

STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS
ADDITIONAL QUESTIONS FOR 2009/10 ONGOING ESTIMATES HEARING

Friday, 4 December 2009

Minister for Regional Development
Mid West Development Commission

Hon L Ravlich asked –

1. *I refer to Page 256, Significant Issues Impacting the agency, the first dot point suggesting a role in the development of Oakajee, and ask –*
 - 1.1 *What is the extent of the Commission's role in the establishment of the Oakajee Port and Rail facilities?*
 - 1.2 *Is the Commission a member of and what role do they have on the –*
 - 1.2.1. *Steering Committee?*
 - 1.2.2. *The implementation group?*
 - 1.2.3. *The port working group?*
 - 1.2.4. *The commercial working group?*
 - 1.2.5. *The rail working group?*
 - 1.2.6. *The services working group?*
 - 1.2.7. *The community working group?*
2. *At the time of the Lower House Estimates hearings the commission had not yet accessed its 2.5 per cent share of the \$4.44m Regional Grants Scheme allocation and did not have an increase in FTE. Is that still the situation?*
3. *I refer to Page 261 and the items Net Cost of Services, Total Income from State Government and Surplus / (Deficiency) for the period and ask –*
 - 3.1 *Is it the correct interpretation to say that your costs exceed your income and you have a shortfall of \$250,000 for the 2009-10 year?*
 - 3.2 *If this is a correct interpretation, how is that shortfall covered?*

4. *I refer to Page 255 under Major Policy Decisions the line item for Regional Grants Scheme 2008-2009, from the Royalties for Regions website, and ask –*

4.1 *Can the Minister Explain why the allocation for the Regional Grants Scheme is listed as \$4.44m on Page 255, but \$4.329m on Page 261 under the line item Royalties for Regions fund (Details of Controlled Grants and Subsidies)?*

4.2 *The approved projects listed on the website totals \$3,522,085. Can the Minister explain the difference between the total of approved grants and the \$4.4m?*

4.3 *Have other funding grants been approved to take up the difference and if so what are the details and amounts of extra grants and why are they not listed on the website?*

4.4 *Can the Minister indicate where in the Budget papers the difference between these two amounts might be located?*

4.5 *If the difference is not allocated to grants for 2008-09, what happens to it – does it return to the consolidated revenue, can it be banked for the following year, or is there some other provision?*

4.6 *If the difference is unallocated, it means that the Commission was unable to find projects to allocate \$4.4m to in 2008-09, so what likelihood is there of finding suitable projects for the \$7m to be allocated in 2009-10?*

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

6. *Has the Commission done any work on likely resources (infrastructure, staffing, funding etc) needed to meet those population projections in –*

6.1 *Health?*

6.2 *Education?*

6.3 *Police and Emergency Services?*

6.4 *Housing?*

7. *Can the Commission table its –*

7.1 *Strategic Plans ?*

7.2 *Operational Plans?*

7.3 *Any documents on Infrastructure needs for the region and any associated costings or estimates?*

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

8.1 *What the priorities are?*

8.2 *Funding required to meet each of those priorities?*

8.3 *Estimates of what will be received in appropriations in the forward estimates from Government?*

8.4 *Any likely shortfall over those years – itemised according to the listed priorities?*

Answer:

1

1.1 The Department of State Development is the State Government's lead agency for the development of Oakajee. The Commission plays a support role by providing local input and advice to DSD. Through its Mid West Strategic Infrastructure Group, The Commission also provides an effective communication / liaison forum between DSD and key regional stakeholders including local government.

1.2

1.2.1 No

1.2.2 The Commission is a member of the Oakajee Implementation Group only. The Commission's role is to provide local/regional input into the planning for Oakajee and its related infrastructure and projects. The Commission is also looking at coordinating a strategic response to the community infrastructure needs of Oakajee and its related infrastructure and resources projects.

1.2.3 No

1.2.4 No

1.2.5 No

1.2.6 No

1.2.7 No

2 The Commission's FTE has now increased by 2 with 1.75 FTE being funded through the 2.5% funding allowed to support RGS administration and projects.

3

3.1 Yes, costs exceed revenue by \$250,000 for the 2009-10 year. However, I would not describe this as a shortfall as it merely reflects a mismatch in the timing of income and expenditure rather than a deficiency in funding.

3.2 The "shortfall" is covered by carryover funds which were primarily accumulated through unplanned staff vacancies in recent years.

4.

- 4.1 The difference of \$111,000 is equal to the 2.5 per cent of the \$4.44M Regional Grants Scheme reserved to meet additional administration and project support costs. These costs are not included in the line item Royalties for Regions fund (Details of Controlled Grants and Subsidies) on Page 261 but are included in the Regional Grants Scheme item on Page 255.
- 4.2 The difference of \$917,915 consists of the \$111,000 forecast for administration/project support costs, and \$806,915 forecast for Strategic Reserves.
- 4.3 As at 4 December 2009, the only further approval of RGS funding was \$140,000 for the Wirnda Barna Arts Centre from the Strategic Reserve component of RGS. This was not listed on the Commission's website as funding had only recently been approved.
- 4.4 The 2008-09 Estimated Actual figures shown in the Income Statement on Page 261, include \$100,000 in employee benefits, \$11,000 in supplies and services, and \$807,000 in grants and subsidies. This totals \$918,000 (\$4.44M – \$3.52M).
- 4.5 Unallocated RGS funding from 2008-09 has been carried forward to 2009-10. It should be noted that the Commission can use up to 2.5% of its RGS funding to meet associated additional administration and project support costs. As the Commission only used \$4,000 for these purposes in 2008-09 this effectively increased the amount available for Strategic Priorities. As a consequence the Commission has carried over \$914,000 from 2008-09 in its Strategic Reserve component of RGS (\$4.44M received less \$3.52M allocated and less \$4,000 used for admin/project support).
- 4.6 It is not accurate to suggest that the Commission was unable to find projects to allocate \$4.4 M in 2008/09. In Round 1 RGS, three submissions seeking more than \$1.1 M in total were referred for consideration via the Commission's RGS Strategic Reserves. These projects were complex and required additional due diligence. Subsequently no funding was allocated to those projects, leaving the Commission with unspent Strategic Reserves. These have been rolled over into 2009-10. The Commission is working with key stakeholders to progress projects in a number of key strategic areas including, support for community infrastructure in response to major resources projects, especially those associated with Oakajee; further strategic development of Geraldton Universities Centre, and opportunities to further establish Geraldton and the Mid West as an IT/learning hub to capture benefits and opportunities provided by the SKA project.

It should also be noted that the RGS funding for each Regional Development Commission has decreased from the \$7M budgeted for 2009-10 to \$5M.

- 5 No. The Commission uses the population projections prepared by the previous Department for Planning and Infrastructure (DPI), and now the Department of Planning. Both the Geraldton Iron Ore Alliance and DPI have undertaken work on the population impacts of the numerous iron ore projects and their infrastructure. MWDC approved funding of \$90,000 from Round 1 of the Mid West Regional Grant Scheme to the City of Geraldton-Greenough to undertake a population and demographic study of the Mid West, with a focus on Geraldton.
- 6 The Commission and its Mid West Strategic Infrastructure Group supported the preparation by DPI of the Mid West Infrastructure Analysis Report which was released in November 2008. This report endeavours to identify the socio-economic impacts, including those listed in points 6.1 to 6.4 above, of major resources projects planned for the Mid West.

7

- 7.1 The Commission's Strategic Plan 2008-10 - enclosed.
- 7.2 The Commission's Operational Plan (financial) - enclosed.
- 7.3 Mid West Resource Industry Freight Task Analysis (Prepared by the Commission) - enclosed
Mid West Infrastructure Analysis - enclosed

8.1 The Commission is constantly talking to its communities in respect to their main challenges, issues, opportunities and priorities. In the past the Commission has prepared Regional Priority Plans. A priority in the Commission's Strategic Plan 2008-10 is to undertake regional strategic planning based on the Mid West's three sub-regions. It is expected that the establishment in 2010 of a Mid West Regional Planning Committee will support this aim.

8.2 Funding to meet priorities in the Regional Priority Plans was identified in a number, but not all cases.

8.3 No

8.4 No