We deal with south west on viticulture industry issues in particular, the marketing thereof and the current pain that some of our major wineries are going through because of the price of the dollar et cetera. So we do deal regularly with other commissions but it tends to be situation-specific, and I think you will find that is common to the other commissions as well.

Hon PHILIP GARDINER: I understand it being situation-specific to some extent, but I just thought maybe there might have been some scope because what happens in one area does affect what happens in another area; therefore, that strategy may still have merit. Say, for example, grain—it may just be the wrong thing to have the transport rail network set up because maybe the port of Albany is just too expensive to ship grain through. I am not quite sure what the costs are there, and maybe it would still be better to make sure that everything kind of goes further north rather than coming further south, like the Avon going all the way south, rather than trying to build a new line to go to Kwinana—that is what I was I thinking.

Mr Manning: I see where you are coming from, but in those cases they tend not to be policy-based decisions; they tend to be the economics of the project driving interest. We can take a valuable role there in the sense that if we see an opportunity, say, perhaps by enhancement of a piece of infrastructure, we can advocate to government that we think that this is more logical to happen here and if we were to upgrade that then this becomes more of a reality. I am aware of the goldfields example where you get a mine midway between Kalgoorlie and Geraldton and the issue is does it go to the Esperance port or does go out at Geraldton—in that situation development commissions can play a strong role in advocating to government a particular way forward.

Hon PHILIP GARDINER: That is exactly the kind of considerations that would take place, yes.

The CHAIR: The committee will forward any additional questions that it has to you via the minister in writing in the next couple of days together with the transcript of evidence, which includes questions that have been taken on notice. If members do have any unasked questions, I ask them to submit them to the committee clerk at the close of this hearing. The response to these questions will be requested within 10 working days of receipt of the questions. Should the agency be unable to meet this due date, please advise the committee in writing as soon as possible before the due date. The advice is to include specific reasons as to why the due date cannot be met if that is the case. Finally, on behalf of the committee I thank you very much for your attendance this afternoon and your assistance in the committee's inquiries. We will close this hearing now and the next one will commence at three o'clock, which will be the Kimberley Development Commission. Thank you very much.

Hearing concluded at 2.50 pm