

**STANDING COMMITTEE ON
ESTIMATES AND FINANCIAL OPERATIONS**

BUDGET STATEMENTS

**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
FRIDAY, 4 DECEMBER 2009**

SESSION TWO

Members

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

Hearing commenced at 11.06 am**DUNCAN, HON WENDY MAXINE****Parliamentary Secretary to the Minister for Regional Development,
sworn and examined:****CRIDDLE, HON MURRAY****Chair, Mid West Development Commission,
sworn and examined:****DOUGLAS, MR STEVE****Chief Executive Officer, Mid West Development Commission,
sworn and examined:****ROSS, MRS MELANIE****Corporate Services Manager and Chief Financial Officer,
Mid West Development Commission,
sworn and examined:**

The CHAIR: On behalf of the committee I would like to formally welcome you to this morning's hearing. Before we commence, I am required to ask you to either take an oath or affirmation.

[Witnesses took the affirmation.]

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

The Witnesses: Yes.

The CHAIR: The proceedings this morning are being recorded by Hansard. A transcript of your evidence will be provided to you. To assist the committee and Hansard, could you please quote the full title of any document you might refer to during the course of the hearing. Please be aware of the microphones and try to speak directly into them. I remind you that your transcript will become a matter for the public record. If, for some reason, you wish to make a confidential statement during this morning's proceedings, you should request that the evidence be taken in closed session. If the committee grants your request, then any public and media in attendance will be excluded from the hearing. Please note that the uncorrected transcript should not be published or disclosed. This prohibition does not, however, prevent you from discussing your public evidence generally once you leave this hearing.

Government agencies and departments have an important role and duty in assisting Parliament to scrutinise budget papers and annual reports on behalf of the people of Western Australia. We value your assistance this morning.

Could members please indicate the pages, budget statement items, programs et cetera they are referring to. Similarly, if referring to the annual report, can members preface their questions with the page number or item they are referring to.

Hon PHILIP GARDINER: I refer to the mission and objectives of the development commission. These vary between one and the other, which is quite understandable, because one size does not fit all. I refer to page 6 of the annual report, under "Objectives", where it says "Support communities to enhance their quality of life and become self-determining". There are some communities in the

development commission's area that have a high Indigenous population. It is a fairly dysfunctional area. I am interested in whether there is a plan that you have put together with local government authorities in the region, which is a holistic plan, to try to deal with some of these serious issues, particularly in Geraldton and Mullewa, to make a difference to that dysfunction in these areas, consistent with the objective you have there. I know local government is doing some things in Mullewa.

Mr Douglas: Thank you for the question. The simple answer is: not specific plans with individual communities from the commission's perspective. But what we have been doing, and continue to do, is work with other agencies and support those key agencies in promoting and implementing their programs to support those communities. As an example you touched on correctly—an important one—Mullewa. The Mullewa community has got an action plan that has been developed in consultation with the Mullewa community and key agencies. We are not the main driver of that particular action plan and we are not the major coordinator of that action plan, but we are one of the agencies supporting that plan, if you like, at another level down. Our role is more about helping with any bottlenecks, particularly looking at the economic and investment opportunities to try to create those employment opportunities. We are dealing, for instance, on that basis with MEEDAC. MEEDAC is an Aboriginal corporation in Mullewa, for instance, that is looking to employ people in horticulture and looking at other ventures. That is our role in that bigger plan. In the Murchison, quite correctly, there is some particular disadvantage in quite a few of those communities. They often feel disenfranchised and disempowered. We have been working with individual agencies, whether it is health, education and so forth, and we have also been working through what is called the Midwest Gascoyne human services regional managers group.

That particular group is about all the human service agencies meeting on a regular basis every couple of months. We are part of that group, and we have been quite an important player in helping that group get up and in implementing some of its work. We have asked the group to consider—it has taken this on board—developing community plans to try to coordinate a holistic response, particularly at the human services level, across government for each of those communities. That is still being worked on. It sounds easy in theory and on paper, and it is a very good thing to try to achieve, but it is not necessarily an easy thing to actually get done for all those communities. We are working through that particular group to try to support a holistic service delivery to each of those communities. Beyond that, we also supported very strongly something called the Murchison executive group. The Murchison executive group is made up of all the chief executive officers of the Murchison shires; there are six of them. We are providing executive support to that group. We do not carry out all the actions; that is up to the local governments or whoever is most responsible, but we put together the minutes and the agenda and we help facilitate the meetings. We have found in the past that unless we do that, the CEOs will not get together to talk about strategic common issues. Through that process we are also supporting a higher level holistic view of some of those strategic issues in the Murchison region. A couple of the key ones come through, particularly things like education, for instance. I could go into detail about what we are doing with some of those things, but I think I have hopefully answered part of the member's question.

Hon PHILIP GARDINER: Yes, you have. I understand the coordinating role; when it comes down to some of the specifics, I think about \$300 000 or \$400 000 went out under the regional development grants for the Bidi Bidi project.

Mr Douglas: A fantastic project.

Hon PHILIP GARDINER: Yes, a fantastic project. What role do you have in watching and monitoring the progress of that project so that one can ascertain whether it is a project that can be expanded, not just in your region but much broader than that, in terms of assisting in solving family dysfunction in the future?

Mr Douglas: I am really pleased that that question was asked.

The CHAIR: Is he a friend of yours?

Hon PHILIP GARDINER: It was not a dorothy dixer!

Mr Douglas: No, not at all! I am glad that a question about Bidi Bidi was asked, because it has been a strong focus for us for so long. Hon Ljiljana Ravlich has been out in the Murchison at least two or three times that I can recall and has heard us talking about early childhood and some of this education stuff. You have been out there at least two or three times that I remember. That has been quite an important issue for us, but trying to get an agency to take a lead on early childhood development, which is so fundamental for some of those communities, has been really, really difficult. We have had a lot of talks, probably over a couple of years, with certain people about how to get a project up. We supported groups in Mt Magnet to seek other state government and federal government funding, and it has always been quite difficult, so when the regional grants scheme came along, this was one of the projects that we hoped and expected would come forward, and that we could hopefully support if it all stacked up. We were particularly pleased that that one came through; I think there was something like \$399 000 of a \$1.2 million-odd project. I can double check the figures, but that gives the committee an idea of the scale that we are working on. We were particularly pleased to support that, because that early childhood project brings together educational, health and justice stuff. The Bidi Bidi project in Mt Magnet focuses on mothers and their children. The idea is to give the mothers the opportunity to engage and learn better parenting skills—as members know, out there it is really difficult—and to talk to each other about how to raise their kids in a better environment. The centre is based at a school, and the idea is to break down the barriers between schools and Aboriginal communities, because sometimes that can be awkward. Mt Magnet has a number of families that do not always get along with each other in the Indigenous communities; this is not uncommon. That causes a problem, and trying to find neutral ground can be a problem, but we have been able to find what we think is neutral ground. Some of this stuff is still being worked through, by the way; we are still working through some of these sensitivities, because if we do not set this up right, it is going to fail. We are still working on that aspect of it. A lot of that is in place now. In terms of our ongoing role, our Murchison project manager is taking a lead in that from a commission point of view. As a condition of our funding, we have requested to be on the steering committee to make sure we can keep track of the project, monitor it, and help overcome some issues through the bureaucracy or whatever it might be. We are definitely taking a hands-on role in that project. We are also taking a fairly strong role and ongoing interest in all major projects, and we can talk about some of those later on.

Hon PHILIP GARDINER: One final part is that the Kimberley Development Commission gave us a booklet that was really the benchmark of where things are now. I have read most of the booklet, and it is constrained in a way to employment and educational issues, but it does not really go into the nuances of social infrastructure positioning issues—where things are now. If we have a benchmark, we can actually see how far we will get in future, given the sorts of things one might introduce. Do you have any similar benchmark documents? They have to be contained in particular areas; theirs was for a particular part of the Kimberley only. Do you have anything about a benchmark, so that if one is to introduce these social infrastructure projects, we can see whether one is going to make some progress from one year to the next five?

Mr Douglas: That is a very good question. We do not actually have the sort of document that the member refers to at the moment, but there are a lot of indicators of early childhood need, educational outcomes and health outcomes. They are available quite readily, and we draw on them, but we do not necessarily put them into one document for Mt Magnet, for example. We do not have that specific document. The Bidi Bidi project, to a large extent, came out of the fact that there was an Australian early childhood development index that showed that both Indigenous and non-Indigenous children in the Murchison—most of the population is Indigenous—had amongst the lowest outcomes in Western Australia, and probably across the nation, with the possible exception of the Northern Territory.

[11.20 am]

Hon LJILJANNA RAVLICH: Northern Territory.

Mr Douglas: Yes; I would agree.

Hon LIZ BEHJAT: Katherine.

Mr Douglas: Yes. So they were extremely low and that was one of the key drivers behind the Bidji Bidji project. It came out of the substantiation, if you like, of a well developed and understood and credible model. That is what drove that particular project along with, obviously, all the stuff that we could actually see when you go to places like Mt Magnet; I mean, you do not have to look too far and you can see the issues.

In terms of indicators, with the Bidji Bidji project, one of the things that we do want to do is to be able to demonstrate whether what we are endeavouring to do is going to be successful or not; and, if not, why not? So what we have insisted, as part of our funding, is that research is attached to this project from day one. So we have engaged the local Combined Universities Centre for Regional Health—or CUCRH, as we call it—based in Geraldton. They have come into the project and they have initiated their research scope and they will be undertaking research right through this project. We want to have some performance indicators at the end of it to say what we did, yes it worked and it is heading in the right direction. We want to be able to use that to get more funding, so we can translocate that project to other communities—which answers part of your previous question. Or we want to be able to say, “Look, it didn’t really make much of a difference; maybe we are heading down the wrong track”—that is an important lesson too—or, “It failed.”

Hon PHILIP GARDINER: Exactly.

Mr Douglas: Now that does not mean all of a sudden that you throw that out; all it means is that what you endeavoured to do and the way you set it up, for whatever reason, did not work. But what were the factors that either made it work or did not make it work, and how do we learn? So we are putting that in place.

Hon PHILIP GARDINER: Thank you, very much. That is very helpful.

Hon LIZ BEHJAT: May I ask a question on Bidji Bidji?

The CHAIR: Yes, Hon Liz Behjat.

Hon LIZ BEHJAT: I am quite interested in the Bidji Bidji project. Did that receive any funding under the former federal government’s Communities for Children project?

Mr Douglas: If I can find it, I will refer to my —

Hon LIZ BEHJAT: A number of areas were identified as C for C’s: was that area identified as one?

Mr Douglas: Sorry, I have to find the actual project—there are 39 of them.

Hon PHILIP GARDINER: I believe that the answer to that, Madam Chair, is no. I am familiar with the Bidji Bidji project and I believe that there is no money.

Mr Douglas: No. There was a cash contribution from the Indigenous coordination centre—which is federal government of course—in Kalgoorlie; they put in \$80 000. And there are in-kind contributions from various players. The CDEP is putting in a fair bit of in-kind to help maintain the premises and the gardens and all the rest of it. The Combined Universities Centre for Regional Health, which I have already mentioned, is putting \$162 000 of research into the project. The Shire of Mt Magnet is putting in \$160 000 and that is mainly to provide the premises and to maintain the premises also. Bidji Bidji corporation itself, which has only just been established, is putting in \$70 000; the education department, \$56 000; Mission Australia, \$43 000; Department for Communities, \$40 000; the GP network, \$20 000; Geraldton Regional Aboriginal Medical Service,

\$15 000; and the Office of the Registrar of Indigenous Corporations, \$7 000. So it is quite a strong partnership. I should say that because this is quite a complex project, we are spending even more time at the moment making sure that we have set it up absolutely right—that is, the governance arrangements and the research. We are just double-checking the budgets and so forth on that one; we are just going through those right now.

Hon LIZ BEHJAT: Thanks.

Mr Criddle: Those figures on the education were made available to us in Cue just the other day—that is, at what is known as the Cue Parliament. Those figures are available. They are quite stark. It really is an interesting read, but the education department has those.

The CHAIR: So we should be approaching them.

Mr Criddle: Well, you can do that; I am just saying that the figures are available.

Mr Douglas: If I can just add to that: we have worked with the education department for the past few years too quite closely on that particular issue. They, to their great credit, went to Cue Parliament last year and actually put up the results, which were atrocious—that is the only way to describe them. But to their credit, they have come back again this year—they are still not that great—but they have put in place a Murchison action plan about how we are going to address the issues of, particularly, transients. That is one of the biggest issues out there. Then there is the early childhood stuff. I suppose that we have taken the view, from the commission, that the best way that we can support education and training, which is moving down here a bit, and then gainful employment so that we do not have high levels of unemployment and social disadvantage down the track, is to try to support those early childhood development issues.

Hon PHILIP GARDINER: Exactly.

Mr Douglas: We think that if we can get those right and get them right, right up front, that there is enough support in the other systems to help those kids through. I think that we need to get this generational change starting way back here. That is where we are coming from.

Hon PHILIP GARDINER: It also reduces crime.

Mr Criddle: We do have a link from a staff member who is out in that area regularly and who chairs one of the groups.

Mr Douglas: Yes.

Hon LJILJANNA RAVLICH: I just want to touch on the point that you made earlier in respect of the lack of a lead agency stepping up to the plate in respect of this project, because it would seem to me that there is a lot of good work that is happening on the ground. My question is: how much of a risk is it not having a lead agency?

Mr Douglas: For the Bididi Bididi project?

Hon LJILJANNA RAVLICH: Yes.

Mr Douglas: Sorry, perhaps I did not explain clearly enough. My comments in terms of a lead agency were in terms of not so much Bididi Bididi but some of the community plans sometimes.

Hon LJILJANNA RAVLICH: Okay; I thought that it was in relation to the Bididi Bididi project.

Mr Douglas: No; sorry, I might not have explained that too carefully.

Hon LJILJANNA RAVLICH: Not a problem! If we can —

Mr Douglas: Do you want me to tell you who the lead agency is?

Hon LJILJANNA RAVLICH: Yes; that would be good.

Mr Douglas: The lead agency for Bididi Bididi is the WA Country Health Service. They have taken the lead. The reason why they have taken the lead is because they were seen to be the ones that have

got the governance arrangements, the best financial systems and all that sort of stuff—so they are the lead agency.

Hon LJILJANNA RAVLICH: I refer you to page 14 of the annual report, “Investment Facilitation”; under services 2 there is reference to the “Square Kilometre Array”. I know that you have been working in support of this project for quite some time.

Mr Douglas: Yes.

Hon LJILJANNA RAVLICH: I am just wondering whether you might give to the committee an up-to-date position of where we are in respect of this particular project.

Mr Douglas: Thank you; that is another fantastic project for us. That is a 10-year project for us, by the way; we started that—when I say blue sky, I mean that literally; it was not at night, it was during the day—and it is part of our smart policy, which we have had for 10 years. In a nutshell, the decision for the SKA international \$2 billion local astronomy project will be made in 2012 by an international consortium of, I think, around about 19 countries or thereabouts. But what is happening in the meantime is that both southern Africa—I say southern Africa rather than just South Africa—and Australia are also putting in place demonstration projects—pathfinder projects. In South Africa, they have called theirs the Meerkat. That is a nice name. We have called ours, in Australia, ASKAP—that stands for Australian Square Kilometre Array Pathfinder project. That is around about a \$100-million project—the ASKAP is a \$100-million project. The first antennas for that project are imminent—in terms of arriving; apparently the ship went to Sydney instead of coming to Fremantle, otherwise they would have been on site.

Hon PHILIP GARDINER: That would be right!

Mr Douglas: Not a good thing for a major science project—to go in the wrong direction!

Hon LJILJANNA RAVLICH: And these antennas, when you talk about antennas, are they actually antennas?

Mr Douglas: No; what we are talking about here—the ASKAP—will be 36 12-metre dishes; so 12-metre dishes and 36 of them. This is a significant radio astronomy project in its own right—forgetting about the SKA. It is significant in its own right. That is one thing. The importance of getting it up though, in terms of the broader strategic aspect of the SKA, is that if we can get it up we can demonstrate: one, Australia’s commitment to radio astronomy; two, we demonstrate Australia’s capability of actually putting together a fairly major radio science project in a remote area of Australia; three, it is being established on the Murchison Radio-Astronomy Observatory site, which is where the SKA is proposed to go should Australia be successful; four, I think it also demonstrates the capability of our site—the science-worthiness of our site.

Hon LJILJANNA RAVLICH: Will it be looked upon by the decision-makers, in relation to the SKA project, as a sort of model which demonstrates the capacity of the state to be able to undertake the broader project?

[11.30 am]

Mr Douglas: Absolutely; and that will be one of the important things about it. It has taken a long time to get the ASKAP project up to this point and to establish the Murchison Radio-Astronomy Observatory because they sit in pastoral land and we have to go through a whole lot of regulations, as we all know, including native title.

Most importantly, a couple of weeks ago a native title registration went through. An Indigenous land use agreement has been signed. It was formally signed in Parliament I think just last week. That was fantastic. As soon as that happened, we were able to literally break ground on site. The first antennas were supposed to have been there ready to go, but the first will be installed early next year, and the 36 will be fully installed by the end of 2011. We hope that enough good science

outcomes will be delivered out of that project to demonstrate Australia's worthiness for the SKA project decision in around 2012.

Hon LJILJANNA RAVLICH: Excuse my ignorance, but what will these dishes be trying to capture? What sort of information will they provide? I have had numerous briefings on this but I still cannot get my head around it.

Mr Douglas: You would have seen them at Cue Parliament, too. I have given brief presentations. It is fascinating. In radio astronomy, there are still waves out there from the big bang. One of the things they really want to better understand is the big bang theory—evolution and so forth. Apparently, with what we have at the moment in terms of technology, if you can think about where we are today as being here, and when the universe started—the big bang—as being over here, apparently we can go as far back as about here somewhere, three-quarters of the way along. This instrument can go back and see what happened in what radio astronomy calls the dark ages, closer to the big bang, because it is so sensitive. The square kilometre array telescope is a square kilometre of receivable dish. But it is not one kilometre by one kilometre. It is actually spread right across Australia and into New Zealand. New Zealand has come on board too. All those stations have to be connected by optic fibre and then all the data collated. The amount of data that comes out of this is just ginormous. I cannot even think of the figure, but a lot of data comes out of it. It is also going to test Newton's theory of gravity—is it real?

Hon LJILJANNA RAVLICH: But what will be the practical use of all this?

Mr Douglas: In terms of the mid-west or the broader science?

Hon LJILJANNA RAVLICH: The broader science.

Mr Douglas: The technology for some of the SKA instrumentation has yet to be developed. The SKA people also want a renewable energy source to drive the majority of power for this project. This project is driving a lot of research into renewable power in remote areas. I know, for instance, that Western Power and others are looking at how they can drive the enormous power that this instrument needs. If you are going to send gigabytes and terabytes of information down optic fibre, you need lots of power to push it, which I did not realise until I went to this conference in South Africa. It requires an enormous amount of power. How do we get sufficient power to a place that is 300 kilometres remote—because that is why it is radio quiet; that is why we are the best site in the world? It is driving a lot of technology. It is driving a lot of renewable energy research. What we hope, of course, at the local level, is that it will give us an optic fibre link from the Murchison radio observatory to Geraldton. We have a link now through the national broadband network. That has been able to be negotiated between Perth and Geraldton. We are using that to further strengthen our smart mid-west policy, our university, our separation, marine precincts, technology precincts, and our businesses. It is a fantastic project. I get pretty excited about it.

Mr Criddle: I should say that the other day, from a local perspective, the opportunity was there for local businesses to get involved in some of the tender process. There is a spin-off for local people as well.

Hon KEN TRAVERS: Following on from that, in more mundane terms, from both your own and the broader government, can you tell us how much money has been committed so far to the SKA project? If you can only do it for your organisation, but if you know the broader commitments as well, how much do you believe is required to see it through? What other support is required for it to continue?

Mr Douglas: I cannot give you the figures because we are not at that level in terms of CSIRO and the federal government, and even if I could go back from a state government perspective. We are not really directly involved in that side of it as well. We have a lot of liaison obviously. We certainly spent 10 years supporting it—in fact, in the early years, probably driving it. The commission took very much a lead role. That is not money in terms of cash, but it is certainly

internal resources. I should say that both sides of politics and government have been extremely supportive of this project, otherwise we would not have got to where it is. That is fantastic, actually.

Hon LIZ BEHJAT: We do agree, occasionally!

Mr Douglas: Yes! That is very important on a project like this that goes over a period of time. That is great. So that has not been an issue, which is fantastic.

In terms of going forward, at the moment it sits under the Minister for Science and Innovation, the Treasurer, Hon Troy Buswell. We are not privy to specific requests for funding at this point. Especially over the past year or two, our focus has been on how we can best support this project at the community and regional level to send a strong message internationally that we want this project and we are keen to work with it. The other thing we have been doing is spending a fair bit of time working with the City of Geraldton particularly, and, to a lesser extent, the Shire of Murchison, to say, "Okay. This is what they are planning to do with the project. This is where the optic fibre is going. This is what is happening with major infrastructure. How can we support the project? But, also, what can we get out of that project?" That is what we are trying to develop with synergies.

Hon KEN TRAVERS: As an organisation, do you need any resources over and above what you currently have to manage the SKA project into the future?

Mr Douglas: From our perspective, the answer is yes. It has been dealt with at a much higher level than us. I would like to think that CSIRO, the federal government and the state government would all say—I am sure they would—that the support that we are providing at the regional level and that the City of Geraldton is providing is good.

Hon KEN TRAVERS: Are you able to quantify that? Are you able to do it from within your existing resources? I am still not sure what you as an organisation need to be able to continue to do the work that you think you need to do to get the SKA. Are you able to do that within your existing budget allocation or do you require additional funds?

Mr Criddle: We are looking at 2012 before we really get to the nitty-gritty. Maybe in a year or so we will be able to put some figures out with regard to that.

Mr Douglas: In terms of the SKA specifically, we do not need any more resources; we are okay. We will certainly be looking for funding opportunities down the track when we have identified other smart facilities or institutions that we can spin off the SKA, but not necessarily to do with the SKA. For instance, at some stage we would like to set up a technology precinct. What does that involve? So we are working with the just city on that. We might want to set up at some stage—there is a lot of interest in this in the community—a centre for climate change adaption. Because we have access to so much broadband capacity, we can provide a lot of the modelling capacity. So we are looking at that at the moment. But it is not a specific ask. That will be project specific. That will go through the normal process.

Hon KEN TRAVERS: Just to finish off on the SKA before I move on to another issue, one of the things that has been raised—I do not know whether it was in this committee or somewhere else I was at—in terms of our ability to compete with the southern Africa bid is the need to demonstrate social outcomes. Is someone driving that, who is driving it, and what do we need by way of resources? I note your comments about native title. Are there outcomes out of the native title settlement that now need to be resourced to achieve some of those social outcomes?

Mr Douglas: We have not been involved directly in the native title outcomes. That is beyond our briefing, so I cannot give you the details on those. I understand that there are reasonably significant outcomes for Indigenous people across education and training and employment.

Hon KEN TRAVERS: Who is driving that?

Mr Douglas: That is driven by the Department of Commerce at the state level. It is the Minister for Science and Innovation—his department. In this case, the Department of Commerce is driving that

from that perspective. But we are working to coordinate most of the broader social outcomes with the City of Geraldton and the Shire of Murchison.

Hon LIZ BEHJAT: Is your Indigenous gateway project part of the social outcomes?

[11.40 am]

Mr Douglas: Yes, they could. That particular project, though, is targeting the mineral sector and the resources sector particularly at the moment.

Hon KEN TRAVERS: So are you the lead agency on the social outcomes, because that seems to be the issue.

Mr Douglas: The simple answer is that in terms of regional outcomes, which includes the social outcomes, yes, but in terms of Indigenous outcomes, as regards the Indigenous land use agreement, we are not directly involved with that at the moment, because that is being negotiated at that level. Once we know more about that, then obviously we will be providing whatever support is required to support that.

Mr Criddle: The social issues are very important, and that is one of the things that we are taking up broadly right across the community—except for the SKA—because these social major issues will be a factor, given the mining industry as well. We are certainly involved in those outcomes, and we are currently working towards having a program in place that will give us some answers on it.

Hon KEN TRAVERS: Just as a comment, we actually had the KDC come in, and they talked about the integration between the native title outcomes and the social issues. It is probably worth having a chat to them, if you have not already, about how they are integrating all of that.

Mr Criddle: Sure. Broadly, the social and economic issues are going to be very important in our area because of the development of the mining industry and the SKA and a number of other initiatives that we have got going. It is going to be very important and we are actually moving in that area seriously.

Hon PHILIP GARDINER: I refer to page 57 of your report and the effectiveness indicators. It is very interesting to see the way you have presented your report. I found it helpful. The column headed “Developed new business opportunities” shows an increase, and the column headed “Reduced obstacles to growth” shows a reduction, based on the target. Where do you feel your aspirations are in relation to those two objectives?

Mr Douglas: The two objectives being —

Hon PHILIP GARDINER: The two being “Reduced obstacles to growth’ and “Developed new business opportunities”. I would have thought that the actual for new business opportunities is almost as good as you can get, given what is happening up there.

Mr Douglas: Yes, I think that is certainly our major focus. Sometimes, the way these figures are presented, an understanding of the actual survey needs to be, if you like, identified, before we can really understand some of these figures. But, look, the simple answer is yes, we are looking at new business opportunities, because the more of those we can create, the more employment opportunities we will create. As the chair of the commission has mentioned, we are also, at the same time, looking at the community and social impacts of projects and how we can either mitigate those or work with projects to make sure we can capture more opportunities. That certainly is our major focus.

I will just refer to the fact that our strategic directions document is actually called “Capturing Opportunity”. That is quite a direct and deliberate endeavour, if you like, to highlight that what we are on about in our region is a lot of opportunities with the SKA and with mining and with aquaculture, potentially, with Indigenous art—there are a whole lot of opportunities. Our focus, in this current period of planning if you like, is very much about, yes, those opportunities are there and how do we capture those opportunities. That is what our focus is.

Hon PHILIP GARDINER: I was at the SKA meeting, where the chairman, Murray Criddle, was the other day; I could not help but think that if you are going to capture business opportunities up there, that was a very good forum.

Mr Douglas: Yes.

Hon PHILIP GARDINER: But it is now a matter of the implementation. You had IBM up there, which is now focusing, I believe, on the mid-west area as being a major example of how technology can be utilised effectively with innovative ways of doing it. But is there an effective driver in place for the implementation that needs to follow from that kind of conference to ensure that you can pick up and bring the local business community into those development opportunities that are there, because those big companies have an interest now?

Mr Douglas: Yes. That particular forum was about creating business opportunities directly with the local companies. What has happened is that the City of Geraldton, together with the Mid West Chamber of Commerce and Industry, has taken the lead on those, which is great. We used to be the key driver for that, but we are now a supporting agency in that, and we are quite happy for that to happen. Our focus now is that whole broadband, IT, and how do we drive more opportunities for Geraldton from the networks and the capacity that the optic fibre will bring to us. That is what we are looking at. We had discussions with IBM and the City of Geraldton before and after that particular meeting that you referred to, and I have a teleconference with IBM and the City of Geraldton on Monday to actually look at how we can take things forward. We have discussed with IBM what it would require, as a private company, to have major IT-type facilities in Geraldton; what sort of facilities it would be interested in; and what would be required. On Monday, we are going to have more of a discussion about that.

Hon PHILIP GARDINER: So it will be a genuine partnership right the way through?

Mr Criddle: From a practical point of view, to get the message back into business and to make the opportunities available, we are part-funding a procurement officer so that local businesses will know what is available, and they will also know what is available from the point of view of —

Hon PHILIP GARDINER: I am encouraged to hear that.

The CHAIR: Honourable member, you have one minute to go; I am very concerned about his deadline!

Hon PHILIP GARDINER: Thank you very much; I am very sorry to have to leave.

Hon KEN TRAVERS: Both your strategic plan and service 3 have listed that one of your roles, or functions, is to ensure the timely provision of strategic infrastructure, including the 330-kilovolt power line from Pinjar to Moonyoonooka. When does that need to be delivered, if it is to be delivered in a timely manner?

Mr Douglas: As we know, that particular bit of infrastructure is now going to be staged, subject to the ERAQ approval for the first stage. That is meant to be happening in January or February next year. That is one link, to get that first stage in from Pinjar, which is just north of Perth, to Eneabba, because what can happen from there is that the two major magnetite projects to the east of that particular line, which require significant power—being Gindalbie Metals and Asia Iron's Extension Hill project—need to be able to tap into power over the next couple of years, in about 2012 or so. Those dates can be a little bit flexible, as we know, with some of the resource projects. That particular power line and that particular stage—assuming it goes to schedule as planned at the moment—will be in place to allow those companies to access the power they need for their operations. We are pleased about that part of it. Having said that, of course, we are still looking at power to the mid-west generally, and we certainly want to ensure that we have power for our major projects as we require it.

Hon KEN TRAVERS: You talk about it being about the timely provision.

Mr Douglas: Yes.

Hon KEN TRAVERS: I accept your point about the urgency to get it to Eneabba. Do you have any rough indication of—to ensure it is provided in a timely manner—when it would need to reach Geraldton itself, or Moonyoonooka?

Mr Douglas: Yes, the drivers will be when those other industries get going, and then the other driver will be at what pace is industry going to be attracted, for instance, to the Oakajee industrial estate, if and when it is up—and we hope that does happen, of course. But if there is a major driver requiring power, for instance in Oakajee, then that might put a greater urgency on the 330-kilovolt power line, but we might also find that there could be a major industry going to Oakajee that might have an alternative power option, and some of those have been discussed, too, such as on-site power generation.

Mr Criddle: I think it is a very important issue in the mid-west, but it will be driven by the requirement of the mining industry. I cannot tell you when the mining industry will kick off, but it is a very vital piece of infrastructure.

Hon KEN TRAVERS: If there is no major new mining industry established in Geraldton, do you have sufficient access to power to meet your needs going into the future, until a major user comes along, to meet the expected growth?

[11.50 am]

Mr Criddle: I do not think we can give a direct answer to that because the time lines for some of these things are still in the melting pot, unfortunately. I think in the new year we are going to have a better indication of what time that will be required. Certainly, it will be required within the near future.

Mr Douglas: If I can add to that, certainly it is a good question in terms of have we got ample power for 20 years? If you are talking about that sort of time frame, just steady-as-she-goes growth, the answer to that would be probably no. But where is that cut-off?

Hon KEN TRAVERS: You mentioned earlier, for instance, the SKA was going to need significant power. Do you have any idea of the quantity of power that is required—is it in megawatts or kilowatts? What are we talking about in terms of the volume of power required for the SKA?

Mr Douglas: Many megawatts. I will have to take that question on notice if you would like a specific figure. If we are talking indicative, I recall figures of 50 potentially up to 100, but I will take that question on notice.

[Supplementary Information No B1.]

Hon KEN TRAVERS: Because I guess the other thing is that you talked about that needing to be renewable, or I think the desire was for it to be renewable. Again, it is my understanding that with most renewable power sources, one of the key issues is they need to be connected into the grid to help provide the balance of the grid. Is the SKA a driver in that regard to allow the renewable—I mean, people have talked about stand-alone power in the Geraldton area, but if you wanted to get renewable, I would have thought you needed to be connected into the south west grid to be able to meet that balancing approach that comes with the grid that you would not have as stand-alone.

Mr Criddle: It is interesting you say that. Horizon Power were there the other day at the conference to do with local business that was mentioned earlier and they were very interested in developing opportunities that would give a local community power, so there are some options outside of linking into the grid, as you said. You must remember that this SKA area and ASKAP area are a long way from Geraldton and a long way from the grid, so there is going to be some serious issues there. The mining industry is going to have the same problem; if you look at the distance of the mines from the grid—a long, long way.

Hon KEN TRAVERS: I guess it is always one of those classic ones, though, if you put the grid in then often down the track it allows you to open up other resources that would not otherwise have been able to be opened up because it is uneconomical, whereas if they can just tap in to a grid line 20 kays away it becomes a lot cheaper all of a sudden.

Mr Criddle: Or you could make the same point that I made just a while ago: Horizon Power might actually build their own facility and pump it back, so there are some issues both ways.

Mr Douglas: The MRO and the potential site of the SKA is 300 kilometres north-east of Geraldton. I am not sure how far it is in a straight line to connect to the grid but it would be in the order of let us say at least 200 kilometres to get it to Mullewa, for instance. Having driven that road, it is a two and a half hour trip straight north and that is where the grid comes out, but the grid at that point is actually quite fragile; we are talking about the end of a very large grid system. So it is not just a matter of getting the 200 kilometres from the MRO to Mullewa; you would have to upgrade Mullewa to feed into something else, and we are talking about a major exercise. It is a good question because we thought, "Ha!" we could solve a lot of our issues in the mid-west by connecting to the SKA and get the renewable 330—the whole lot. We went down that path, had a lot of conversations with CSIRO, state and fed governments but it just got down to the fact that it is just too difficult, too costly and it would require too many other components to fall into place. So they are looking now at how we can get the renewable on a stand-alone basis. They are looking at things like solar and a bit of wind, but mainly solar with a hybrid with perhaps diesel back-up and so forth, so there is a lot of work being done in that area.

Hon KEN TRAVERS: The Geraldton foreshore redevelopment—I think you were the lead agency on that and had the funding for it. Is that now completed; and, if it is, are you able to provide us with a final break-up of the money that was spent and what it was spent on?

Mr Douglas: I will have to take the second part on notice. The answer is yes to the second part in terms of the detail and so forth. In answer to the first part of your question, yes, the Geraldton foreshore redevelopment project began in 2003-04. The funding should have all been completed and acquitted and so forth at the end of last financial year, but we have a rollover at the moment, I think, of just under \$1.9 million. Effectively, the project has been completed in terms of the physical nature of the project; what we are waiting on now is for the City of Geraldton-Greenough just to provide us with the final claim, if you like, and acquittals. Because what we have done with that project since its inception is that the state funding has been allocated to us in certain blocks over six financial years. What we did early on was treat each year as a stand-alone grant and within each of those grants we established specific milestones. So we gave the city a certain amount of funding when they started a milestone, then we physically inspected it or had other people verify that that work was done, and we then paid out for that particular milestone. That is the way the project has happened for six years; it has been quite a long process but quite a good one. That is why effectively the project has been finished but we still have \$1.9 million to provide, but that will happen fairly quickly. We have some claims in at the moment.

[Supplementary Information No B2.]

Mr Douglas: Can I just clarify exactly what that supplementary information will be?

The CHAIR: Yes, good question!

Mr Douglas: Because it is a fairly large area!

Hon KEN TRAVERS: What was the total expenditure on the foreshore and how it was broken up, giving as much detail as what you expect to be the claims against the \$1.9 million so that we can get that sort of reconciliation of where it all went and what it went to. In fact, one of the specific projects I am interested in is whether it was used to fund the flagpoles. I do not know if you able to answer that.

Mr Douglas: No.

Hon KEN TRAVERS: Definitely not? You can guarantee it!

Mr Douglas: No, and those are not going ahead, I understand, but definitely not. Certainly, that funding was provided, as I said, upfront and we knew what the project was going to be about broadly, but as the project then went into detail, because this project when it was set up did not have necessarily all the detail for everything—it was a six-year project. There was obviously a lot of detail in the first year or two and of course the vision of how it was going to finish and so forth and a certain level of planning. A lot of that planning then had to be adjusted depending on how things went. The reason I mention that is because as a result of our involvement at that level, we know what was in that project and what was not in that project and what we were prepared to fund as a state government and what we were not. Certainly, things like that were definitely not on the agenda.

Hon KEN TRAVERS: Could they have been funded through the project or that would not have fitted the criteria?

Mr Douglas: It is not in the list of information that we have as part of the foreshore project.

Hon LIZ BEHJAT: My question is more of a general nature rather than perhaps specifically at the mid-west. We have had a number of development commissions, as you know, appear in front of us in the last couple of days and it is interesting to see how different commissions do different things. I have to say that your annual report is a really easy one to get through and read and you are obviously enthusiastic about your projects. You are in Perth for the next couple of days and you are having meetings with the other development commissions. Do you all talk about how you do your internal procedures and perhaps learn from each other that this is the way that we do this? I notice you get a big tick from the Auditor General in relation to your financials and that is great to see; others perhaps do not get that same tick. I know you cannot have one-size-fits-all for projects, and we never should do that, but is any thought given about some standardisation of the way you do your reporting, do your internal financial controls and things like that?

Mr Douglas: I think financial controls should be more to a template driven by Treasury, so I think that bit is okay. I think we have been extremely blessed, if I can put it that way, by having a couple of chief financial officers who have just been fantastic. I had the guy preceding Melanie Ross, who is fantastic and has just come back from maternity leave, so she works three days a week but she is still able to get that particular tick-off, which is a credit to her.

Hon LIZ BEHJAT: Of course, she is a woman! Of course she can do that.

Mr Douglas: I thought I had better say that first!

Hon KEN TRAVERS: It was worth you coming just to hear the CEO talk about you, wasn't it!

[12 noon]

Mr Douglas: Supporting Mel is my assistant director, Neil Condon. When he came to the organisation I would have to say our finances needed a lot of work. I was not the CEO then, but I was certainly aware that they needed a lot of work. Neil came from the corporate area—he was Iluka's corporate services manager, I think—and that sort of area, so that guy has been in that business world and understands this very, very well. So he has been able to put in place probably 10 years ago—he celebrated his tenth year the other day; he still does not know why he is there, and I say that in a nice way. He was able to put in place for us really rigid strong procedures, processes and systems.

It was three or four years after that we started getting recognition for our financial statements, which have continued through. Then we were very lucky that we are able to pick up Melanie who is able to take that forward and continue that trend. And Neil is still there. If Melanie has a bit of an issue, she can go back to someone like Neil who has got that experience. So we have been very lucky there. That is the financial side. I agree with you with the other bit about procedures, some of

those broader issues and how we might present information and so forth. I think that is sort of an area few of us, when we are having a bit of a chitchat, will talk about, but it is probably not something that we have actually talked about at a, if you like, more formal level. That might be something that is probably a good idea that we could do.

Hon WENDY DUNCAN: If I can also respond, it is something that I have already had discussions with the minister about, and he agrees that it is something that is worthwhile pursuing.

Mr Criddle: It needs to be understood that they are vastly different areas and different communities, too.

Hon LIZ BEHJAT: Absolutely. That is what I said. I said you cannot get a one size fits all for projects, but in relation to some basic standard operational procedures and reporting things, I think it would be a benefit to everyone if that could be adopted.

The CHAIR: It has just been interesting because we have had commissions one after another come in to make that comparison and so some standardisation would probably be useful, obviously.

Mr Criddle: Across the board, I have to say the commissions are now communicating very well. I have only been on the board just a little while, but certainly I have been impressed by the way they are starting to communicate with one another and the councils working over the top as well. It seems to be pretty good to me.

Hon LJILJANNA RAVLICH: But I think they have always communicated, with all due respect, fairly well with one another. I do not think that that has ever been a problem.

Mr Criddle: I think the financial capabilities now have introduced a new aspect to the development commissions. We do handle grants and so forth and that has gelled things a fair bit.

Mr Douglas: I think that is probably a fair comment. Just the sheer importance of getting those grants and getting those right and across projects, yes, we have all got to make sure in terms of processes and procedures and everything else that they are absolutely tight and accountable.

The CHAIR: Members, it is almost exactly 12 o'clock, so unless anyone else has a rush of —

Hon KEN TRAVERS: And incur the wrath of the parliamentary secretary and the committee staff? Not likely!

Hon WENDY DUNCAN: I might miss out on my present!

The CHAIR: The committee will forward any additional questions it has to you via the minister in writing in the next couple of days, together with the transcript of evidence, which includes questions you have taken on notice. There might well be no additional questions. I think we might have completed that. If members have unasked questions, could you please submit them to the committee clerk at the close of the hearing. Responses to these questions will be requested within 10 working days of receipt of the questions. Should the agency be unable for some reason to meet this due date, please advise the committee in writing as soon as possible before the due date. Please, if you do give that advice, could you indicate specific reasons why the due date cannot be met? Finally, on behalf of the committee, I would like to thank you very much for your attendance this morning and we will close the hearing. Thank you very much.

Mr Criddle: Thank you, and have a good Christmas.

The CHAIR: Thank you.

Hon KEN TRAVERS: You too.

Hon LJILJANNA RAVLICH: Yes, you too.

Hearing concluded at 12.03 pm