

Chairman; Mr Peter Watson; Dr Graham Jacobs; Mr Matt Birney; Mr Terry Redman; Mr Paul Papalia; Mr Mick Murray

Division 18: Great Southern Development Commission, \$4 253 000 -

Mr G. Woodhams, Chairman.

Mr P.B. Watson, Parliamentary Secretary to the Minister for Great Southern.

Mr T. Jupp, Principal Policy Adviser, Office of the Minister for Great Southern.

Mr. B.M. Manning, Chief Executive Officer.

The CHAIRMAN: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be published by 9.00 am tomorrow.

The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. This is the prime focus of the committee. While there is scope for members to examine many matters, questions need to be clearly related to a page number, item, program, or amount within the volumes. For example, members are free to pursue performance indicators that are included in the budget statements while there remains a clear link between the questions and the estimates. It is my intention to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point.

The minister may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. For the purpose of following up the provision of this information, I ask the minister to clearly indicate to the committee which supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the committee clerk by 8 June 2007 so that members may read it before the report and third reading stages. If the supplementary information cannot be provided within that time, written advice is required of the day by which the information will be made available. Details in relation to supplementary information have been provided to both members and advisers and, accordingly, I ask the minister to cooperate with those requirements.

I caution members that if the minister asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office. Only supplementary information that the minister agrees to provide will be sought by 8 June 2007.

It will also greatly assist Hansard if when referring to the program statements volumes or the consolidated account estimates, members give the page number, item, program and amount in preface to their question.

I now ask the minister to introduce his advisers to the committee.

Mr P.B. WATSON: I am parliamentary secretary.

The CHAIRMAN: Parliamentary secretary.

Mr P.B. WATSON: If there has been a sudden coup d'état, we have not told the minister!

The CHAIRMAN: The minister can hear, of course, parliamentary secretary!

Dr G.G. JACOBS: I am not sure whether I address my question to the minister or the parliamentary secretary.

The CHAIRMAN: I suggest the member for Roe address his question to the parliamentary secretary.

Dr G.G. JACOBS: I refer the parliamentary secretary to the sixth and seventh dot points on page 332 that essentially concern the edge-of-grid power issues. The Ravensthorpe area receives power via a 270 kilometre power line, which comes from Katanning through Gnowangerup and Jerramungup. My question concerns the issues of poor capacity and the poor quality of power. I commend Bruce Manning for his work in this area in trying to establish better capacity and better quality which the edge-of-grid policy is not delivering for these three towns, particularly Ravensthorpe at the end of that line, which is trying to cope with increased demand due to the Ravensthorpe nickel operation and the demands on light commercial and commercial industry. The seventh dot point on page 332 states that the commission completed a power demand survey for Jerramungup and Ravensthorpe shires. What are the essentials of that survey, and is there any indication of action from the survey to address this critical need in the region?

Mr P.B. WATSON: Mr Chair, I will ask Bruce Manning to answer that question for me.

Mr. B.M. Manning: Just taking the first part of the question, there have been two surveys. We at the commission commissioned one ourselves, and then we did one with Western Power because it sought to confirm our initial figures. The first survey showed that medium-term demand in that area - that is, from Albany to Ravensthorpe - would be in the region of 15 megawatts. The second survey with Western Power indicated a

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demand of 10 to 12 megawatts. That is excluding the needs of Grange Resources Ltd for the Grange magnetite mine, if and when it gets up, which is somewhere between 80 and 90 megawatts. Grange keeps changing its mind on exactly how much it needs. With regard to the second part of the question, the second survey was more comprehensive in the sense that survey forms were sent to potential power users and existing power users, and they were asked to estimate what they would need or how much more they would need. The third part of the question related to work that is being done with regard to those issues. Ravensthorpe is not in the great southern region, so it is not actually part of my responsibility. However, my understanding is that Western Power is looking at a peak lopping system with a diesel generator, and is in the process of putting that in place at Ravensthorpe to address the existing need. With regard to Bremer Bay, Western Power is finetuning the return of Bremer Bay to the power grid. About three years ago Bremer Bay was taken off the grid and put onto a combined wind power and diesel system. Since then, Western Power has been trying to finetune the return of Bremer Bay to the grid to a point at which the diesel motors will kick in when the wind power is insufficient. I would have to conclude that there have been significant technical issues in getting that cutting-edge technology system to work. That is how it has been described to me by Western Power. We had a meeting with Western Power representatives on Tuesday. After that meeting I asked about progress, because there have been significant outages in recent weeks. I was told that Western Power is having trouble with the technical aspects of that arrangement. I am sorry; I am not a power engineer so I cannot go into absolute detail.

[12.40 pm]

Mr M.J. BIRNEY: I am sure the member for Albany will not mind it if I call him “minister” because he has a certain ministerial aura about him, especially today!

I refer to the heading “Grants and subsidies” on page 337 of the *Budget Statements*. Obviously, the Great Southern Development Commission administers quite a number of grants throughout the year through the regional development scheme and some other schemes. The parliamentary secretary will probably need to provide the information I seek by way of supplementary information. Can the parliamentary secretary advise of all the grants that were approved during the year and those that were not approved, the applicants in both instances and a very brief description of the nature of the grants that were applied for that were either rejected or approved?

Mr. B.M. Manning: The procedure for RDS grants and other grants is quite different. The Great Southern Development Commission administers only the RDS grants. I am happy to provide those details. That is not a problem; in fact, they are on the public record. With regard to the other grant sources, such as the regional infrastructure fund and capital works grants via Treasury, we can give the details, but there is no application process as such.

Mr M.J. BIRNEY: I am chasing from the Great Southern Development Commission information about the grants that were approved, the grants that were not approved, the value of those grants, the name of the applicant and a brief description of the project through the development commission.

Mr. B.M. Manning: That is easy.

The CHAIRMAN: Does the parliamentary secretary agree to supply that information?

Mr P.B. WATSON: Yes.

[*Supplementary Information No B24.*]

Mr D.T. REDMAN: The first two dot points on page 333 refer to the establishment in the 2006-07 financial year of a land supply task force in response to the significant issue of a lack of residential land in the great southern. Did the task force’s brief extend beyond the city and into the hinterland? I would like to know about the funding arrangements that resourced that task force.

Mr P.B. WATSON: Before I ask Mr Manning to respond, the Great Southern Development Commission’s task force was a tremendous concept. The main issue in the Albany region was that bits of land were available here and there, but no-one was talking. A meeting was attended by representatives from the Department for Planning and Infrastructure and Western Power etc, because there had been a hiccup and people were running into brick walls. John Tomlinson set up the task force that amalgamated the different groups. I will let Mr Manning talk about the funding.

Mr. B.M. Manning: I understand the member is asking what happened outside Albany.

Mr D.T. REDMAN: Yes. The way it reads is that there was strong focus on Albany as a centre. The budget also refers to significant need in some of the inland regional communities. Did the brief extend to those places; and, if so, what were the outcomes?

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Mr. B.M. Manning: The answer is yes, it did. Two central activities have taken place as a consequence of the task force. First, there was a focus on the land supply issue in Albany. We have regular contact with our shires and the key issue they identified was their inability to bring land onto the market in what they perceived to be an optimistic environment. Some of our shires have been worried about suddenly getting demand for land in places in which previously there was no demand. They were concerned about their inability to bring land on, to satisfy that demand and to generate economic growth, particularly because things had been static. The first stage in the process of helping them occurred on 22 April at Tambellup. We involved Ken McCracken, from the Department for Planning and Infrastructure, who is a specialist in what we call the land assembly process. We took representatives of LandCorp to Tambellup and we held a workshop to introduce those people to our shire engineers. Some 22 councillors from around the region attended. That workshop explained the process of developing land as an alternative to working through the LandCorp process. The land assembly process allows shires to develop land if they wish to take that risk in their own right. I had a meeting with Ken McCracken yesterday. He reported that he had developed a good rapport with the shires. Several shires have approached him and asked him to assist them to move through that process. We focus heavily on Albany, where we identified a significant number of lots. Our land bank had basically gone and we needed to bring on between 400 and 500 lots a year. However, we have also catered for those outside of Albany. One shire did not turn up, but I will not go into any detail. The shires that want to take advantage of the land supply process are doing so.

Mr D.T. REDMAN: I have a further question, Mr Chairman.

The CHAIRMAN: Before I allow that question, I counsel members and advisers - I am not trying to be heavy-handed - that for the purposes of Hansard and the process, questions and answers must be directed through the parliamentary secretary or the Chairman.

Mr D.T. REDMAN: I seek clarification about whether, compared with Albany, there were differences in the barriers to developing land in those inland communities. Did the task force have any discussions along those lines?

Mr. B.M. Manning: The barrier that we focused on outside Albany was what we had been told by our shires; namely, that they were having difficulty attracting good land developers. People were not knocking on their doors and saying that they wanted to buy 10 acres on the edge of town to develop. LandCorp runs the town development program across the state, but they tend to move in one or two-year frameworks in the sense that they will identify a particular place and then do a detailed business analysis of whether it is worthwhile for them to do something in response to an expression of interest etc. That process can take some time. For example, Tambellup has a big parcel of land on the edge of town. The shire believes that there is a demand for blocks. However, it does not have the experience to develop those blocks, so it asked for information. That is common across most of the shires and is reflected in the fact that there was such good attendance at the workshop. We are intent on working with Ken McCracken, a land development expert, to facilitate more of those blocks coming onto the market.

Mr D.T. REDMAN: What about the funding of the task force?

Mr P.B. WATSON: It was funded by the GSDC.

Mr D.T. REDMAN: From its internal funds?

Mr. B.M. Manning: It was RDS funds that had not been utilised because projects had not gone ahead. The procedure is to write to the minister to ask that those funds be redirected, which is what we did.

[12.50 pm]

Mr P.B. WATSON: Just to follow up, due to continuing demand, the Great Southern Development Commission advises that there will be 1 400 new residential lots in Albany by June 2008; that is, 200 in Lockyer-Cuthbert, 600 in McKail, 200 in Yakamia, and 400 in Oyster Harbour. They are the only figures we have at the moment, but I am sure we can get others if the member requires them.

Mr D.T. REDMAN: Yes; I would like them for the inland communities.

Mr P.B. WATSON: Perhaps Mr Manning has the details.

Mr. B.M. Manning: It is early days but we will track which shires are going to develop which parcels of land and try to total up how we will go with the blocks. That will be a longer process because they have to make a decision. There are some risks in land development. One of the purposes of the workshop was to flag the risks for them. Yes, they can do it, and there is the land assembly process, but risks are involved. An example is that the average development cost of a lot is \$60 000, and it is a question of whether the developer will get \$60 000 if the market collapses in two years.

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The CHAIRMAN: Is the member for Stirling seeking supplementary information?

Mr D.T. REDMAN: Yes, assuming it is there to provide.

Mr P.B. WATSON: As Mr Manning said, it is something that is developing at the moment. One of the main things is that it is not just a short-term solution; it is setting up the next 20 years. The City of Albany and everyone involved will have a pathway to follow, whereas everyone was going in different directions before.

Mr P. PAPALIA: I refer to the first dot point under "Major Achievements For 2006-07" at page 332 of the *Budget Statements*. I know that the Albany entertainment centre is close to the parliamentary secretary's heart. Can he expand on the progress of the entertainment centre project?

Mr P.B. WATSON: The entertainment centre has created quite a bit of interest in the City of Albany. In fact, there is a protest group against it in Albany. I respect their views. The entertainment centre was going to be in York Street where the old council buildings were. There were some native title issues. When the Water Corporation decided to install a pipe, it found that the rock in that location was very tough. Parking is also an issue. About two years ago I came up with a suggestion because I was involved with the entertainment centre in the initial stages: I suggested that it be moved to the foreshore. With the move, more costs were involved. We put it to the City of Albany and it voted unanimously for the move. The government has increased its commitment from \$19.95 million to \$34.85 million because different designs are involved. Being on the foreshore, there is a need to deal with sound. Some people say that it cannot be on the foreshore because of the sound of passing trucks and ships in the harbour. As I explain to people, a person can sleep in a hotel next to an airport. One of the guidelines for the designers of the entertainment centre is to have appropriate facilities.

Leading Western Australia architects Cox, Howlett and Bailey Woodland have been appointed to detail the design. We hope we will have a concept that everyone will be happy with. They are preparing a concept design to be presented to the Albany City Council. A detailed design will then be undertaken during 2007-08 with construction expected to start in May 2008. There will be seating for more than 600 people. Some people say that there should be seating for 1 000. However, it is a bit like the new football stadium. Some people say that there should be seating for 60 000 but others say that there should be seating for 80 000. If the football stadium held 80 000 people, it would be half empty all the time. That is the problem. We have looked at the entertainment centres in Mandurah and Busselton, which have much bigger population hinterlands than Albany's. They are battling to get 500 people. In addition, there will be a smaller centre on the side of the building for 300 people. That will provide break-out space. It is a very exciting concept. It will be a tourism icon for Albany and provide jobs for young people so they can stay in town. A lot of people do not want to see the identity of Albany change, but the entertainment centre is a great idea. However, some views of the water from Stirling Terrace will be affected. There was a lot of doom and gloom from some people who thought that there would be big block buildings, which is not the case. Once the entertainment centre is finished, it will fit in very well with the foreshore and it will become an icon for the electorates of Albany and Stirling and for people out of town. A lot of people travel to Perth for shows but if we can have an entertainment centre in Albany, they will not have to take that trip. In addition, a lot of short-stay accommodation on the foreshore will benefit.

Mr P. PAPALIA: It replicates the one in Bunbury; it is the centre of cultural activity.

Mr P.B. WATSON: That is right. Albany has a very big arts community.

The CHAIRMAN: I advise members that time is very limited. Other members have questions queued up.

MR M.P. MURRAY: I refer to the eighth dot point at page 332 that concerns the Perth International Arts Festival and the great southern program. It has been very successful to date and mostly sold out. Will the program continue into the future?

Mr P.B. WATSON: I thank the member for Collie-Wellington. I appreciate the pressure he has been under. I also appreciate his being here today.

Mr. B.M. Manning: The festival the member is referring to is the Perth International Arts Festival, which is a significant initiative for the region. For the past four years we have done a deal with the festival to bring international acts to Albany. The initiative has grown significantly. We have, in principle, committed to the period of the current director's tenure at PIAF. The director at the moment is Shelagh Magadza, who was appointed last year. The answer to the member's question is yes, it will continue. I am sure it will continue to get good support from the government because it has been very successful.

Mr M.J. BIRNEY: I refer to the tenth dot point at page 333, which states -

Delivered the 2005 State Government's Election Commitments . . .

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It includes a couple of examples. Is the commission aware of any state government election commitments that have not yet been delivered? If so, is the commission aware of the reasons for that lack of delivery?

Mr P.B. WATSON: As far as I know, all the election commitments for Albany have been delivered or are being delivered.

Mr D.T. REDMAN: What about One Community - One College?

Mr P.B. WATSON: Funding has gone towards that. It is an ongoing project. As far as I know, none of the projects from the 2005-06 budget has not been acted upon.

Mr. B.M. Manning: Only some election commitments go through the commission's budget. Those that have gone through the commission's budget are either on target or have been delivered.

Mr M.J. BIRNEY: I appreciate that only a certain number go through the commission's budget, but my question was whether the commission is aware of any state government election promises that have not yet been implemented regardless of whether they went through the commission's budget.

Mr. B.M. Manning: I cannot think of a commitment that has not been honoured at this stage.

Mr D.T. REDMAN: I refer to the delivery of services at page 329 of the *Budget Statements*. I refer specifically to the line item "Total appropriations provided to deliver services". There is quite a discrepancy between the 2006-07 budget and the 2006-07 estimated actual. From my brief glance at the papers it seems to reflect a difference in income that is presumably coming into the commission, which is identified on page 330. Can the parliamentary secretary elaborate on the differences on the basis of the income change?

The CHAIRMAN: Members, it is one o'clock and this estimates committee can proceed no further.

The appropriation was recommended.

Meeting suspended from 1.00 to 2.00 pm