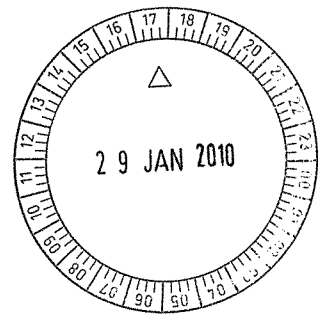
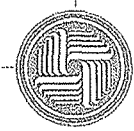


Answers to Questions on Notice -
Legislative Council 2009/10 Budget
Estimates Ongoing Hearings

Great Southern
Development Commission





Our Ref: U5:0820
Enquiries: Christine.Grogan

4 January 2010

Hon Giz Watson MLC
Chair
Estimates and Financial Operations Committee
Legislative Council
Parliament House
Perth WA 6000

FAO Renae Jewell, Committee Clerk

Dear Ms Watson,

**QUESTIONS ON NOTICE – LEGISLATIVE COUNCIL 2009/10 BUDGET
ESTIMATES ONGOING HEARINGS – ADDITIONAL INFORMATION**

During the Great Southern Development Commission's (GSDC) attendance at the Estimates and Financial Operations Committee on 2 December 2009 the Hon Ken Traver's MLC questioned how the GSDC is contributing to the State Government's car fleet reduction initiative.

In addition to the information provided to the Legislative Council in the Estimates Hearing we provide the following supplementary information.

The GSDC is a small regionally based agency with a current fleet of five vehicles and as such is not required to reduce the actual number of vehicles however we are required to reduce overall expenditure in this area. The following additional opportunities have been identified to reduce costs in line with the targets provided by the Department of Treasury and Finance.

- Leasing of vehicles for longer terms (three years in lieu of two years)
- Garaging vehicles on-site
- Increased car pooling
- Review structure of the vehicle fleet
- Reduction in running costs

It would be appreciated if this additional informational could be noted.

Should you require any further information regarding this matter, please contact Ms Christine Grogan, Regional Manager Community & Corporate, on 9842-4888.

Yours faithfully

**BRUCE MANNING
CHIEF EXECUTIVE OFFICER**

Building partnerships for regional prosperity



Legislative Council Estimates and Financial Operations Committee

Wednesday 2 December 2009

Great Southern Development Commission

Additional Questions:

Hon L Ravlich asked:

1. I refer to Page 273 under Major Policy Decisions the line item for Regional Grants Scheme 2008-2009 of \$4.44M and the list of successful Regional Grants Scheme Projects approved 2008-2009, from the Royalties for Regions website, and ask –
 - 1.1 Can the Minister explain why the allocation for the Regional Grants Scheme is listed as \$4.44M on Page 273, but \$4.329M on Page 277 (details of controlled grants and subsidies)?
 - 1.2 The approved projects listed on the website totals \$3.5M. Can the Minister explain the difference between the total of approved grants and the \$4.44M?
 - 1.3 Have other funding grants been approved to take up the difference and if so what are the details and amounts of the extra grants and why are they not listed on the website?
 - 1.4 Can the Minister indicate where in the Budget papers the difference between these two amounts might be located?

Answer:

1.1: Of the total \$4.44M allocated to the Great Southern Development Commission for the Regional Grants Scheme in 2008/09 \$111,000 was provided to support administration costs, leaving \$4.329M available for grants.

1.2: The Great Southern Regional Grants Scheme 2008/09 allocation of \$4.44M was split into \$111,000 for Administration, \$3.5M for contestable grants and \$829,000 for strategic projects.

1.3: When considering the applications for the contestable grants the Board approved two projects (UWA Science Building and Munda Biddi Trail) to be funded \$1.5M each over three years. In 2008/09 the UWA Albany Science Building project was originally allocated \$500,000 from the contestable Regional Grants Scheme fund and at a later date the Board allocated \$329,000 from the strategic projects fund leaving \$671,000 to be funded from future RGS allocations. The Munda Biddi Trail (Nannup to Albany) project was originally allocated \$500,000 from the contestable fund and, at a later date, the Board directed that \$500,000 be drawn from the strategic fund, leaving \$500,000 to be funded from a future RGS allocation. The GSDC website includes information on the funding to these projects under the Regional Grants Scheme. The remaining \$111,000 is to support Administration costs.

1.4: The total Income budgeted for Royalties for Regions (Regional Grants Scheme) is shown on Page 277 of the Budget Papers – “Income from State Government Royalties for Regions Fund (f)”, being \$4.44M for 2008-09.

The expenditure related to the budgeted income is disbursed as in the following expenditure lines on Page 277 of the Budget Papers.

\$111,000

1. Employee benefits
2. Supplies and Services

\$4.329M

1. Grants and Subsidies

The physical receipt of the Royalties for Regions monies is shown in the Commission's Annual Report on pages 40 and 43 in the categories as described above.

As the monies are outflowed in 2009-2010 these will be costed to the above expenditure categories, being Grants, Employee Benefits and Supplies and Services.

Hon L Ravlich asked:

2. *I note that one of the grants approved is \$500,000 for the Munda-Biddi Trail between Nannup and Albany and that this also appears on the South West Development Commissions (SWDC) list. Is this a cooperative project with the SWDC and what is the total cost of the project?*
 - 2.1 *If the cost is more than \$1.0M, where is the balance coming from?*

Answer:

2. The Munda Biddi Trail Construction is a \$6.0M project which is being co-founded by the GSDC and the SWDC. The GSDC's contribution is for the Walpole to Albany section of the trail, \$2,916,400 of the overall project cost.
 - 2.1 The project is being funded by \$3.0M from the Regional Grants Scheme (\$1.5M from the SWDC and \$1.5M from GSDC). The remaining elements of the project will be funded through a combination of cash and in-kind contributions from the Department of Environment and Conservation (in partnership with the Munda Biddi Trail Foundation), the Department of Corrective Services, Lotterywest and the Department of Sport and Recreation.

Hon L Ravlich asked:

3. *Has the Commission been involved in consideration of a tourist road between Bremer Bay and Hopetoun and if so, who with and what point is that work at now?*

Answer:

The GSDC and the Goldfields Esperance Development Commission, in consultation with the Department of Environment and Conservation (DEC) were jointly involved in providing advice to State Government on priority road funding within the Fitzgerald River National Park. The GSDC understands that responsibility for the management and delivery of the project resides with DEC and Main Roads Western Australia.

Hon L Ravlich asked:

4. *Has the Commission done any work on population projections for the next 10 years and if so can they be tabled?*

Answer:

The Commission does not generate population statistics and projections from its own resources but directly accesses such information from the Australian Bureau of Statistics. The Commission does

chair the Regional Infrastructure Group (RIG), which is made up of the key State Government agencies concerned with planning for the provision of infrastructure services. Participation in the RIG and other regional forums is focused on improving relevant agency communications on infrastructure issues in response to population growth and investment planning by industry.

Hon L Ravlich asked:

5. *Has the Commission done any work on likely resources (infrastructure, staffing, funding etc) needed to meet those population projections in –*
 1. *Health?*
 2. *Education?*
 3. *Police and Emergency Services?*
 4. *Housing?*

Answer:

The Commission has an ongoing watching brief on the current and projected resource requirements of the agencies concerned with the delivery of health, education, police and emergency services and housing. This is exercised through being a member of groups such as the Great Southern Human Services Managers Forum and the Albany Health Campus Reference Group. In addition, the Commission works directly with the relevant agencies to provide regular briefings (eg Department of Training) on the planned and potential industrial investment that will drive future infrastructure and services needs.

Hon L Ravlich asked:

6. *Can the Commission table its –*
 1. *Strategic Plans?*
 2. *Operational Plans?*
 3. *Any documents on Infrastructure needs for the region and any associated costings or estimates?*

Answer:

1. Please find attached a copy of the Great Southern Development Commission's Strategic Directions 2006-2010.
2. The GSDC's operational plan is contained within the 2009/10 budget approval process. The information provided summarises the projects that the Board of the Commission approved as operational priorities.
3. The GSDC does not generally publish documents on the region's infrastructure needs, as this task is managed by the relevant State Government agencies. In 2007, the Commission did initiate a project to address the planning issues associated with the release of serviced residential land in the Albany district and wider region. (*Please find attached the project summary of the Land Task Force report*). The Commission does chair the Regional Infrastructure Group (RIG), an interagency forum which monitors and is involved in the planning process concerning key infrastructure needs.

Hon L Ravlich asked:

7. *Has the Commission done any work on determining priorities for the region in terms of what their local communities want to see, and –*

- 1 *What the priorities are?*
- 2 *Funding required to meet each of those priorities?*
- 3 *Estimated of what will be received in appropriations in the forward estimates from Government?*
- 4 *Any likely shortfall over those years – itemised according to the listed priorities?*

Answer:

1. The Commission works mainly through the Local Government Authorities (LGAs) and relevant agencies in determining development priorities concerning the region's communities. In this, consultation is undertaken at executive level and, where possible, with the GSDC Board being briefed by Councils and community members at regional meetings. The Commission chairs the Regional Infrastructure Group (RIG) of agencies concerned with infrastructure provision and is represented on the Boards of the two Great Southern Business Enterprise Centres. The agency is a member of the Albany Health Campus Reference group and the Human Services Managers Forum and consults regularly with health, education, training and other services provision agencies.
2. The LGAs develop their budgets independently and the appropriations for other State Government agencies do not come through the Great Southern Development Commission.
3. The Commission has access to information contained in the forward estimates of other State and Commonwealth Government agencies and notes these amounts in relation to the development time frames of mainly key infrastructure projects.
4. The Commission can and does monitor appropriations in key areas of interest, including power, water and road funding.

Supplementary Information Questions:

Wednesday, 2 December 2009

Ministry of Regional Development

Question No C1: Hon K Travers asked:

- (1) How many berths can Landcorp build in the new marina on the Albany Waterfront Project?*
- (2) What the minimum requirements would be to host ocean races and any other ocean rallies that Albany is trying to attract?*

Answer:

- (1) Landcorp has advised that the new Marina when fully constructed will have the capacity to hold approximately 140 boat pens and that it is proposed to build up to 74 pens under the current Landcorp contract. The actual number that will be built will be dependent on the outcomes of the tender process for the design and construct contract of the pens and the final civil works. The tender process is due to be undertaken in May or June 2010.*
- (2) The race proponents have advised the Albany Chamber of Commerce and Industry that the mooring requirements for the Around Australia Rally is likely to be 30 moorings for Rally Yachts in February 2011 (35ft – 50ft with approximately 30% of which are expected to be catamarans), and 120 moorings for Rally Yachts in February 2012 (35ft – 80ft with approximately 30% of which are expected to be multihull). It has also been suggested that Ports around Australia are offering gratis mooring fees for the first two – three years after which it is intended that normal mooring fees would apply. Other requirements would be a media centre and access to fuel and water.*

Wednesday, 2 December 2009

Ministry of Regional Development

Question No C2: Hon L Ravlich asked for the latest set of figures for the Albany Entertainment Centre?

Answer:

The current total budget for the Albany Entertainment Centre is \$70,000,000.

Wednesday, 2 December 2009

Ministry of Regional Development

Question No C3: Hon Philip Gairdner asked if the survey of Indigenous Employment and Training Opportunities cited on page 25 of the GSDC's Annual Report had been completed and if so what were the most meaningful outcomes from the survey?

Answer:

The Indigenous Employment and Training Opportunities Survey (IETOS) was completed in August 2008 and contained ten main recommendations. These recommendations were directed to address the study's key finding that "while there is a willingness on the part of job seekers and work opportunities", there is also a structural lack of "pre employment and post employment support mechanisms to sustain indigenous employment outcomes". The flexible group training approach recommended several key initiatives. These included pre-

employment training, apprenticeship accommodation support, the employment of dedicated Indigenous field officers to support employers, employer incentives, the marketing of employment opportunities and implementation resources to be sourced through an application to the Building and Construction Industry Training Fund (BCITF).

Wednesday, 2 December 2009

Ministry of Regional Development

Question No C4: Hon L Ravlich asked if the Great Southern Human Services Forum had identified any shortfalls in the social infrastructure of the Great Southern region, and if so where those shortfalls might be?

Answer:

The Great Southern Human Services Forum has identified that additional efforts will probably required in the following services areas:

- Early intervention parent support services have been recognised as an issue across the Great Southern, particularly in Mt Barker and Albany. The GSDC understands that the issue is being progressively addressed on a State basis.
- There is perceived to be a need for an increase in the resources allocated by the Aboriginal Medical Service to early childhood development, dental and mental health programs;
- Family and domestic violence has been recognised as a particular issue in a number of areas within the Great Southern including Katanning, Mt Barker and Albany. A Family and Domestic Violence Case Management Group is currently being established to provide a coordinated response as part of a State-wide initiative;
- The Strong Families initiative, which employs one coordinator, is currently at capacity and additional resources may be needed in the medium term;
- Ongoing community violence issues in Katanning, Mt Barker and Albany consume significant Police Services' resources. It is understood that some of the options that are being considered under the Aboriginal Justice Agreement initiative include the possible establishment of mediation services and a community violence unit within the Police Service.
- Accommodation for homeless men in the Albany and Lower Great Southern Area has been quantified as an area of need. The Government has acknowledged this need and the Department of Housing has offered a 4 bedroom house in Albany on the condition that a suitable not for profit community organisation can be found to run the facility. St Vincent de Paul and Community First are partnering to run a proposed "Prospect House" for unemployed homeless men who are willing to participate in social skills training, education and work readiness programs over a three month period. The overall aim of the initiative is to transition these men into employment and longer term housing. The partnership group is currently preparing a funding submission to the Commonwealth's Department of Education, Employment and Workplace Relations in support of this initiative.

Wednesday, 2 December 2009

Ministry of Regional Development

Question No C5: Hon K Travers asked for details of the financial savings achieved by the GSDC as a result of not filling vacant positions during 2008/09?

Answer:

During 2008/09 the Great Southern Development Commission saved \$467,061 from the Salaries Budget as a result of a range of staff changes including vacancies.

Savings resulted from

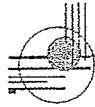
- Five vacancies ranging from 2 to 8 months in length.
- The relocation of an Aboriginal Economic Development Officer from the GSDC to the Department of Indigenous Affairs
- Long Service Leave provisions for which the Commission had budgeted but which was not called upon during that financial year.

Our vision

The sustainable development of our region's economy in harmony with our unique heritage and natural environment

Our role

To build partnerships for regional prosperity by planning, coordinating and promoting sustainable development



This means we will...

Maintain an independent, non-parochial and cross-regional approach.

Work with regional communities to increase their capacity to realise their own vision for a vibrant and sustainable future.

Maintain an industry sector focus, and develop strategic alliances to achieve sustainable market outcomes.

Develop partnerships to integrate best practice Natural Resource Management (NRM) principles.

Maintain high standards of professional services and integrity.

Our Goals	Regional Leadership	Industry Development	Improve Infrastructure	Natural Resource Management
Aims	To support initiatives that build the capacity of regional and rural communities to respond to needs and opportunities for sustainable development.	To support enterprise and industry development on the basis of diversifying and strengthening the regional economy.	A coordinated approach to infrastructure development that facilitates business at all levels, industry & community development & improves services provision to the region.	Promote and support best practice Natural Resource Management (NRM) in the region.
Activities	<ul style="list-style-type: none"> Provide an effective link with government on the key issues and policies that impact on the region Partner with rural communities to increase their capacity and support them to attract relevant resources Link people and organisations with opportunities for diversification and value-adding Promote opportunities, training and services that particularly encourage young people, and families, to remain in rural communities Support opportunities to market the region 	<ul style="list-style-type: none"> Develop and maintain an understanding of the key factors that shape our regional economy, protect the environment and maintain social integrity Facilitate major economic development projects Facilitate trade and export opportunities Encourage capital and knowledge intensive industries Expand the range of indigenous economic and employment opportunities Develop industry partnerships to achieve market outcomes and minimise impediments to growth Monitor and promote the region's areas of competitive advantage to all industry sectors Encourage the tourism industry in the further development of product 	<ul style="list-style-type: none"> Work with community, business and industry sectors to identify and prioritise infrastructure requirements and attract public or private investment Monitor levels of social infrastructure in the region Support key infrastructure development to enhance business and industry investment and educational and training opportunities Facilitate the development and enhancement of regional services through partnerships with the private and public sectors 	<ul style="list-style-type: none"> Support the research and development of a diverse range of sustainable rural products and industries Promote and facilitate research, education and training initiatives linked to NRM Support the growth of NRM research and development capacity in the region Encourage best practice NRM in project development Promote the competitive advantage that the region enjoys through natural assets
Outcomes	Rural and regional communities that capitalise on opportunities emerging in the local, regional & national economies.	A stronger, diverse regional economic base capable of adapting to local, state, national & global market forces.	The capital infrastructure and essential services required to maximise the region's potential are in place.	The recognition of our region as a national leader in Natural Resource Management.

27-09072/5

The Great Southern Development Commission works to deliver an effective and professional service to maximise the potential of our region.

Our Customers:

- Businesses looking to expand or develop
- People with new ideas for business or industry
- Existing and potential exporters
- Major project proponents
- Local government authorities
- Community organisations
- Government agencies
- Potential investors

Our Services:

Our team of highly skilled and motivated specialists in a range of disciplines is here to help. We:

- Support and develop industry and community projects
- Coordinate approaches to government on strategic, economic and social issues
- Provide access to information on government programs and industry support services
- Assist with resources for regional projects through the Regional Development Scheme
- Identify and promote investment opportunities in the region
- Provide access to Austrade services for existing and potential exporters
- Access skilled people from overseas through the Commission's role as a Regional Certifying Body for migration schemes



Albion
Great Southern Development Commission
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Visit our website on www.gsdc.wa.gov.au



Strategic Directions 2006-2010



Great Southern Development Commission 2009/10 Operational Priorities

This plan represents the operational priorities and projects that were approved by the Board of the Commission as part of the 2009/10 budget approval process.

PROJECT NAME	PROJECT DESCRIPTION
GOAL ONE – REGIONAL LEADERSHIP	
GSDC COMMUNICATIONS	The agency will promote its services, activities and outcomes to a variety of stakeholders through a range of professional communications media throughout the year.
RUNAWAY BUS	The GSDC will partner the Shires of Katanning, Wagin, Broomehill/Tambellup Cranbrook and Woodanilling, WA Police and the Department of Child Protection in funding the Beach Bus project which provides subsidised transport for 14-18 years old residents of the central Great Southern who do not readily have the opportunity to go to Albany's Middleton beach during the summer holidays.
MIGRATION ASSISTANCE	The GSDC will continue in its role as the Regional Certifying Body for several Department of Immigration and Citizenship (DIAC) permanent and temporary visa categories that can be used by regional employers to sponsor skilled migrants when job vacancies cannot be filled for the local labour market
REGIONAL ENTRY SIGNS	In 2006-07, with changes to tourism zones and the creation of Australia's South West, the GSDC took responsibility for entry signs on the region's seven major entry roads. The GSDC will continue to maintain these signs.
GS HUMAN SERVICES MANAGER'S FORUM	The GSDC will continue to play an active role as a member of this Forum which aims to better coordinate the delivery of human services across the region.
MENS CRISIS CENTRE	The Development Commission will continue to support the community based project group working to secure Commonwealth Government funding for this initiative.
GOAL TWO – INDUSTRY DEVELOPMENT	
ALBANY BOAT SHED	The GSDC has supported the Albany Boat Shed as a facility to restore and build wooden boats, offer training courses to students, and become a tourism attraction that adds to the heritage assets located along the Albany foreshore. The focus of GSDC's support in 2009/10 will be on boat restoration (the Wildflower), events, marketing and tourism activities at the venue.
TRADESTART	The GSDC will continue its to partner with Austrade to deliver Tradestart services to companies within the Great Southern region that are seeking to develop or expand export opportunities. The GSDC won the tender to deliver this programme in the Great Southern region with a four year contract that commenced in November 2006 and which is

97-99072/6
1

PROJECT NAME	PROJECT DESCRIPTION
	due for renewal in June 2010.
GSDC PROJECT SUPPORT FUND	The GSDC will continue to provide seed funding for a range of relatively small tourism events and projects which increase the capacity of the region's industry sectors. The events range from the ACCI awards to the relocation of the Farmer's Market.
PERTH INTERNATIONAL ARTS FESTIVAL 2010	The GSDC will partner with PIAF for the eighth year. This partnership has delivered a range of world-class international arts and entertainment to the Great Southern through a four-week long annual satellite festival.
REGIONAL COMMUNITY LEADERSHIP	The GSDC will continue to support the implementation of the Southern Regions Community Leadership Strategy (2005), developed in partnership with the South West Development Commission, Peel Development Commission, DoLGARD, WA Telecentre Network and Dept of Education and Training. Under this strategy an annual Community Leadership Forum is delivered. Four forums have been held with the fifth being planned for Denmark in September 2009.
KODJA PLACE MARKETING	The GSDC will continue to support the management of Kodja Place who are working to install consistent branding and signage at Kodja Place and at strategic points on the highway leading to Kodja Place and at its entrance. The project will complement new developments at the centre, including the completion of the cafe and efforts to improve visitor information and local maps.
BREAKSEA ISLAND HERITAGE TOURISM	The GSDC will continue to partner with the Department of Environment and Conservation to deliver a multi-staged strategic project which aims to fully restore the Breaksea Island lighthouse heritage precinct, and see it develop in the longer term as a niche eco-tourism, conservation and community education facility.
BUILDING AND CONSTRUCTION - INDIGENOUS EMPLOYMENT	The GSDC will be working to implement some of the recommendations of the building and construction industry indigenous labour survey and study for the Albany area which aimed to develop opportunities for Indigenous employment in the public housing and wider building construction industry.
VALUE ADDING IN THE TIMBER INDUSTRY	The Great Southern has the highest concentration of plantation timber in Australia. However its market dependency is almost entirely on the woodchip industry and one final market, namely Japan and it is recognised that value adding to the resource adds strength to the Great Southern region's economy. The GSDC will continue to partner with interested parties to develop and market emerging niche products.
MARITIME HERITAGE ASSET ANALYSIS	A GSDC driven major research project was commenced in early 2009 to identify key maritime assets between Chatham Island and Bremer Bay. The identified assets will form a key part of an overall Maritime Heritage Tourism Strategy for the South Coast. This study is being progressed by a consultant group and will be completed in the second half of 2009.

PROJECT NAME	PROJECT DESCRIPTION
MAJOR PROJECT SUPPORT – SOUTHDOWN	The GSDC will continue to chair the Southdown Magnetite Working Group to coordinate the State Government's infrastructure provision and planning approvals process locally.
BUILDING INNOVATION & SUSTAINABILITY WORKING GROUP	Western Australia, including Albany, is faced with increased costs for housing and this can particularly affect those seeking to settle in the region. Through an MOU with UWA Architecture, Department of Housing and Works (DHW) and WA Country Builders the GSDC will support the building of a display house demonstrating affordability and sustainability.
ECLIPSE REMEDIAL RESTORATION WORKING GROUP	GSDC will continue to partner the Department of Environment and Conservation to explore opportunities to extract some social and economic benefit from Eclipse island. As part of this project the GSDC provides support for the restoration of the buildings on the island.
REGIONAL ARTS DEVELOPMENT OFFICER	The GSDC will work with Country Arts WA to secure funding for Regional Arts Development Officers based in the regions.
REGIONAL WINE INDUSTRY MARKETING INITIATIVE	The GSDC will support a regional wine industry marketing initiative on the proviso that its participation is contingent on; a) at least a matching contribution from the wineries concerned in the initiative, and b) that the region be marketed as a whole with a view to building recognition of the quality of Great Southern wine, rather than a focus on individual brands.
REGIONAL BEEF CHAIN (BUSINESS PLAN)	The GSDC will partner with a regional export abattoir to prepare a feasibility study into the development of a beef processing facility.
SOUTH COAST MULTI SPECIES ABATTOIR (BUSINESS PLAN)	The Great Southern Development Commission will partner industry to investigate the development of a small multi-purpose abattoir to service the South Coast districts.
GREAT SOUTHERN TOURISM ALLIANCE ESTABLISHMENT	The GSDC will support the Albany Chamber of Commerce and Industry's (ACCI) proposal to establish the Albany and Great Southern Tourism Alliance (AGSTA). The Alliance is aimed principally in the area of tourism promotion and not to undertake tourism product development.
PLANTATION INDUSTRY RESTRUCTURING SUPPORT	The 2009 collapse of MIS companies TimberCorp and GSP raised some uncertainty about the future of the region's plantation timber industry. The GSDC will continue to support the industry and its workforce as needed and act as a conduit for securing accurate information of the current situation in the timber industry on behalf of government.

PROJECT NAME	PROJECT DESCRIPTION
GOAL THREE – IMPROVED INFRASTRUCTURE & ESSENTIAL SERVICES	
COMMUNITY RESOURCE CENTRES	The GSDC will continue to work with and support the further development of Community Resource Centres.
TIMBER INDUSTRY ROAD EVALUATION STRATEGY (TIRES)	The GSDC will maintain its long term support for this partnership (timber industry, Main Roads WA and local government) initiative. The main objective of the project is to achieve an upgraded road network system for the transportation of the wood chip harvest.
SOUTH EAST SHIRES POWER WORKING GROUP	The GSDC will continue to chair this partnership group (Western Power, local government and other stakeholders) to develop alternative approaches in order to improve the capacity and quality of the power supply in the South Eastern districts of the region..
REGIONAL INFRASTRUCTURE GROUP	The GSDC chairs and will continue to work through the Regional Infrastructure Group (RIG), an interagency mechanism to coordinate forward planning in the provision of key infrastructure.
MAJOR PROJECT SUPPORT - ALBANY ENTERTAINMENT CENTRE	The GSDC will maintain its role as a member of the Albany Entertainment Centre Project Control Group (City of Albany and Building Management and Works/ Department of Treasury and Finance) and manager of project funds for the duration of the construction stage.
WHALEWORLD INFRASTRUCTURE	The GSDC will continue to work with the Albany Jaycees and Department of Planning to address infrastructure maintenance issues associated with the Whaleworld Breakwater.
ALBANY WATERFRONT LANDCORP	The GSDC will continue to host a Project Manager and provide administration support for Landcorp in its work on the Albany Waterfront and other regional residential and industrial land developments.
MALT PROCESSING	The GSDC will take a lead role in an industry development initiative to investigate the technical and economic elements associated with the establishment of a boutique malting plant in the Great Southern.
GOAL FOUR – NATURAL RESOURCE MANAGEMENT	
CENTRE FOR EXCELLENCE IN NRM	The GSDC will continue its support of and close working relationship with the Centre of Excellence in Natural Resource Management (CENRM). The Centre is a tangible demonstration of a commitment to education and applied research in relation to NRM in the Great Southern region and enhances UWA Albany's profile as a vibrant regional campus.
GSDC NRM MEDAL	The GSDC initiated the Medal for Excellence in NRM in 2001 and will continue to support the award as a tangible recognition for individuals and couples who have made innovative contributions to NRM in the Great Southern region.
CASUARINA OBESA	The GSDC will continue to work with the Casuarina Obesa Working Group (COWAG), a partnership of key regional

PROJECT NAME	PROJECT DESCRIPTION
	industry and research centre stakeholders. The focus of the COWAG is to develop Casuarina Obesa based production systems that will stimulate plantation investment.
WESTERN AUSTRALIAN MEAT MARKETING COOPERATIVE (WAMMCO) WATER PLANNING	The GSDC has undertaken a joint project with WAMMCO and Meat and Livestock Australia (MLA) over twelve months to advance a two stage engineering study to improve water use efficiency and the environmental sustainability of the Cooperative's Katanning plant.

ATTACHMENT A

Albany Local Planning Strategy Peer Review Outcomes

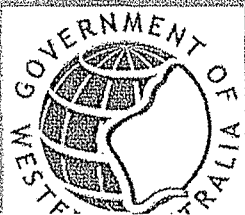
27-01012/7

Great Southern Land Supply Task Force

Summary Report

Great Southern Development Commission
(GSDC)

July 2007



GREAT SOUTHERN

1. Background

In mid 2006, the Great Southern Development Commission (GSDC) was receiving anecdotal evidence from various sectors of the land development industry in the region that there was a significant shortage of residential blocks coming on to the market. There was broad agreement across the industry i.e. from developers, project home builders, local government, planners and surveyors/engineers, that urban Albany in particular faced a chronic land shortage.

City of Albany statistics revealed that in the four years to June 2006, there were 1529 new house approvals but only 1044 new residential lots created. It could reasonably be assumed that the residential land bank had been reduced by some 400 blocks in the proceeding four years. Land developers advised that, as a consequence, lots were approximately \$30,000 over-priced. By August 2006, it was reported by some developers that there were only 40 lots available in Albany.

As a consequence of GSDC presenting this information to Government, GSDC was requested by the Minister for the Great Southern to look at ways in which the urban land supply issue might be addressed.

2. Initial Response

GSDC assessed that a key issue in addressing the problem was the lack of a formal mechanism for communication and cooperation between relevant public sector agencies and infrastructure providers. Also, there was no focal point for local development industry feedback to Government.

In response the Great Southern Land Supply Task Force (GSLSTF) was formed with GSDC as the chair and convener. Key agencies associated with the planning and approval process were invited to have a senior representative on the GSLSTF. These included:

- the City of Albany,
- Department for Planning & Infrastructure,
- Water Corporation,
- Western Power,
- Department of Environment and Conservation,
- Department of Water,
- Department of Housing & Works,
- LandCorp,
- Environment Protection Authority.

The aim of the Task Force was to address the issues constraining the release of residential blocks. It was considered vital that the person appointed to manage the operations of the Task Force should have extensive development industry experience and be adequately supported administratively.

Prominent local engineer Mr John Tomlinson was appointed as project manager. Mr Tomlinson's experience includes many years as a civil engineer in both metropolitan and regional contexts with urban development specialists Wood and Grieve. Ms Colleen Browne, who has extensive regional development experience in both the private and public sectors, was appointed as his executive officer.

GSDC allocated \$50,000 to service the research and coordinating tasks associated with the GSLSTF, which met over some 12 months every 4-6 weeks.

3. GSLTF Focus

Given the perceived urgency of the land availability situation in Albany, the initial focus of the Task Force was in two areas:

3.1. Impediments in Bringing Blocks onto the Market

The focus here was identifying and seeking to address impediments to bringing blocks onto the market where the land concerned was captured somewhere within the planning or subdivision approval process. For example, where;

- services infrastructure or environmental approval processes were problematic
- lack of communication or follow up within and between the relevant agencies and/or industry was impeding development progress.

3.2. Developable Urban Land Audit

An audit of land available and considered suitable for development in and around Albany was carried out. The focus here was on identifying land which was suitable for urban housing but was not being developed. Key reasons included:

- landholders/developers not prepared to or in a financial position to develop
- landholders unaware they could move to develop
- competing land uses

A key outcome of the audit was the identification of some parcels of government owned urban land which were eminently suited for development but were not currently being progressed for that purpose.

4. Land Bank

The minimum requirement for a land bank in the view of industry is at least one year's supply of residential blocks available at any one time. The run down of the land bank reflected the problem facing the GSLSTF.

Maintaining a land bank of residential lots is important because it;

- a. takes pressure of prices because of supply/demand balance,
- b. gives choice in the marketplace,
- c. lessens the impact of major new industry developments which can bring a sudden influx of people seeking housing,
- d. takes urgency off infrastructure upgrades.

The results of early analysis by the Task Force included factoring in the likely demand for lots to emerge if planned major local initiatives came to fruition. For example Lignor Pty Ltd proposes to establish a plant to manufacture engineered strand lumber just outside Albany which will directly employ approx. 140 people. Grange Resources proposes to establish a magnetite mine 90 km east of Albany, with most of the anticipated 240 direct employees living in or around Albany.

Albany Land Bank Table – The situation as at June 2006

Year	Number of lots required		
	2006/07	2007/08	2008/09
Current 2% predicted growth	415	435	445
+ Lignor Development	435	475	495
+ Grange development	505	685	735
+ Restore land bank over two years	705	885	735
<i>Anticipated land releases</i>	<i>406</i>	<i>378</i>	<i>267</i>
<i>Land release shortfall</i>	<i>299</i>	<i>507</i>	<i>468</i>

The above Table shows, assuming a 2% per annum population growth rate, the problem facing Albany, particularly with new industry developments coming on stream.

It also indicates that restoring a 400 lot land bank, approximately one year's supply would be sufficient to bring the market into balance.

5. Constraints

The GSLSTF identified a range of constraints affecting the land release process and prices. The significant ones included;

- speculation, with both vacant residential lots and undeveloped "frontal" land,
- the time involved in meeting new environmental standards such as for vegetation strategies, and the approval processes for rezoning,
- lack of overall service planning,

- lack of coordination amongst agencies and developers in delivering the above.

6. Outcomes of the Great Southern Land Supply Task Force

GSLSTF, with representation from the key agencies in planning approval and infrastructure provision, has proven to be an effective mechanism to galvanise cooperation between agencies, identifying and dealing with impediments to land releases and addressing related issues. Outcomes and issues can be characterized as being short, medium term and long term in focus.

6.1. Short Term Outcomes

6.1.1. Regional Vegetation Issues

The GSLSTF had an immediate impact. For example, the Task Force played a significant role in meeting the EPA's requirements for land development by initiating a Regional Vegetation Strategy. The progressing of Stage 1 of this Strategy, and other actions, successfully facilitated a 100 lot release at Oyster Harbour in December 2006. With 50 sold during the Christmas holidays, industry feedback indicated prices were mitigated by some \$30,000 per lot down from what UDIA regarded as the previous demand driven speculative prices elsewhere.

Stage 2 of the Regional Vegetation Strategy started in July 2007, with the funding support of local natural resource management funding vehicle South Coast NRM.

As a result, GSDC expects, subject to continuing demand, that by June 2008 the critical shortage to lessen with around 1400 new residential lots created in: - Oyster Harbour, 400; Yakamia 200, McKail 600; and Lockyer/Cuthbert, 200.

There have been reports of decreases in the cost of lots at McKail with sales recorded in the \$160,000 - \$170,000 bracket, down from highs of \$180,000 to \$200,000 previously.

6.1.2. Ameliorating Land Speculation

Achieving this outcome was greatly assisted by the role developers played in reducing land speculation. Among other things, the Task Force established that the region is fortunate in having some experienced, capable and professional (private and public sector) developers which have significant holdings in Albany, e.g. Peet and Co, Department of Housing and Works, Heath Corporation, Ardross Estates.

Developers have been able to minimize the general movement towards speculation by undertaking a variety of measures;

- requiring a 12 month building clause in all contracts of sale,
- vetting all sales,
- limiting one lot per purchaser,
- selling to builders,
- establishing a registration of interest prior to release.

The developers have also acquired broad acre holdings for development in the medium term at Oyster Harbour, Big Grove, Yakamia and McKail/Milpara locations.

Such acquisitions will greatly assist restoration of the land bank and are also considered significant in ameliorating speculation.

6.2. Medium Term Outcomes

The GSLSTF found that many agencies are struggling in overcoming the impediments to land developments in a way that is compatible with such a unique environment as Albany. GSDC assessed that this problem was not just restricted to Albany, however in regard to inland shires; the main difficulty was reported as being securing the timely development of Crown or their own land for residential purposes.

To assist in managing these regional land development issues in the medium term, a two- pronged approach was pursued to bring some expert advice to assist local authorities.

6.2.1. ALPS Peer Review

In Albany, a Peer Review of the draft Albany Land Planning Strategy (ALPS) was organised and enthusiastically supported by the City of Albany to take place over four days in May 2007.

This was a City of Albany and GSDC jointly-funded initiative that sought to ensure the ALPS adequately integrated future land use planning, servicing and infrastructure issues previously identified by the GSLTF

The independent Review Panel consisted of prominent urban design and town planning experts from elsewhere interacting with key government, planning and development industry stakeholders. The Review Panel made a number of recommendations to be adopted by the Albany City Council.

The key outcome of the Review highlighted the need for a Structure Plan to be developed for Albany as a matter of urgency. This Plan would provide clarity, diversity in housing options and help address rental shortfalls expected from the anticipated Grange and Lignor projects. The Review advocated a Ministerial Task Force be set up to drive the development of the Structure Plan.

Echoing the success of the of the Task Force itself in achieving greater communication and co-ordination between those with development interests and responsibilities, another key outcome of the Review was the recommendation that a Great Southern Planning Committee be established. The Review Panel envisaged that this have full delegated statutory powers from the WAPC (based on the South West Planning Committee model) and be broadly responsible for implementation of the Structure Plan.

The Review Panel also recognised the need to retain Albany's unique heritage and natural assets, as well as the likely lack of industrial land available due to delays in key decisions by landholders/developers or sale of land pending. The Panel noted that their recommendations will require adequate resourcing, given current and predicted land use pressures.

While peer reviews are common in architecture for significant buildings, this is thought to be the first time in WA and possibly nationally, that a formal peer review has been instigated for a local government planning strategy.

The ALPS was formally adopted by the COA on 21 August 2007 with the recommendations contained in the Peer Review being accepted for action at the same time. These recommendations can be found within the Peer Review document which is presented in full as Attachment A to this Report.

6.2.2. Land Development Elsewhere in the Great Southern

The most pressing land development issue identified by local governments outside Albany has been the difficulty they have in bringing public or private sector developer interest to bear in appropriate time frames, particularly in regard to developing their own or local Crown land.

Demand for residential land in a number of inland towns has been inconsistent over the last decade, reflecting the fact that many towns have experienced population decline over this same period. More recently however, possibly as a response to widespread escalation in housing costs elsewhere, there has been renewed buyer interest in a number of inland towns, but without corresponding interest from developers.

An imperative for many inland local governments has therefore been to work out the best way to take advantage of potential buyer demand by ensuring that residential land comes on to the market in a timely manner.

In response to this, GSDC organized a land development seminar for Great Southern local governments at Tambellup in April 2007. At the well-attended seminar, DPI's Land Development Coordinator (South East) detailed the recommended land assembly process for local authorities to follow if they wished to develop land in their own right.

LandCorp's regional consultant/project manager also provided feedback on the process of engaging LandCorp as a developer of local land, including under the State Government's Small Town Development Programme, and, provided advice on the management of development costs at a local level.

At the time of writing, several local governments have pursued interested in the land assembly process while others are continuing to work with and through LandCorp.

7. Longer Term Issues

While the GSLSTF resolved the immediate crisis, to progress the future orderly release of residential land, a number of long term issues need to be addressed. This is not only to ensure an even balance in the market between supply and demand but also market segmentation to ensure a variety exists in terms of price and style.

Developers interacting with the Task Force suggest the need for certain policy changes in the land release process at a State level. Some of the consistent issues raised by developers are;

- The subdivision process is exhaustive and creates frustration, thereby tending to discourage potential developers in certain situations
- The requirement for a regional headworks policy that takes into account the smaller and slower developments in the regions when compared with Perth,
- Double stamp duty, from developer to builder and then, builder to consumer, inflating costs.

However, at a regional level, there are issues that local agencies may be able to influence.

7.1. Servicing

Servicing costs for new lots are high - approximately \$85,000 for residential lots. However, if sewer infill programs had not been undertaken at Bayonet Head, Emu Point and Little Grove, it would have proved difficult for developers to release future land in these areas.

GSDC observes that servicing planning involving power, water supply, sewerage and transportation is not yet carried out with sufficient rigour in Albany and can lead to lack of continuity and coordination between service providers and delays.

7.2. Approval Process

The GSLSTF noted the complexity and expense involved in the approval processes, for example;

- Onsite vegetation assessment requirements, given the lack of a regional vegetation strategy. This situation will improve over time as Stage 2 of the recently commissioned RVS comes to fruition.
- The various requirements for Outline Development Plans.

7.3. Affordability

The GSLSTF demonstrated how cooperation amongst agencies and developers in securing a timely release of land can significantly effect prices and hence affordability. Anecdotal evidence provided from within the land development and building industry indicates that one outcome of the GSLTF's work in increasing land supply was to lower the price of new housing blocks by approximately \$30,000.

Moving beyond the urgency of the initial situation, it is apparent that the City requires variety in the housing market to suit all budgets, lifestyles and aspirations. DHW's initiative in their Oyster Harbour and McKail developments with a mixture of lot sizes and experimentation with local builders to achieve more variety and affordability in local housing, illustrates a way forward.

7.4. Livability

For the future development of Albany, processes need to be established to manage rapid growth while ensuring that Albany remains an attractive place to live by building on its unique qualities, namely its built and natural environment and sense of community. Again, this matter is covered in greater depth in the Peer Review document attached.

8. Concluding Remarks

In June, 2007 State Government released the Lower Great Southern (Planning) Strategy. The implementation of this Strategy is envisaged within that document as being guided by a Great Southern Planning Coordinating Committee, which would among things would facilitate a "...whole of government approach to land use planning and coordinating infrastructure in the area" (2007, p101).

This echoes the findings of the GSLTF and the ALPS Peer Review Panel, both of which felt strongly that long term a formal coordination mechanism across the numerous agencies is required which would be responsive to development pressures and headworks needs. If the services planners and planning approval agencies were to report to a local regional planning body, it should ensure emerging problems and issues are identified earlier and addressed. Such a body would also ensure Government polices are developed that are appropriate for the region's unique qualities.

GSDC has advocated such a position in its recent submission to the Government Inquiry into establishing a 20 Year Infrastructure Plan. The question to be determined by Government is how wide the powers and responsibilities of such a Committee should be. As noted above, the Peer Review Panel has taken as its preferred model the South West Planning Committee, which does have statutory planning responsibilities.

9. Recommendation

GSDC recommends the feasibility of establishing a Great Southern Planning Committee, with similar responsibilities and relationship to the WAPC as the South West Planning Committee, should be explored as soon as practicable.

BRUCE MANNING

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GREAT SOUTHERN LAND TASK FORCE**

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