

PUBLIC ACCOUNTS COMMITTEE

INQUIRY INTO FUNDING ARRANGEMENTS FOR WESTERN AUSTRALIAN INFRASTRUCTURE PROJECTS

**TRANSCRIPT OF EVIDENCE TAKEN
AT PERTH
MONDAY, 15 OCTOBER 2007**

SESSION FOUR

Members

Mr J.R. Quigley (Chairman)
Dr S.C. Thomas (Deputy Chairman)
Mr P.B. Watson
Mr D.T. Redman
Mr B.S Wyatt

Hearing commenced at 3.00 pm**DAWKINS, MR JEREMY ERNEST****Chairman, Western Australian Planning Commission, examined:**

The CHAIRMAN: This committee hearing is a proceeding of Parliament and warrants the same respect that proceedings in the house itself demand. Even though you are not required to give evidence on oath, any deliberate misleading of the committee may be regarded as a contempt of Parliament. Have you completed the "Details of Witness" form?

Mr Dawkins: Yes, I have.

The CHAIRMAN: Did you receive and read an information for witnesses briefing sheet regarding the giving evidence before parliamentary committees?

Mr Dawkins: Yes, I did.

The CHAIRMAN: Do you have any questions relating to your appearance before the committee today?

Mr Dawkins: No.

The CHAIRMAN: On behalf of the committee, I take this opportunity to thank you for taking the time to appear before us today. The committee convened and set its own terms of reference. Those terms of reference, with which you are probably familiar, allow us to look at the adequacy of the constitutional arrangements and de facto arrangements that exist between the state and the commonwealth for the funding of infrastructure projects in Western Australia. We are looking particularly at those infrastructure projects that generate income as opposed to the Mandurah railway line, for example. They include in the regions soft infrastructure - not the wharf, but the police stations, the road to the wharf and the schools that are needed in these areas. To bring you up to speed, evidence has been given at previous hearings. Only today we received the framework for the infrastructure strategy. We understand that it will be concluded late this year or the first half of next year. Professor Greg Craven appeared before the committee. He said, if I can use colloquial language, that we have to "guts up" the effort of getting money out of the feds. As Gorgon and Pluto have demonstrated, that is no easy ask, even though they are generating massive income streams for the commonwealth. Against that background, have you given this any thought? To give you some focus, how do we go about the effort?

Mr Dawkins: Yes, I have given it a lot of thought. It is not so much about the really massive ones or the unexpected discoveries. Browse Basin and so on have been around for a long time, but you never know until a decision is made whether it will happen or not. When it does happen, decisions are made outside Western Australia and outside the control of the governments and so forth as to whether the platforms will be at sea, on a rock or on land; and, if so, where, and those sorts of questions.

The CHAIRMAN: But the gas has to come ashore somewhere.

Mr Dawkins: It might all be done at sea and shipped off at sea. These decisions are presumably made in boardrooms in other parts of the world, as often as not. What I am saying is that what I have not got any simple answers for is when there is a major discovery. Ravensthorpe nickel is a bit similar. Everyone has to mobilise around that as a relatively unexpected but major issue. Equally, I do not have a lot to say about commonwealth-state relations. However, I would like to discuss with the committee some of the long-standing processes in Western Australia that are used when dealing with major infrastructure, a lot of which is contributing to the economy quite directly.

We have very good traditions and very good experience and practices in Western Australia, but certainly, as you were saying earlier, we have to beef it up. Some of these practices are confined essentially to Perth and the Peel, and it is the position of the Planning Commission that we should make those mechanisms more widely available - statewide, in fact. Whether it is really major infrastructure or the relatively day-to-day infrastructure of roads, schools, hospitals and pipelines -

The CHAIRMAN: Soft infrastructure.

Mr Dawkins: Hard and soft.

The CHAIRMAN: The committee is calling the port itself hard infrastructure, but some of the social infrastructure that sits behind is soft.

Mr Dawkins: That is right. However, in the end, all of it requires land, a place - a location. It all requires some form of structure and bricks and mortar and things of that kind. We have excellent models in Western Australia and some really good precedents. However, we could do a whole lot better. That is what I was hoping we might talk about.

I would like to distribute some documents. The smaller document has the innocuous title of "Stories from fifty years of regional planning". It is a very serious document in its attempt to capture for Western Australians what Western Australians should be proud of in terms of building this planning system. We have the oldest planning act - it was passed in 1928. After the post-war period, we went about getting into regional planning in a serious way and instituted some mechanisms back in the 1950s which, in many respects, are the envy of other states these days. New South Wales and Victoria had comparable mechanisms, but they mislaid them along the way, partly because of relations between state and local governments or maladministration within the Melbourne and Metropolitan Board of Works. For various reasons of the time, the institutions were changed and lost. We have stayed with the institutions set up after the Stephenson-Hepburn plan and they have proved extremely valuable and durable. The approach to those has been quite bipartisan. As I sometimes remind people, it was the McLarty government that commissioned Gordon Stephenson. The Hawke government adopted his report, the Brand government started implementing his recommendations and the Tonkin government continued to develop the metropolitan region scheme and the systems recommended by Hepburn. The Burke government set up the State Planning Commission and the Court government created the Western Australian Planning Commission. We have continued to build on that system in an essentially bipartisan way. The three critical elements that Stephenson recommended were adopted. The first was a statutory region scheme that goes to Parliament, as you know, so that the big issues about urban growth, transport corridors and regional open space and those sorts of major elements of the city that have had a profound effect on Perth - Perth would not be the same without the region open space, the buying back the banks of the river, the transport corridors - are embodied in a big public transparent document called the metropolitan region scheme, which is laid before Parliament before every major change. In other words, we have had, in effect, a growth boundary mechanism since 1963. We have been pretty relaxed about expanding the boundary, so it is not as though we have a tight cordon around the city. We have had the statutory mechanism for urban expansion that other states, such as Victoria, have been introducing in recent years. We have been running that for 40 years.

The second main component was the metropolitan regional improvement tax which, as I say, was implemented by the Brand government. That has had a profound effect on the ability to implement the metropolitan region scheme. The third element was a planning commission. It was initially the Metropolitan Region Planning Authority, then it was the State Planning Commission, now it is the Western Australian Planning Commission. There is an independent expert body to manage the scheme, to advise governments and to manage the metropolitan region improvement fund.

In 2004, I returned to Western Australia after a 16-year absence. Having come from New South Wales where all planning decisions are considered to be somehow a bit dodgy, I was struck by how well regarded the Planning Commission was and, indeed, the whole planning system. It was very

apparent to me when I met with representatives from all sorts of organisations - councils, local groups and agencies - that the Planning Commission was regarded as above politics, technically competent and impartial in that it was driven essentially by planning considerations in everything it did. It was really quite striking, and that is quite precious and something that we should be trying to protect.

Dr S.C. THOMAS: I accept much of what you said. An issue that has arisen before the committee is the timeliness of getting plans approved for development. We recognise that there is a shortfall of nearly every skilled trade across the state. Is there a shortfall of planners in the Western Australian Planning Commission? There is an issue that relates to regional areas and getting town plans and shire plans, but probably more specifically town plans, up and going to facilitate the development of those regional areas. The committee visited Karratha in the north and Hopetoun, Esperance and Ravensthorpe in the south. In all those areas there were constraints. Some of those constraints relate to the lack of long-term planning. No doubt you will say that there is an issue with local governments getting their plans before the WAPC which, I expect to be a component. My understanding is that there is then a constraint particularly in terms of - I do not think it is a budgetary constraint - getting the planners who are required to progress that through the WAPC. Can you comment on that?

[3.15 pm]

Mr Dawkins: Yes, it is too slow. When travelling around I am told it takes too long and often one cannot help but be very sympathetic to these complaints. The Ravensthorpe council certainly impressed that upon me.

There are a number of elements to this. Partly, it is simply to do with the available resources in the department. The Planning Commission does not employ any planners; for these matters it relies entirely on the department. In fact, we do not employ any staff at all.

Dr S.C. THOMAS: Yes, but the availability of human resources -

Mr Dawkins: Through the department.

Dr S.C. THOMAS: - is probably more of a key issue than financial resources.

Mr Dawkins: For whatever reason, there is a significant shortage there.

Dr S.C. THOMAS: Do you have any idea how big that is? How difficult is it to have an insufficient number of planners, or is that a question you need to pass on?

Mr D.T. REDMAN: You are talking about DPI.

Dr S.C. THOMAS: Well, it will be through DPI, and we can ask DPI when they come forward.

Mr Dawkins: Yes, I think you should ask the DPI people when they appear before you. I would not want to say. The Planning Commission is not really involved in staffing matters.

Dr S.C. THOMAS: Okay. To draw you back to the example of Esperance, for example, we were told that, I think, the Department for Planning and Infrastructure had agreed to write the Esperance town plan to facilitate the growth of Esperance. We were then told by that shire that the Esperance town plan had been before the WAPC for some 18 months, but the WAPC had difficulty getting enough resources and staff to get it through any faster. Do we need this committee to recommend that additional resources are necessary in your WAPC in order to get these plans through? Is it a matter of concentrating at both local government and Planning Commission level, or is it a matter of one or the other? How does the Planning Commission view what it needs to get these proposals through in order to allow for a reasonable rate of development?

Mr Dawkins: Well, I suppose that I am not keen to comment on resource matters within DPI, and I think that is a question -

Dr S.C. THOMAS: Again. Okay.

Mr Dawkins: - that they should address. There are two other aspects in which I think the Planning Commission has a role. One is, in a sense, the culture of planning. Although the Planning Commission is essentially a committee and has no staff, it certainly has a view about modernising the culture of planning. Although it is a slow process, for the commission it is about focussing more on the things that really matter and less on the things that matter less. To a certain extent, it has always been the case in planning, and planning is not alone in this, that if you can regulate it, you do so; whereas, the more correct attitude says there are a whole lot of things that the sky will not fall in on whether or not you do those things, and just because you can do something, it does not mean you should. In my view, a bit more risk management and a bit more readiness to accept the views of councils, and other such bodies, about these matters are needed. However, that is simply a point of view and -

Mr D.T. REDMAN: To clarify this term “culture of planning”, are you talking about matters similar to the Grace Town development where there have been some significant moves from what you might say were standard practice in terms of how small lots can go before you have reticulated water or -

Mr Dawkins: That is more of a technical question, and I think that -

Mr D.T. REDMAN: So you are not talking about those types of matters -

Mr Dawkins: No, that is more about technology and innovation. We would like to trial different methods at a faster pace. In a way, many of our policies about potable water, block sizes and things like that, are slowly changing. I think the commission is a bit impatient to review those things, but quite properly our advisors do not want us to adopt new policy until everyone is across it and is reasonably comfortable that there will not be any unintended consequences. Consequently, we are a bit constrained in that sense and quite properly move with caution in some of those areas. We should change those policies in light of changing circumstances and changing technology. However, I am talking more about the judgement that people exercise over what needs to be controlled and what does not need to be controlled. I think that the Planning Commission can be rather more relaxed than it is about a number of these things; or it will need to accept that some of these things will get away from it -

Mr D.T. REDMAN: Yes. Can you provide the committee with an example of a business issue that you may be involved in, but think that you should not be involved in?

Mr Dawkins: Well, I suppose, some of the details of local planning schemes. One of the issues is how long it takes to review these issues. Personally, I would take more of a risk management approach and say that I think the local council knows what it is doing and give them the benefit of the doubt on some of these matters.

To move onto my third point about all this, away from cultural issues to procedural issues, the commission is the government’s principle advisor on the planning system and the planning process. There is no question that the process should be simplified, streamlined and speeded up. However, I suppose everyone is familiar with how difficult it is to reform long-embedded systems, but we are certainly moving in that direction. We are continually moving in the right direction but the Planning Commission would like to see it move faster.

Dr S.C. THOMAS: When an unforeseen need arises - for example, Karratha did not exist but then suddenly does exist and requires massive expansion - is the WAPC getting involved early enough in the planning process, not so much from the perspective of the delivery of water and sewage services, which is the purview of someone else, but rather in the planning of the release of land and the ability to sub-divide land and all those types of matters? Is the Planning Commission getting involved earlier enough in the process or is there a call for the WAPC to get involved in the process at an earlier stage than is currently the case?

Mr Dawkins: I think the planning system as a whole is getting involved early enough. I think that DPI, as the home of the planners, is involved at the early stages. I think the question that comes out of our 50 years' experience, and the case study document that I tabled earlier, is that the good mechanisms we have in place in Perth and Peel are not available to the entire state. The planners may well be in there at the outset, and DPI on behalf of the Planning Commission has done lots of strategic planning right across Western Australia. But there is still, I think, a case for saying that we are not using the mechanisms that we already have and which have proved extremely valuable in places where they have been operating for an extremely long time - for example, in Perth. That is what the tabled document is about. Can I just provide one example? The example I wish to refer to is -

The CHAIRMAN: Is this from the case studies?

Mr Dawkins: Yes, it is the most recent example on pages 14 and 15 of the document.

The CHAIRMAN: Is that Fremantle Harbour?

Mr Dawkins: Yes. You will see on the lower map a planning control area marked with a yellow line. The outer harbour is one of the larger pieces of infrastructure that this state will build. The freight network review adopted the very intelligent position, one that we should adopt more often, of not determining whether or not the outer harbour would go ahead - it was much too soon for that - but instead deciding over the next five years to remove all impediments facing a possible decision about the harbour. That meant conducting all the necessary investigations including thorough environmental, economic and transport-related community consultations and other such things in order to see whether any major impediments were involved and how they might be overcome. Consequently, a sustainability assessment was done across a range of options for an outer harbour in that location, including northern and southern access and other matters of that kind, and finally one option emerged. That option is undergoing further investigations and testing for optimisation and things of that kind. While all that was going on, the Planning Commission knew that there was a need for a major transport corridor to serve the outer harbour -

The CHAIRMAN: Is that delineated by the yellow line in this map?

Mr Dawkins: That is what the yellow line is about. It accommodates a heavy freight dual-carriage highway and a railway line.

The CHAIRMAN: Was this in place of the ring-road that was cancelled.

Mr Dawkins: No. This is entirely new.

The CHAIRMAN: I refer to the Fremantle by-pass. So this here is new?

Mr Dawkins: Yes, it is a long way south of Fremantle.

The CHAIRMAN: Right, okay. I just cannot see from this map where it is, that is all.

Mr Dawkins: It is at Naval Base.

The CHAIRMAN: Oh, this is as far south as Naval Base!

Mr Dawkins: Yes.

The CHAIRMAN: Sorry, yes. Please continue.

Mr Dawkins: The commission knew that if there was to be a major outer harbour built down there -

The CHAIRMAN: It would need a railway.

Mr Dawkins: It would need a heavy freight rail link and a heavy freight road corridor connecting it to the rail system and the Kwinana Freeway. Therefore, using the powers of the metropolitan region scheme, the Planning Commission was able to define a planning control area and that enabled us to start buying land along that route as it came on the market. So, we went into the

market by negotiation, which means that for each of these transactions we were offering the best price to willing sellers.

The CHAIRMAN: It looks like you have spent only \$2.65 million.

Mr Dawkins: Yes, but we have acquired 16.82 hectares of land.

The CHAIRMAN: As opposed to the provision of the extension of the Bunbury highway. I notice that according to this document the planning had not been finalised when the funding for the build was announced, which seems to have driven up the acquisition price.

Mr Dawkins: No, we had it all in place by 1992 or thereabouts.

The CHAIRMAN: Is that the southern extension of the Kwinana Freeway?

Dr S.C. THOMAS: Yes.

Mr Dawkins: Yes.

The CHAIRMAN: Oh, I am sorry. I was reading from the bottom of page 7, which says -

If land acquisition for the freeway from Safety Bay Road to Gordon Road had to be acquired now by MRWA the cost would be close to \$120M. If the land had to be compulsorily resumed the cost would be at least \$145M.

However, you had already acquired the land.

Mr Dawkins: Yes. We started in 1998 and by 2004 we had everything. The extension route was put in the metropolitan region scheme prior to 1998; went to Parliament and was agreed to; and we started acquiring land at that point in time. By 2004, we had the lot. That was 16 years of steady progressive acquisition, as the land became available. This is a remarkable process. It really is an outstanding system. In 1998 when we started buying the land for the Kwinana Freeway extension, people might have thought that the extension was maybe 30 or 40 years away. It was in fact the building of the Perth-Bunbury highway that has brought the freeway extension forward. The Planning Commission was buying the land nearly 20 years ago, possibly for use some 30 years hence, and by 2004 we had the lot. Again, we were offering the best price on the market. No-one could complain about the price, but in the interests of the taxpayer, acquiring all that land cost \$5.88 million.

[3.30 pm]

The CHAIRMAN: I see up there, yes, at an average of \$24 300 a hectare?

Mr Dawkins: Yes, and that is the average, but anyone during that period who was selling, obviously, prices kept on going up and we kept on paying more -

The CHAIRMAN: Sure.

Mr Dawkins: - but we were paying the prevailing price.

The CHAIRMAN: If you were going to compulsorily acquire it now, it would cost \$145 million.

Mr Dawkins: Yes. What makes this possible - this method, this mechanism - is a statutory region scheme that is transparent; it puts this route out there as endorsed by Parliament and says to anyone affected that we will buy the land if you do not want it, and we will buy it 30 years before we need it. This is a remarkable system; it is the fairest way of doing this.

Dr S.C. THOMAS: That works okay because you know that in the south west corner the population will develop, and you probably even have a reasonable indication of the rate at which that is going to occur. However, where the fall down is, from the committee's perception, is when you have massive infrastructure requirements north west and south east over a short period of time and we need to find a mechanism to assist us to deliver those.

Mr Dawkins: The mechanism in Perth, which has been going on all this time and we can actually go back and test it and evaluate it, is that you have a statutory scheme that says we have identified the land in a statutory way, way ahead of need. We are in a position to buy land from anyone adversely affected. We are also in a position to guarantee to the infrastructure providers and everyone else where the route will be, so infrastructure providers etc who are putting in infrastructure know that and they do not put in wasted infrastructure or infrastructure that has to be moved, and people do not invest in the land in a way that becomes wasteful. We have a team of expert people who are very good at this because we do this all the time and we have been doing it for 40 years. You need all those ingredients to make this sort of system. What I did not mention is that we have guaranteed funding. The metropolitan region improvement fund is what enables us to say, "Here is the route; anyone affected can come to us and we will buy your land. If you do not want to sell, you just keep going as you are unaffected more or less as long as you like." However, eventually we bought all this under negotiation.

Mr D.T. REDMAN: Getting back to Steve's point, how do you apply those principles to the outer regional areas that have these stress points?

Mr Dawkins: I think the position is that we should have a statewide improvement tax, not just a metropolitan region improvement tax; some mechanism of that kind that -

Mr D.T. REDMAN: Taxing who? The developers?

Mr Dawkins: That is the question. In the metropolitan region it is a very small levy on land tax, so it is only on commercial property and investment property. Quite possibly it should be on all property because everyone benefits; everyone gets the open space, the efficiently-acquired road corridors and infrastructure corridors and so on, so everyone benefits actually.

Mr D.T. REDMAN: So, your suggestion is that even within an environment in which we have \$2.4 billion surpluses, we still have a tax that raises funds for that purpose.

Mr Dawkins: The point about this small levy on land tax which has been there since 1962 or thereabouts - and I say it has been totally bipartisan - is that it is a dedicated tax for regional improvement and it is a property tax quite properly because we then immediately spend it all in the region on benefiting the region; essentially benefiting property. Therefore, the things we do, such as securing regional open space, riverbanks, the face of the Darling scarp, freeway corridors and all those sorts of things, obviously is then reflected in property values. The amount of the land tax is very small, but because -

Mr D.T. REDMAN: Because you have got such a big base, you are able to raise the funds to do it. I am suggesting in the regions it would be difficult.

Mr Dawkins: Yes, but it is mainly because the expenditure is so efficient when it is done in this strategic way. That is an extraordinary figure, to go from \$6 million to \$145 million.

Mr D.T. REDMAN: I concur; I agree.

Mr Dawkins: So, it is an incredibly efficient use of taxpayers' money. It means that our public sector revenue needs are a lot lower than other states because of this, so to have a mechanism like this across the state means a more efficient use of public funding. The critical thing - and Treasury is not keen on this; that is why -

The CHAIRMAN: Is not keen on it?

Mr Dawkins: No, hence the title.

The CHAIRMAN: The case for -

Mr Dawkins: - retaining it. For some reason - I cannot understand why; I must say it mystifies me - it is sort of, I do not know -

Dr S.C. THOMAS: Control issue?

Mr Dawkins: Perhaps, yes, an annual budgeting issue. They are not keen on a hypothecated tax. But, in fact, a hypothecated tax for long-range strategic purposes - there is nothing better. In fact, in a way, there is nothing else that will work. That outer harbour transport corridor - unless we are out there buying up land in advance of the outer harbour, you end up imposing a much higher cost on the outer harbour and on all the people along the route, and the disruption and wasted infrastructure and all those other things.

Mr D.T. REDMAN: Can I just get clarification on what you are suggesting. What is put up here in the case of the metropolitan region improvement tax I can understand in terms of the cost versus the benefit. The cost is over a very broad base, but if you are talking about infrastructure development in Ravensthorpe, for example, I would have thought the cost-benefit matter is quite a different scenario.

Dr S.C. THOMAS: In effect, it goes beyond that. From what Terry is saying, we look at the metropolitan improvement scheme for this area and we translate that across the state. Now the example of where that has not worked, and it is the next one on the rank, as it were, was obviously the greater Bunbury regional scheme. The greater Bunbury regional scheme had all sorts of problems; its last incarnation, if you will, is now 10 years old and is already out of date before getting started. The problem with the greater Bunbury regional scheme - and again, it probably relates back to the resources that whoever puts it together has - is that it does not tell you where the next bit of infrastructure will go. I mean, it has the Bunbury bypass ring road and the port access road but it does not tell you where industry will end up, where the next lot of housing will go. It is basically a map of what is there now, and in itself does not drive development of that region. Therefore, I agree that regional planning is essential and that is where you need to be. However, at the moment it appears to me that you do not have the resources to be able to deliver that, even at the greater Bunbury level. If you cannot do it at the greater Bunbury level, where there is 80 000 people within a relatively small area, then with the Hopetouns and the Karrathas of the world - which are way, way out there - you will really struggle to deliver a plan across the entire state without some sort of significant investment in that process that goes beyond mapping that this is what is here in Karratha or Bunbury now, but here is where development will be. I think you should be - you probably are - working on a 20-year timeframe; you have done that with others.

Mr Dawkins: I am not keen to talk about the total resources or their distribution; I just want to stay with the mechanisms. I think the mechanism, being the greater Bunbury regional scheme, for protecting the port access corridor and the outer road and, in future, the distribution of commercial across a range of local government areas and industrial land - there is a lot of work going on about industrial land, which is overcoming complex environmental issues in the greater Bunbury region.

Dr S.C. THOMAS: There is, yes.

Mr Dawkins: Therefore, I think the mechanism is the right one, and the best use of this mechanism is to have a transparent statutory mechanism for identifying locations of corridors and routes, and to have a dedicated fund - whatever the revenue source; it does not have to be land tax; there can be a state improvement fund and it can be contributed to in a variety of ways. It would be nice to think there were a few more royalties or something like that that could go into it.

Dr S.C. THOMAS: Yes.

Mr Dawkins: The Western Australian experience is that having an entity like the Western Australian Planning Commission - which is seen to be impartial and ongoing and apolitical and so on - engenders a great deal of public confidence in the way in which the statutory schemes are put together and the way in which the fund is expended.

Mr D.T. REDMAN: Would it be too loose to call that a future fund?

Mr Dawkins: I have heard the term used; I would try to keep it a low-profile name myself, so that it does not attract too much attention.

The CHAIRMAN: What you are saying is that the case for retaining the metropolitan regional improvement tax should be not only a case for retaining, but also for extending.

Mr Dawkins: Yes, and there is a word of that in the document, Mr Quigley.

The CHAIRMAN: On the same basis of commercial properties?

Mr Dawkins: No. All we are saying is -

The CHAIRMAN: Let us have a fund, and how you people structure it is -

Mr Dawkins: These mechanisms have proved extremely useful and would be elsewhere. There are a number of stages. We would not be suggesting anything like the greater Bunbury region scheme or the Peel region scheme or the metropolitan region scheme be laid over the Pilbara, for example. We have another model in the Gascoyne on the Ningaloo coast, where we adopted a regional interim development order. A regional interim development order is a simplified form of region scheme, which gives us planning powers like we have in Perth, but does not zone all of the land and does not colour in all of the maps and so forth.

Dr S.C. THOMAS: Do you have the power to do that for other areas at the moment or does it require a separate act for each one?

Mr Dawkins: No, we could do an interim development order anywhere. We first have to resolve to prepare a region scheme for a place, and then we can put an interim development order in place as an interim measure. That does not require the coloured maps and all that sort of stuff; it just introduces a new mechanism. In the case of the Ningaloo coast, it has enabled us to bring local government, business interests, environment interests, Indigenous interests and state agencies all around the table to exercise the planning powers in the interim development order. In the main, they might be reluctant to admit it, but local government like that because they are sitting around the table with the agencies and other interests, exercising powers that they did not have before.

Mr D.T. REDMAN: Would it be fair to say that the benefit that you are pushing of such a tax as a way of raising funds for the purposes you are talking about is the fact that it is rather secluded or rather isolated from government, hence the discretionary role from the government, which is an advantage?

Mr Dawkins: Yes, that is right. It is a dedicated revenue source. We would not be able to do these things; we would not be able to secure that outer harbour corridor any other way that I can think of, because you could not go to the government and say there may be an outer harbour in 10 years' time so we want to buy the land between there and the freeway. The outer harbour has not been approved, has not had environmental clearance, is a long way off being funded, but we are out there buying the land in any event. We do not know which land is going to come up first, we do not know how much we are going to spend in any given year -

The CHAIRMAN: By the time all those approvals come through, the land value will have skyrocketed.

Mr Dawkins: It is very difficult to get piecemeal approvals for something that is in fact a 20-year strategy and does not make sense in any other form than a 20-year strategy. You cannot do it in piecemeal approvals or an annual budget; you just cannot do it. Obviously, the vast majority of funding is done annually so that governments are capable of implementing policy at the time and making priorities at the time, and making decisions every year in relation to all of the pressures and demands on them. However, for long-range strategic land matters, there has to be another mechanism.

[3.45 pm]

Dr S.C. THOMAS: How would you regionalise those areas then; would you do it as one hit? I guess you could ostensibly aim to develop a regional planning scheme for the rest of the state, and then have interim development orders all round, or would you do it piece by piece?

Mr Dawkins: That is an interesting idea. One mechanism is to have a region scheme for an area that is like an interim development order; that is, it is very simple, not much in it, maybe a couple of pages of text and a simple map that might have on it a few essential corridors - the actual things that you need to get in there and protect above all else - or very much along those lines. That could be done under the present legislation; no legislative change would be required for that. A small amount of legislative change would allow us to put in place a planning control area like the one for the outer harbour, or an improvement plan like the one we put over 140 William Street in order for there to be an underground railway station built beneath 140 William Street. That was an improvement plan. So those are two critical mechanisms. It could even be a special control area, which is another statutory mechanism, and that could be done anywhere in the absence of a region scheme. At the moment they are all part of a region scheme, so unless we go in, as we have into the Peel, greater Bunbury, hopefully, and Ningaloo, with some sort of regional planning instrument, we cannot use these extremely valuable instruments like a planning control area. However, a small legislative change would enable us to do that anywhere, and you can imagine in the mid-west where you might put some mechanisms in place around Oakajee, and so on to protect those areas.

Dr S.C. THOMAS: And the major ports. Would it be possible for you to maybe give to the committee, at a later stage, a few notes on the legislative changes that might be required? Would that be a request that we could potentially make?

Mr Dawkins: Yes.

Dr S.C. THOMAS: I do not ask you to write a piece of legislation, but to just give us a paragraph on how that might be achieved, which might end up being a recommendation of the committee into the future.

Mr Dawkins: Yes. So those mechanisms would still need to be there; that is, some sort of statutory instrument, like a planning control area, that could be put in place, if not a region scheme. I lean towards the simplified region scheme. I think we should have a simple, interim development order type region scheme in each region in the fullness of time. We do not want to rush it. I mean, obviously we have got greater Bunbury on the brink and we have still got the Ningaloo one to do, so we are not rushing. But, looking ahead, those are good mechanisms. The second part of that mechanism is dedicated funding from whatever source - perhaps a fund that is dedicated to implement those schemes, wherever the revenue comes from. Thirdly, an independent body, like the Planning Commission, to administer it.

Dr S.C. THOMAS: Would you suggest a separate, independent body for remote and regional areas or -

Mr Dawkins: No.

Dr S.C. THOMAS: No? You would just leave the Planning Commission in place and -

Mr Dawkins: No, I think one of our strengths, and something that I have been, again, seeking to protect is -

The CHAIRMAN: One body.

Mr Dawkins: One statewide system. At Ningaloo, I think the notion of a Ningaloo authority was widely promoted, and the development commissions every so often float the idea of the development commissions being a planning authority for their region.

Dr S.C. THOMAS: I hear that quite a bit - that they would like to engage much more in that process.

Mr Dawkins: Yes. My response is, yes, we need more decision making made in the regions, we need decision making made by Ningaloo people on the Ningaloo coast, and we need the development commissions to be right there in the thick of planning and decision making, but we also need one system across the state, one law and one planning system, and to be operating within that system. The way we have done that in Ningaloo is that the commission has delegated its powers to the Ningaloo Sustainable Development Committee, which is the body I mentioned that brings together councils and local interests and agencies - well, it is the agency under the committee, but obviously they are servicing the committee. The committee is exercising the powers of the commission in an office in Carnarvon or at their meetings in Exmouth. All of the powers of the commission being are exercised in Carnarvon and Exmouth, but it is under one system. They are operating under exactly the same procedures and rules and protocols, and so forth that the commission works under.

The CHAIRMAN: And policy development.

Mr Dawkins: Yes, all that. So they have got access to the resources of the whole state and the whole of DPI, but it is localised decision making. So I say that the development commissions, yes, I think there should be more regional planning and decision making, but use the mechanisms we have got, use the statewide planning system, and collaborate with us and work perhaps through delegated powers and functions. So very definitely -

The CHAIRMAN: If you get away from the planning for the moment, Mr Dawkins because I have just got some questions here that have been prepared by our professional staff that we want to touch upon.

Mr Dawkins: Yes. I was going to come to the ICC, Mr Chairman. Yes.

The CHAIRMAN: Well, one of the things that we have been looking at is the infrastructure funding, besides the planning. We take your point about getting in early and buying while it is cheap, but developer contributions in major resource projects present particular problems for the state and for the developer.

Mr Dawkins: I think it is case by case in many instances. For something like Ravensthorpe, it was a big negotiation involving the state. There was federal funding in there, there was state negotiations, BHP put in significant funding and so on. For those big ones, and relatively unexpected ones, I cannot see anything around a case-by-case negotiation. In general, I think the position of the state, and I think it is the position of the commission, is that we do not have developer contributions of the kind that New South Wales has, and it is partly because the efficiency with which we do the strategic planning and acquire the sites and corridors means that -

The CHAIRMAN: For \$6 million rather than \$145 million.

Mr Dawkins: Yes, exactly. Of course, the other part of it is that the developers provide the land for infrastructure. For a major urban development, they provide school sites and roads and parks and open spaces and so forth as land. So when you put all that together, there is a reasonably efficient process going on there that works pretty well. When you get into the big developments that involve airports and ports and water supply and all those things, I think it probably has to be a negotiation that goes on. However, what always makes it more efficient is a more strategic approach - more strategic planning. This is the question that Mr Thomas has been asking me regularly, and which I am a bit reluctant to get into, but there is no question that being out there and being more strategic and looking further ahead, and so on, really pays off. Infrastructure, like ports and access to ports, and good freight routes and so forth and so on, and the protection of water sources and so on, greatly contributes to the efficiency of the economy and the cost of major development. Basically, Western Australia does it very well. I think we should do more of it. I think we should do it more in the regions than we do - I think everyone would probably agree with that - but we do it very well overall. In other words, we have got lots of precedents and good

models to build on, and I do not think we do not so much need to invent new models as extend the ones we have got. That includes the Infrastructure Coordinating Committee, which is referred to in one of the questions. That is a very effective mechanism because it brings around the table all of the players within government, within the public sector, who are able to speak to each other and begin to act like one government. It is a way of getting whole-of-government knowledge and action in relation to infrastructure and -

The CHAIRMAN: You mentioned Ravensthorpe before.

Mr Dawkins: Yes.

The CHAIRMAN: Would the ICC have played a role in the planning for Ravensthorpe?

Mr Dawkins: It played a coordinating role and an information exchanging role.

The CHAIRMAN: Because the committee has visited there and seen the problems that have happened, in terms of the population really does not want to locate in Esperance or Ravensthorpe. A large majority want to go to Hopetoun, and we heard about the infrastructure problems that that has caused in terms of sewage.

Mr Dawkins: Yes. Early on in that whole planning stage, the ICC went down there and visited the sites and talked to all the local players and so on, and elevated the issue. These were the senior officials from the various agencies involved, including policy-making agencies like the Office of Energy and so forth. They toured together, looking at it, and discussed it and talked about priorities and elevated the issue to a high level.

Dr S.C. THOMAS: The problem is, Mr Dawkins, who holds the ICC, or does the ICC hold who, to account? Ravensthorpe is a good example. The Water Corporation, for example, recognised that there was going to be a requirement in Hopetoun. It started the planning process but they said, "Until we have got a tick off in terms of the investment strategy, we are will hold our planning process for the delivery of those services at this point." The company ticks it off, and all of a sudden the requirement is there. Suddenly, for example, the Water Corporation must go back and reinitiate its planning process for the delivery of its services. So if the ICC is there to watch over and try to coordinate this process, does the ICC then look at the Water Corporation and go, "Well, hang on a minute - suddenly there is an urgent need; we need to change our planning process to make that happen"? Is that something that the Water Corporation would deal with within its own ranks, as it were, or does some other body look at that and go, "Hang on a minute - the planning process did not quite work as well as it could have; we need to look at it a bit differently"? Who looks, reviews, and I guess, to some degree, audits - outside the Auditor General - that process of the functioning of the coordination, and perhaps the ICC itself?

Mr Dawkins: Well, it has not, except informally. The ICC is senior officials from those bodies - like deputy CEOs and people like that, or CEOs, in fact, when I think about it; the membership includes the Commissioner of Main Roads and people of that kind -

Dr S.C. THOMAS: Yes, I understand.

Mr Dawkins: So they are perfectly capable of running that audit and reviewing what happened and learning from those lessons. It is driven by the members and it is relatively informal in that sense -

Dr S.C. THOMAS: Should it be formalised?

Mr Dawkins: I do not know. I am not sure what the answer to that question is. In the end, it does not take over from the powers, duties and responsibilities of the different agencies. It is a coordinating body and probably should -

Dr S.C. THOMAS: Yes.

Mr Dawkins: - and probably is best seen as a coordinating body. But one of the major tasks before the Infrastructure Coordinating Committee, particularly for Perth, but then again across the

state, is to upgrade the meaning and effectiveness of what is presently called the metropolitan development program, so that it becomes a serious, long-range prioritising between major state investments. That includes hard and soft infrastructure. At the moment it plays a very useful role in giving everyone a view of the future, but what DPI is working on - and will, I am sure, discuss with you - is turning that into a strategic program. There is a great appetite for that in the ICC, and working closely with Treasury, so that the prioritisation on spatial planning grounds has effect in Treasury considerations of prioritising funding.

I think I should put in a word for the ICC's remaining an interagency committee, because the nature of the conversation that goes round the table is franker and more to the point, and so forth, when it is essentially within government than if it were expanded to include industry, community, interest groups and things of that kind.

The CHAIRMAN: They are more candid with each other.

Mr Dawkins: Yes.

The CHAIRMAN: Without any political -

Mr Dawkins: Yes, that is right. Clearly there is a role for bodies that involve industry, and we have a number of other mechanisms for talking with industry and the community -

The CHAIRMAN: The North West Development Subcommittee, and all that -

Mr Dawkins: All that sort of thing, yes.

The CHAIRMAN: With Neil Hamilton.

Mr Dawkins: But there needs to be a high-powered peak government body like the ICC, with Treasury on it, working to coordinate infrastructure and program it and prioritise it and -

Mr D.T. REDMAN: And to take the extension of that, to shoot off to Canberra a real sharp point on getting funds. Is that its role?

Mr Dawkins: The role of the ICC would be to put the case together.

The CHAIRMAN: This session was as informative as we anticipated, Mr Dawkins. Has anyone got any further questions?

Dr S.C. THOMAS: It has been very good.

The CHAIRMAN: The only request we have got is: if we can do it in paragraph form, not bill form, but please outline what you think those legislative impediments or things might be.

Mr Dawkins: Yes. I think it might prove to be extremely simple, but you just -

The CHAIRMAN: Even if you just give us, as we say, just one paragraph.

Dr S.C. THOMAS: We like simple!

Mr P.B. WATSON: It fits in very well.

Mr Dawkins: Simple legislation is good legislation.

Mr P.B. WATSON: Absolutely.

The CHAIRMAN: We want to thank you very much for taking the time to give us such an informative session of evidence this afternoon, Mr Dawkins. The standing orders, however, require me once again to parrot off a very quick closing statement to you. Thank you for your evidence before the committee today. A transcript of this hearing will be provided to you for correction of minor errors. Please make these corrections and return the transcript within 10 days of receipt. If the transcript is not returned within this period, it will be deemed to be correct. New material cannot be introduced via these corrections, and the sense of your evidence cannot be altered. Should you wish to provide any additional information, or elaborate on particular points, please

include a supplementary submission for the committee's consideration when you return your corrected copy of the transcript. Once again, thank you for your time today.

Mr Dawkins: Thank you.

Hearing concluded at 4.03 pm.
