

**STANDING COMMITTEE ON  
ESTIMATES AND FINANCIAL OPERATIONS**

**2011–12 AGENCY ANNUAL REPORT HEARINGS**

**DEPARTMENT OF PLANNING**

**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
THURSDAY, 04 OCTOBER 2012**

**SESSION TWO**

**Members**

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

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**Hearing commenced at 1.11 pm****LUMSDEN, MR ERIC****Director General, Department of Planning, sworn and examined:****THOMSON, MR NEIL****Assistant Director General, Department of Planning, sworn and examined:****WILSON, MR KEVIN****Chief Financial Officer, Department of Planning, sworn and examined:**

**The CHAIR:** On behalf of the Standing Committee on Estimates and Financial Operations, I would like to welcome you to the hearing this afternoon.

[Witnesses took the oath or affirmation.]

**The CHAIR:** You will have all signed a document entitled “Information for Witnesses”. Have you and read and understood this document?

**The Witnesses:** Yes.

**The CHAIR:** Thank you. The hearing this afternoon is being held in public, although there is discretion available to the committee to hear evidence in private either of its own motion or at the request of a witness. If for some reason you wish to make a confidential statement during the proceedings, please indicate that you wish to have your evidence taken in closed session. These proceedings are being recorded by Hansard, and a copy of the transcript of your evidence will be provided to you. The committee reminds agency representatives to respond to questions in a succinct manner and to limit the extent of personal observation. To assist the committee and Hansard, if you could please quote the full title of any document you might refer to during the proceedings, and please be aware of the microphones and try to have them directed towards you.

Members, it would assist Hansard if, when referring to the annual report, you please give the page number in preface to your question. Government agencies and departments have an important role and duty in assisting Parliament to review agency outcomes of behalf of the people of Western Australia, and we appreciate your assistance in this process.

For the benefit of members and Hansard, I now ask that you please introduce yourselves, indicating your full name, your contact address, and the capacity in which you appear before the committee.

Thank you very much. Do members have any questions they wish to start with?

**Hon LJILJANNA RAVLICH:** Director general, I am referring to page 23 of the annual report, which deals with Elizabeth Quay, and I would like to ask the following: in reference to the expressions of interest called for developers of the hotel and the residential development land at Elizabeth Quay, I wonder if you could advise the committee how many expressions of interest the department has received?

**Mr Lumsden:** Through the honourable Chair.

**The CHAIR:** Yes, please.

**Mr Lumsden:** I cannot answer that exactly because the expressions of interest were called through the new Metropolitan Redevelopment Authority, which came into operation on 1 January this year. That question should be addressed to that authority.

**Hon LJILJANNA RAVLICH:** So they do not talk with you or you do not —

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**Mr Lumsden:** They talk with me, but if I was going to give you factual, honest answer, at this time I cannot give it you. I can certainly take that on notice and give you the answer.

**Hon LJILJANNA RAVLICH:** Okay; can you take that on notice?

**Mr Lumsden:** Certainly.

*[Supplementary Information No B1.]*

**Hon LJILJANNA RAVLICH:** Are you aware if any concessions are being offered to the developers interested in doing developments at Elizabeth Quay?

**Mr Lumsden:** No, I am not.

**Hon LJILJANNA RAVLICH:** Could you just advise the committee where the development is at presently, and is the department close to securing a developer?

**Mr Lumsden:** Again, although I am aware there have been expressions of interest called, they have again been through the Metropolitan Redevelopment Authority and that question needs to be addressed to that authority specifically.

**Hon LJILJANNA RAVLICH:** So what is your involvement, then, in terms of Elizabeth Quay?

**Mr Lumsden:** The department's involvement has been, up until the end of December last year, to be the department involved in terms of putting the project together to a stage that could then be moved forward in terms of delivering and calling for expressions of interest et cetera. As outlined on page 23, in the last paragraph of that page, responsibility for project construction et cetera has formally been transferred to the Metropolitan Redevelopment Authority.

**Hon LJILJANNA RAVLICH:** Was that always the intention in respect of this project?

**Mr Lumsden:** Yes, it was.

**Hon LJILJANNA RAVLICH:** On the same issue, I wonder whether you could advise the committee why the amount of residential dwellings at Elizabeth Quay was reduced from the previously stated amount.

**Mr Lumsden:** The project has been subject to a number of design reviews, as I understand it. There has been constant refinement of the product mix, if I could call it that, and obviously evaluation through analysis and professional advice on what would be appropriate for that development. Again, more detail can be obtained through the Metropolitan Redevelopment Authority.

**Hon LJILJANNA RAVLICH:** Was your agency involved in those design reviews; and, at what point did —

**Mr Lumsden:** No, not directly in that sense. That has been ongoing since 1 January.

**Hon KEN TRAVERS:** While we are talking about Elizabeth Quay: in terms of the early planning work, what role did your agency have in terms of the traffic modelling or the impacts of that project?

**Mr Lumsden:** We liaised extensively in terms of the design parameters with the Department of Transport, and also had our own people, where appropriate, do some initial modelling, which was further then developed through the Department of Transport and also Main Roads WA.

**Hon KEN TRAVERS:** Has there been STEM and ROM modelling done on the project, as opposed to the privately done modelling that Main Roads got?

**Mr Lumsden:** My understanding, through the Department of Transport, is that that has been done.

**Hon KEN TRAVERS:** Yours is the STEM modelling, is it not?

**Mr Lumsden:** STEM, correct.

**Hon KEN TRAVERS:** Yes, within the Department of Planning.

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**Mr Lumsden:** ROM is normally done through Main Roads —

**Hon KEN TRAVERS:** Main Roads.

**Mr Lumsden:** Yes.

**Hon KEN TRAVERS:** Did you do any of the STEM—strategic transport evaluation model, I think it stands for?

**Mr Lumsden:** We did some initial work, as I understand it, and then that was further taken and refined through the Department of Transport.

**Hon KEN TRAVERS:** So who is responsible, and who will we hold accountable in 20 years' time, for the traffic impacts of Elizabeth Quay?

Who are ultimately the people who will be held responsible if in 10 years' time we have gridlock in the city because the Graham Farmer Freeway tunnel has reached capacity and the roads everywhere else are fully gridlocked because of, if you want to call it that, the realignment, which I think is the new term? In the original documentation, and even in your report on submissions, you talked about the closure of Riverside Drive; who is going to be the body that is ultimately responsible for that?

**Mr Lumsden:** In terms of the traffic modelling and the final decisions on transport, it will be through the Department of Transport or prior to that Main Roads WA, but I do not accept that generally just that closure is an issue for traffic congestion across the whole of the City of Perth.

**Hon KEN TRAVERS:** Even the modelling I have seen shows that the tunnel will now be almost at capacity even with the third lane.

**Mr Lumsden:** I do not have the figures before me, you can check with the Department of Transport, but the tunnel sooner or later would reach capacity in any event.

**Hon KEN TRAVERS:** Yes, but we bring that forward by a significant —

**Mr Lumsden:** Yes, but the point is that it is not a single element that contributes to traffic congestion.

**Hon KEN TRAVERS:** That is true; that is what am trying to get to: who has done the overarching modelling to say that we want —

**Mr Lumsden:** My understanding is that it is through the Department of Transport, which is directly involved, and Main Roads WA. You would have to ask the department.

**Hon KEN TRAVERS:** We are also told now that it could be as early as 10 years before we are going to need to build a tunnel under the project to connect Riverside Drive back together to manage the future traffic demands of Perth.

**Mr Lumsden:** I have not been told that, so I cannot comment on it.

**Hon KEN TRAVERS:** That is the minister's comment.

What was the role of the WA Planning Commission in terms of Elizabeth Quay?

**Mr Lumsden:** The role of the WA Planning Commission was to oversight the development of the Perth Waterfront project in terms of design and aspects relating to investigation of the projects so it could then be handed over at the formation of the Metropolitan Redevelopment Authority on 1 January.

**Hon KEN TRAVERS:** As I understand it, Mr Prattley, the Chairman of the WAPC took a fair degree of travel related to Elizabeth Quay—it probably would have been called the Perth Waterfront development at that time. Is it to try to market that development overseas; is that correct?

**Mr Lumsden:** That is my understanding, yes, but I do not know the specific details, I am not responsible for Mr Prattley as chairman of the commission.

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**Hon KEN TRAVERS:** So that is done separately.

Do you hold records on, and are you able to tell us, who he would report to on his overseas travel? Are the reports on overseas travel held by Mr Prattley or by your agency?

**Mr Lumsden:** First of all, the answer is he reports as chairman to the Minister for Planning and our agency does have that information on behalf of the commission.

**Hon KEN TRAVERS:** Can I then ask for your agency to provide me with dates of the meetings Mr Prattley held to discuss the development during his travels and who he met with. Would you have that information?

**Mr Lumsden:** I believe we would.

**Mr Wilson:** We should be able to get that.

*[Supplementary Information No B2.]*

**Hon KEN TRAVERS:** If there is anything within the documentation that your agency holds, are you able to give us any details about the nature of the discussions that Mr Prattley had and whether there are any reports on the natures of the discussions he had with the people he met with to discuss Elizabeth Quay?

**Mr Wilson:** There is a presentation disc and speech notes that he used when he was travelling and talked about the quay.

**Hon KEN TRAVERS:** Could we get a copy of that and also there are any reports that mention what was discussed, and if there are any results or outcomes of those meetings that you hold records of?

**The CHAIR:** They are included in supplementary information B2.

**Hon KEN TRAVERS:** I think I have covered this, but if we could get anything, obviously, reported to the minister, but also to anyone else you are aware of that the reports were provided to, it would be good. Was he also at the same time dealing with the Perth City Link development or was it just Elizabeth Quay?

**Mr Lumsden:** My understanding is that he was also involved in the Perth City Link development as chair of the commission.

**Hon KEN TRAVERS:** If we could get the two at the same time, it would be good—if we could also get the same questions but relating to the Perth City Link.

*[Supplementary Information No B3.]*

**Hon KEN TRAVERS:** We wrote to your agency, as a committee, about the efficiency dividend and how you are going to achieve it. It is suggested in that that your outcome is pending the outcome of your value-for-money audit, but that is not due until the end of this year.

**Mr Lumsden:** Correct.

**Hon KEN TRAVERS:** How did you then manage to get two per cent efficiency dividend? Does it not then become a four per cent efficiency dividend if you only have six months to achieve it in?

**The CHAIR:** Just we progress, I am just giving Mr Lumsden a copy of the correspondence so he knows what we are referring to.

**Mr Lumsden:** Thank you very much. Mr Wilson can answer this in detail; I am obviously familiar with the approach, but on the actual detail of implementing that I will hand over to Mr Wilson.

**Mr Wilson:** We have actually found some savings in going from leasing to purchasing PCs and we have estimated that there is about a \$100 000 saving in that. This year the impact on the department was \$730 000. For the rest we have just tried to find some savings in salaries. We are just holding off on filling some vacancies to meet that, pending—that is what we were saying—the value-for-

money review, because we really need to find out where the department is going for the future. We have just tried to use that \$100 000 from the conversion from leasing to buying and reductions in salaries—vacancies.

**Hon KEN TRAVERS:** In terms of the amount that you are required to fund, how much will that make of that?

**Mr Wilson:** Of the \$730 000, \$630 000—the salary side of it.

**Hon KEN TRAVERS:** That will meet the full —

**Mr Wilson:** That will meet this year's commitment.

**Hon KEN TRAVERS:** For two per cent?

**Mr Wilson:** Yes, for two per cent.

**Hon KEN TRAVERS:** Have you been notified how much of the new three per cent—it is around three per cent—I do not think the government calls it an efficiency dividend, but it is —

**Mr Wilson:** Corrective measures.

**Hon KEN TRAVERS:** Yes, but it is an efficiency dividend by any other name. Have you been advised how much of that you are required to find?

**Mr Wilson:** Yes.

**Hon KEN TRAVERS:** How much is that?

**Mr Wilson:** It is frightening! It is \$8 million.

**Hon KEN TRAVERS:** Eight million?

**Mr Wilson:** Yes; we need to work it through with Treasury.

**Mr Lumsden:** We only got advised of that yesterday. I think it is fair to say that I and my colleagues here are very disturbed by it.

**Hon KEN TRAVERS:** I was going to say I would not have thought that you would have had \$8 million worth of discretionary expenditure, would you?

**Mr Lumsden:** The short answer is, no, Mr Travers.

**Hon KEN TRAVERS:** By the time you take out your leases you have signed up for office space and all the rest of it, it will mean a loss of staff, will it not? I mean, the only way you would achieve an \$8 million cut will be to actually reduce staff.

**Mr Lumsden:** It would mean that on our current budget I cannot fund my current permanent staff employed by the department.

**Hon KEN TRAVERS:** It almost makes my next questions kind of redundant, because I see that in the next paragraph you talk about the current structural funding deficit, and that was obviously pre-existing the \$8 million cut. What is the current structural funding deficit?

**Mr Lumsden:** Basically it goes back to the split of the department where because we transferred staff to both of them, the now Department of Transport and also the now Department of Regional Development and Lands, we were required under section 25, I think it is, to not only transfer the position, but the full funding, notwithstanding the Department of Planning and Infrastructure, as it was known that time, which from a budget sense had only budgeted for 85 per cent of the staff. In other words, it took into account leave, natural attrition and turnover, so that meant that notwithstanding that component, we still had to transfer 100 per cent of the staffing budget, which was transferred, notwithstanding that our previous broader DPI budget only had 85 per cent.

[1.30 pm]

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Not only was I left with the 85 per cent balance for the new Department of Planning, but it also meant that that percentage would drop because of the transferring of 100 per cent of the funds to other agencies. That is what we mean by the “structural deficit”.

**Hon KEN TRAVERS:** Collectively, you got less than you needed and then you had to provide the full amount to other agencies so you ended up carrying the can for all the previous agencies.

**Mr Lumsden:** We were carrying a reduced balanced fund.

**Hon KEN TRAVERS:** Going back to the \$8 million, I think the government previously announced that its leave loadings—I doubt whether you have \$8 million worth of leave loading, do you?

**Mr Wilson:** No. This \$8 million equates to the salaries of a certain number of FTEs. It is a Treasury calculation and we need to try to work through that. We had an estimate of FTEs in the budget papers and were running at a certain number of FTEs on 13 September but had not filled all those positions. We were in the process of filling the positions, but under the new regime we cannot do that.

**Mr Lumsden:** I can expand on that. The department has been well aware of the government’s difficulty in terms of budgets. It is not as though we are taking the attitude of filling all the FTEs that were vacant from an establishment point of view. In fact, we have been very measured in our approach. I think it is appropriate for me to do that as the director general. However, notwithstanding the establishment level, we identified that even though I may still be able to achieve the government’s lesser number of FTEs prior to this measure—we were working through that as part of the value-for-money audit—to effectively take around 80 staff out of the establishment limit of 567 staff in one hit and then equate that to a salary budget, which we did not have, has a very significant impact on the agency in terms of its future operational capability.

**Hon KEN TRAVERS:** Are you saying that at the point they took their snapshot of the department you were 80 staff down on what you were allocated, or did you have people acting and filling in those positions who were not permanent and they have taken you on your permanent staff numbers?

**Mr Lumsden:** No, we were approximately 70 down.

**Hon KEN TRAVERS:** On what you need to do —

**Mr Lumsden:** Yes, but we did not have the funding for that.

**Hon PHILIP GARDINER:** Based on the FTE ceiling?

**Mr Lumsden:** Yes, the FTE ceiling was 567 and we were operating at around 500.

**Hon KEN TRAVERS:** Is that because your budget structurally gave you only enough money to employ 500 people?

**Mr Lumsden:** Again, structurally we did not have enough money even for that number of staff, and that was to be subject to review as part of the value-for-money audit, which is continuing at the present time and which you have referred to.

**Hon KEN TRAVERS:** Have they now said they are reducing it by 80 staff and will now take that off your budget even though you never had it from them in the first place?

**Mr Lumsden:** That is a pretty concise summary of the impact.

**Hon KEN TRAVERS:** That is the real issue. You were basically operating at a lower staffing level because you did not have the money for it and now they have taken that money from you as if you did.

**Mr Lumsden:** I might add that the department, through my colleagues here and through my direction, has been trying to generate efficiencies from a general public service management perspective over the last two years. It is not as if we have just kept the status quo. We have been looking at efficiencies wherever possible.

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**Hon PHILIP GARDINER:** You have worked for the team but are now almost being punished for it. They are my words, not yours!

**Mr Lumsden:** Thank you.

**Hon PHILIP GARDINER:** We were advised that the efficiency dividends were not going to be as harsh as I am hearing from you now because it reflected that FTE ceiling and the difference from what you would need. I think the suggestion was made to us by Treasury that most agencies were not at their FTE ceiling. I understood that if you were—I think you said—70 below your FTE ceiling, that is 70 times whatever number it is might be giving you your efficiency dividend rather than taking it off what you actually have. Is that not right?

**Mr Lumsden:** You are right. The statement by Treasury that we were not at our FTE ceiling, which was 567, is correct. However, I have also been trying, with my colleagues' support, to ensure that where we could, notwithstanding we had been given that FTE ceiling—I just did not see that as a target to be achieved for the sake of achieving a target—we have been trying to generate efficiencies where possible and also trying to ensure an efficient but sustainable Department of Planning. We have been having a bit of an ongoing argument, debate whatever one wants to call it, with the Department of Treasury and that is why we had accepted the value-for-money audit, which as Hon Ken Travers said finishes at the end of the year, to address those issues. On top of that approach, which we have been working with them on, we now have this other requirement, as I have outlined to Hon Ken Travers, to make this cut prior to the outcome of the value-for-money audit.

**Hon KEN TRAVERS:** As I understand it, the net effect of this is you currently employ around 500 staff and if that cut stands, you will have to reduce your staff numbers to around 430-odd.

**Mr Lumsden:** Equivalent to the \$8 million.

**Hon KEN TRAVERS:** That would be a cut of another 70 staff. How can you do that without impacting on front-line services? I assume that front-line services for your agency are about getting development approvals and land subdivision approvals through.

**Mr Lumsden:** I do not want to be trite but the answer to that is: with great difficulty. Bearing in mind we only received this advice yesterday I have called a meeting with the executive to progressively go through these issues to see what we can do to meet the government's objective. Also, if it is going to reduce the level of services—there is no doubt in my view that it will—we will identify that to the government.

**Hon KEN TRAVERS:** The three areas were the cap on FTEs, leave liabilities and a 1.5 per cent reduction in your budget for purchasing non-essential goods and services. Does that \$8 million include the last two?

**Mr Wilson:** No.

**Hon KEN TRAVERS:** So you need to find another 1.5 per cent on consumables and cap your leave liability?

**Mr Lumsden:** Yes. That raises another point. Notwithstanding my previous answer to Hon Philip Gardiner on FTEs, over the last two or three years, since I have been Director General of the Department of Planning, which is a new department, we have been progressively looking at efficiencies and reviewing our procurement practices. My approach as the director general has been progressively to not accept the business-as-usual approach. We have been looking at how we can maximise efficiencies in terms of procurement and I have been giving constant direction to staff where we have felt there has been excessive leave to progressively reduce that leave, having regard that we need to maintain a certain level of service. Mr Thomson can comment on what we have done in terms of procurement, which is not reflected in this new requirement.

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**Mr Thomson:** Through the Chair, a lot of work has been done in the procurement area. The restructure of the finance division—namely, the joining of the Western Australian Planning Commission finance team with the Department of Planning finance team—of itself was able to derive some efficiencies from which additional staff were put into the procurement area. Procurement is a difficult area, as I am sure you are all aware. One of the issues that was raised by the procurement officers on the front line—we have a range of functions including Whiteman Park; our property services team, which manages property on behalf of the commission; the Stirling alliance; and other areas, including the Perth Waterfront up until 1 January this year—was that they were not getting sufficient support. We have derived some efficiencies by joining the finance teams of the Western Australian Planning Commission and the Department of Planning. From memory, it is in the order of four FTEs and we have used some of those FTEs to increase support in the procurement area. That means having officers on the ground being able to support those officers who are undertaking that procurement and also through a process of audit, which we are finalising, identifying where efficiencies can be gained through the procurement of services.

**Hon KEN TRAVERS:** To follow on from that, I am intrigued to know what impact that staff reduction would have on those key eight areas of your agency in terms of subdivision applications. What is the current waiting time and what do you estimate the waiting time would be if you did not have those 70 staff? What is the current waiting time to approve subdivision applications, development applications, strata title applications, survey of strata titles and vacant strata applications, and what do you estimate will be the average waiting time to approve those applications? What are the current waiting times for the approval of strata applications, the approval of development applications and subdivision applications?

**Mr Lumsden:** Can I take that on notice so that I can give the honourable member an accurate and considerate answer for all the categories he mentioned? I am happy to provide that information; I just do not have it with me at this stage.

**Hon KEN TRAVERS:** Do you maintain stats on the average waiting times?

**Mr Lumsden:** Yes.

*[Supplementary Information No B4.]*

**Hon KEN TRAVERS:** On page 21 of your annual report are some statistics about where it is going. I guess they give a percentage within the statutory time frame. I am also interested in the number of weeks that people are now waiting for their approvals. I do not know whether you go into any lower internal assessments of these things. There are complex ones and simple ones. Sometimes a developer has not provided the information. I talk to local governments and they always say that most of the ones that are delayed are delayed because even though they told people the information was needed three years ago it was not provided as part of the development application. Do you do any internal assessments about those applications that are simple or that are delayed because the proponent has not submitted sufficient information that they knew they had to submit?

**Mr Lumsden:** The short answer is yes. I will also pass over to Neil Thompson. Sometimes those aspects you mentioned do occur when the applicant or, at times, local government has not forwarded enough information. Equally, it involves liaison with other agencies, assessing whether the requested conditions by the agencies are appropriate and, if they are appropriate, to what degree they are appropriate, because sometimes conditions can be quite complex. We are also receiving far more complex applications, particularly in terms of the inner and middle-ring subdivisions. I can give you that information. I will also ask Mr Thomson to answer.

**Mr Thomson:** The processes are a combination of FTEs, resources and systems. The time it takes to process an application relies on the people on the ground and the systems you have in place. One major improvement that the department achieved recently is in the area of form 1C, which is the

final stage of the subdivision process. From recollection, the form 1C data took about 13 days to process under the paper-based system.

[1:45 pm]

This is the final settlement of the subdivision process to having a title in hand through Landgate. Since the introduction of a system which has been developed in the department and is being built upon for other applications at the moment, that time frame has been reduced to between one and two days, so it is a significant improvement, and a very important one for the industry, because at the final stage of the subdivision processes, industry has a lot tied up in the infrastructure and lots they are waiting to sell, and they are obviously wanting to have title so that they can proceed with sale. So I guess it is a complex story insofar as it is not just about people on the ground, but it is about improved systems, and that is something the department has taken very seriously and is expanding upon. Recently the department has had provided, through government procurement, intellectual property which has been developed through the Department of Indigenous Affairs and is relevant to the development of a more integrated electronic approvals system. Work is now underway through our capital expenditure budget, and we are hopeful that in the coming months and years successive application processes will be able to have similar or at least reflective gains in times to process as we enhance the support that officers have through electronic approvals.

**The CHAIR:** I guess my question was: with this information that you were provided with yesterday—I realise it is quite recent—are you aware of this reduction in budget that is being required of other agencies?

**Mr Lumsden:** We are aware that a similar approach is being applied to other agencies. We are not aware of the detail; we are not privy to that, honourable Chair.

**The CHAIR:** Right. So you do not know whether it is the same sort of quantum or whether it is a —

**Mr Lumsden:** No, we have none of that detail available to us; we are not entitled to that detail.

**The CHAIR:** Hon Ken Travers, I think, was talking about impact, with this reduction, on processing and waiting times. Are there any other areas of service delivery that you see will be affected by this \$8 million —

**Mr Lumsden:** Well, yes, honourable Chair. First of all, the department just does not do solely processing of applications for subdivision. We also support the commission in terms of strategic planning reports. We also carry out strategic planning projects, and of course provide significant advice to local government and other government agencies, as well as, when required, advice to the private sector. So all of those aspects could be impacted on by what we may be required to do to meet these government targets.

**The CHAIR:** So I assume that would mean at least delays in providing advice; is that —

**Mr Lumsden:** Certainly, and also loss of expertise and corporate knowledge.

**The CHAIR:** There is a particular piece of strategic advice that I have been following with interest, which is to do with the Margaret River region.

**Mr Lumsden:** Yes.

**The CHAIR:** I understand that the government is looking to look at the strategic planning instruments in that area.

**Mr Lumsden:** Yes.

**The CHAIR:** Is this likely to slow that sort of advice?

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**Mr Lumsden:** First of all, yes, we are carrying out that work; and, secondly, I am not aware at this stage whether it would impact on that work, because that would come into our categorisation as a government priority, so we would obviously address resources for that government priority.

**The CHAIR:** So there is a kind of prioritising of advice that is specifically requested by government.

**Mr Lumsden:** Well, certainly all governments set priorities for advice, and the department is obviously required to respond to that, and we will do that to the best of our ability. As I say, we carry out this very full examination of the staff resources and where they are deployed. We would obviously have an objective of minimising any impact on government priorities, but it may still have an impact on other areas which are perhaps not such a high priority.

**Hon PHILIP GARDINER:** The efficiency dividend to which you are referring is only applying to the Department of Planning—am I correct—or does that include the commission as well?

**Mr Lumsden:** My understanding is that it is just the Department of Planning, but I would ask Mr Wilson to verify that.

**Mr Wilson:** Through the Chair, the Planning Commission did not actually have any impact—this latest dividend did not impact on the Western Australian Planning Commission, mainly because they do not employ staff.

**Mr Lumsden:** The commission does not employ staff.

**Mr Wilson:** Sorry; the commission does not employ staff, and their procurement levels were below the thresholds that they set for the efficiency dividend to apply, so there was no impact on the commission.

**Hon PHILIP GARDINER:** Okay. Just moving to the commission, in the accounts—I know there is an explanation—of the commission, there is a surplus at the end of June 2012 of \$56 million-odd, which in the note says that it represents appropriations received for the acquisition of land for the metropolitan region scheme—I beg your pardon; this is page number—we do not actually have a page number.

**Mr Lumsden:** There should be one there, through you, Madam Chair, in the right-hand bottom corner, honourable member.

**Hon PHILIP GARDINER:** No, not on my copy, I am sorry. But, anyway, it is the Planning Commission statement of comprehensive income, period ended 30 June 2012. The total cost of services in 2012 is \$74 855 000. Have you got that page there?

**Mr Lumsden:** Yes.

**Hon PHILIP GARDINER:** Going two-thirds of the way down, or three-quarters of the way down, there is a surplus for the period of \$56.121 million, and it says that the majority of the surplus is appropriation received for the acquisition of land for the metropolitan region scheme, the Peel region scheme and greater Bunbury region scheme. In the prior year there was a \$30 million surplus. Was that \$30 million surplus fully expended in the course of the year 2011–12?

**Mr Wilson:** Sorry; it just sort of rolls up; it just carries on, because it stays in their bank account.

**Hon PHILIP GARDINER:** No, no; I understand. That is what the balance was at the end of June.

**Mr Wilson:** Yes.

**Hon PHILIP GARDINER:** In the following 12 months, or whatever time period that was for, was that fully expended? Really, was it fully expended in the following 12 months, or is part of that now in the \$56.121 million?

**Mr Wilson:** Yes. It is just part of the balance.

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**Hon PHILIP GARDINER:** How much of that is in the \$56.121 million? How much of that \$30 million is in the following year's cash balance?

**Mr Wilson:** It is difficult to say, because that is a balance carried forward, and then you have expenditure going through.

**Hon PHILIP GARDINER:** I understand.

**Mr Wilson:** So I would not be able to say of that \$30 million how much is related to the \$56 million, if you know what I mean. It is very difficult to be able to extract that out, because it is just the balance in the bank.

**Hon PHILIP GARDINER:** Okay. I will tell you that what I am trying to get to is really whether there was an over-budgeting or under-budgeting part of that \$30 million and for what it was intended to cover.

**Mr Thomson:** Excuse me, Madam Chair.

**The CHAIR:** Yes, Mr Thomson.

**Mr Thomson:** I will attempt to answer it, and I hope Mr Wilson will correct me. Two brains can be better than one here.

**The CHAIR:** Sorry; just before you continue, we are trying to find the page. You have got the thing with the number on it. Could you just give us the number?

**Mr Wilson:** Just after the signatures, certified statements.

**The CHAIR:** Okay; we have got it now. Thank you.

**Mr Wilson:** Happy to assist.

**The CHAIR:** Mr Thomson.

**Mr Thomson:** My understanding—and I will have Mr Wilson correct me if I am wrong—is that this is the surplus from the revenue coming in to the fund, and that surplus then just goes into the balance of the fund. So the \$30 million there will just go into the fund, and that balance is projected, as outlined in the budget papers earlier this year, to increase to about \$250 million over the period of the forward estimates. So the balance just stays there in reserve, so the metropolitan region improvement fund's balance increases as the—well, the trust fund has a different balance; we are in a different situation with the trust account. But that balance stays there and is available for the purpose of the commission, provided the commission has an appropriation to expend it. What we have here in terms of our expenses is that we can only expend what we are appropriated to expend.

**Hon PHILIP GARDINER:** Okay. And those appropriations, they are line items somewhere, are they?

**Mr Thomson:** They will be in the budget papers each year, so what I am saying, I guess, is that what is reported here would have been our appropriation, or very close to our appropriation, so our expenses would have been only—we can only expend as much as we are appropriated to expend. Whatever surplus exists then gets deposited effectively in the metropolitan region improvement fund and, as we know from the budget process this year, that is an expanding balance over the next four years, or projected to be an expanded balance.

**Hon PHILIP GARDINER:** Okay. When we define, as it is in footnote (a) there, the different schemes—the metropolitan region and Peel and greater Bunbury schemes—does that mean that these funds are really for the purchase of lands for corridors and for roadways and that kind of thing?

**Mr Wilson:** Yes.

**Mr Thomson:** Absolutely. The two funds have to work separately because the legislation only allows for the metropolitan region improvement fund to be used for the purposes of acquiring land

and to provide services under the act in the metropolitan region. The trust account operates in the region, but is also used for the same purposes outside the metropolitan region.

**Hon PHILIP GARDINER:** Okay. I just want to have some clarity, which I do not have, of what the differences between the functions of the department are and the commission. Can you summarise that just briefly for me?

**Mr Lumsden:** Yes, certainly. The Western Australian Planning Commission is the peak planning approval authority under the Planning and Development Act, and the commission is a board of management headed by the chair, Gary Prattley, and there are other commissioners appointed in accordance with the act. The Department of Planning is a department of state, and part of its role is to be an objective, independent state agency which makes recommendations to the commission on planning matters for the consideration of the commission where they are required to exercise those considerations, such as approvals, under the Planning and Development Act. The Department of Planning also provides direct advice to local government, which are required to carry out planning functions under the Planning and Development Act, which has been delegated to local government through the formulation of their local planning schemes. We also provide planning advice to other government agencies of state such as the Department of Transport and other agencies such as the Department of Environment and Conservation, the Department of the Premier and Cabinet et cetera, and we also provide advice, of course, on the planning processes and other aspects involving the preparation of strategic instruments to the private sector. So the Department of Planning has a number of roles, but a principal one is to provide—and I should also say, and not least, is that the department also provides independent advice to the Minister for Planning and other government ministers through the minister. So the Department of Planning is not just simply an agency set up solely to provide advice to the commission. It has a wider role than that; it has a whole-of-government role.

**Hon PHILIP GARDINER:** So it is the umbrella —

**Mr Lumsden:** The commission is a board of management which deals with the statutory approval functions as set out in the Planning and Development Act. The Department of Planning does not approve applications unless it has a delegated authority granted to it by the commission. Its principal role is to not only exercise that delegated authority, but also advise the commission on key aspects such as local government planning schemes, local government planning strategies, scheme amendments, major planning strategies, state government policy et cetera.

**Hon PHILIP GARDINER:** Okay. If I can just take it then into the regional areas for a minute.

**Mr Lumsden:** Yes.

**Hon PHILIP GARDINER:** For something like that Pilbara Cities development and so on up there in the Pilbara, you would have had a major role, I presume, in the planning of what the end point was going to be, what the fabric of the developments, I presume, or the settlement is going to be like up there with the buildings and with the composition of the buildings, and all that kind of stuff. You will put that template in place, after which the commission then grants the particular approvals.

[2.00 pm]

**Mr Lumsden:** We develop, for instance, the strategic planning frameworks, on which we then make recommendations to the Western Australian Planning Commission, which will endorse those frameworks as far as meeting the objectives of the commission as a state Planning Commission. We also provide advice to the Department of Regional Development and Lands and other agencies such as LandCorp in terms of their functions.

**Hon PHILIP GARDINER:** Just bringing it back into the agricultural regional areas, where we have been talking materially about the growth of population out there to complement the distribution of population going not just to the capital city but moving out, have you finished setting that kind of template or overview of the plan you see unfolding for parts at least of that regional

agricultural region of Western Australia? To give you an example, one can see that with the NBN and internet marketing, if there are sufficiently low costs for getting businesses established in regional parts of Western Australia, the internet means you do not have to be close to your market any longer. You may have to have some relationship with it, but that in a way can pose interesting opportunities, I suspect, for planners and how you see these current small towns maybe growing over the next five to 10 years. Is that part of the agenda you are considering?

**Mr Lumsden:** Yes, it is. In fact, we have been recently going through the relevant regions from Kimberley down through the midwest et cetera. We should finalise the goldfields–Esperance region this year in terms of developing the strategic planning framework for those regions, which obviously picks up a whole range of broader infrastructure issues as well as NBN, as well as providing input into the government’s SuperTowns program. I hope that answers your question.

**Hon PHILIP GARDINER:** Yes, it certainly does some of the way. Does it take into account the bigger things of network and inter-regional transport? Hon Ken Travers and I, in particular I think Hon Giz Watson, and Hon Ljil Ravlich have an interest in the transport network and how that integrates with the developments which can occur, be they tourism, other businesses and so on, and to do with the safety of the areas out there to do with road and rail for grain transport. Does that area come into your planning jurisdiction?

**Mr Lumsden:** In broad terms, the answer is yes. We look at the overall infrastructure and the prioritisation and where infrastructure adds value, if I can use that expression. But in terms of the actual government policy and the use of the rail network for grain transportation, that is being dealt with specifically by the Department of Transport from an operational planning perspective.

**Hon PHILIP GARDINER:** But the overall relevance and importance of it I would have thought comes under planning.

**Mr Lumsden:** We try to take all those things into account by liaising with not only local government but also relevant departments such as the Department of State Development, the Department of Transport, the Department of Water—all the relevant agencies that may have an impact or advice or inputs into development of the strategic planning framework. That framework is then presented to the commission, after appropriate public comment, for endorsement.

**Hon PHILIP GARDINER:** With that, do you take your plan as you see it unfolding and present that to the regional development and the local government agencies?

**Mr Lumsden:** We do that through the Department of Regional Development and Lands and the Department of Local Government. We have been progressively developing what we have called an integrated planning framework that clearly shows that structure from a planning systems point of view on how that fits together.

**Hon PHILIP GARDINER:** I am a little bit familiar with small parts of that, perhaps. As you know, a lot of money has been spent out there through the royalties for regions program to improve the liveability of area, for example. Do you have forecasts of when that improved liveability and what other things may have to occur in a complementary fashion that can start to bring populations out to the those regional area; and, if so, in what time frame do you see it happening?

**Mr Lumsden:** We do not have forecasts per se. We provide comment through the SuperTowns-type of program on whether we believe the projects or programs have the ability to facilitate and promote the development of those areas. To say that X will generate Y in terms of population growth is, quite frankly, a guesstimate. It depends on time frames whether things will take place. Whilst the commission is responsible for providing what I will call population estimates, they are estimates on the basis of certain things being equal. But if certain things are put into place and that starts to generate a change in terms of attraction—whether it is business or population—it is very difficult to say just one element, such as the NBN, will generate, for instance, an increase of 5 000 people in the country. We shy away from that but we try a range of scenarios in terms of general

demographic factors because the aspects you have mentioned are only one element to a whole range of issues, such as births and deaths, other service delivery and all those issues that can affect regional towns. I make the point also, which is a common fault, that, for instance, if every local government in, say, the south west of the Perth metropolitan area assumed a 10 per cent population growth, that increase in population of those local government areas would, to a high degree, invariably come from other local government areas. In other words, if you said that an area will increase by 50 000 people, it is highly likely that the 50 000 attracted to that area could be at the expense of another local government area. You do not say A plus B will equal C; it does not work that way. We try to guide local government and government agencies to have their forecasts based on a number of assumptions taking place, which would have to be tested over time.

**Hon PHILIP GARDINER:** Given the SuperTowns model has substantial merit to it, have you been able to glean what has happened in other parts of the world where a similar strategy may have been put in place?

**Mr Lumsden:** The short answer is no. Certainly in the past there have been decentralisation strategies. They have not necessarily been as focused or targeted as the SuperTowns approach. There have been general, I will call it, planning policy objectives to do that, but you definitely need incentives to promote that. The other aspect in terms of the regions is also, in many cases, the existing infrastructure for those regions. One example is roads, which would probably need to be upgraded to a standard just to meet the current demand. It has been well known for some period of time—I think Hon Ljiljana Ravlich will recall from her time as local government minister—that there has always been a projected backlog of funding required for the road system of Western Australia. You can relate that to other infrastructure too. For instance, if you want to improve the population in a certain region, you may have to improve the sewage delivery, which may or may not require upgrade of a sewage treatment plant. Unless you have the capacity in terms of your sewage treatment, you have not got the capacity to improve population growth if you have not got the sewerage available for the properties concerned, which will be created. It is cause and effect.

**Hon PHILIP GARDINER:** What I am trying to get to in this regional context is how far we have to go with building the kind of liveability index, if we can call it that for the minute, until we get to the point where, with the liveability index at a certain critical level, other things start to follow to build population. With your planning experience, do you think—I know it is in broad terms—we have another four years of investing in those regional areas in terms of liveability before that critical point is reached, which might encourage new people to go there, or will it be longer than that? I know it is a very hard question but I want to know when this thing can start kicking in and what else needs to be done if there is going to be a kick-in?

**Mr Lumsden:** I can only answer that in general terms because you really want me to specifically answer for every regional town in Western Australia. It is well known that, whether it is from a population base point of view but also linked to demographic profile and service delivery, you need a certain minimum amount of infrastructure before you build up a momentum. A good example is Bunbury and, to a lesser degree but still a significant degree, Geraldton. They are regional centres. Bunbury has grown in population not only in terms of its immediate population but its regional catchments, which are also a factor, to have many, if not all, the services, for instance, in health that we have in Perth; they now have a cardiac unit and very good social services. There is government agency presence et cetera. They also have significant economic drivers in the region, such as coal. Those elements are being brought together so that you reach a certain critical mass where you jump the threshold. In a number of country towns you need to upgrade the essential infrastructure just to ensure their sustainability. In some cases I think we have to go away to that. We would be moving in that area. As I mentioned previously in my testimony to the committee, I see that the Department of Planning's function is certainly in that strategic, integrated planning space. I have been trying to build up the department's capacity, having regard for the other demands in the department, to be more effective in that area. That is still a personal goal of mine. We are not there anywhere near the

degree I would like to be, but those are fundamental issues that I think the department needs to have a proactive role in from an integrated planning context to address those issues you have referred to. I think we have done some very good work in the Perth–Peel–Bunbury region, but we need to increase focus to address the issues you mentioned in terms of the regions other than just, say, the Bunbury and Geraldton regions.

**Hon PHILIP GARDINER:** That is one of the reasons I think your function is extremely important.

**Mr Lumsden:** They are the functions I would like to enhance rather than just being a subdivisional agency.

**Hon PHILIP GARDINER:** Yes, it is a complex area; you have to try to peer into the future and then you do not like it.

**Mr Lumsden:** You need a research capacity, which we need to enhance to do that effectively. Mr Thompson would like to comment.

**Mr Thomson:** I would like to make a very short, quick note. In the last budget, a regional and urban scenario planning project was funded. It is a joined-up approach across government. A large proportion of the funding is coming from royalties for regions. The department will receive \$6 million over three years to, as part of that project, enhance its geospatial modelling tool, and include the scenario modelling tools, which is currently underway. That work has been initiated, so we hope to get some of the answers you have talked about. Some of the early work that has been done as part of the Pilbara Cities project, looking at the impact of the increased amenity and population growth in the Pilbara Cities, was funded by royalties for regions. That work is providing some interesting results going forward in terms of the demands on services that are likely to come out of the projected population growth in that city in Karratha, Roebourne and Port Hedland.

[2.15 pm]

**Hon LJILJANNA RAVLICH:** Just in relation to the SuperTowns concept, I am really after your response to the question: what is the risk to the SuperTown concept from the continued drop in the iron ore price and the current world economic situation?

**Mr Lumsden:** My considered opinion, Madam Chair, is that it will certainly have an impact where obviously regional towns depend largely on that activity, whether it is from a permanent workforce or for a fly in, fly out. It is obviously not so bad in terms of gas and oil, particularly gas. But leading back to our answer to Hon Phil Gardiner, that is where building up the sustainability of a town not to be simply reliant on that product; for instance, it has often been argued that when, say, the mining activity for iron ore finishes, there could be a high likelihood that the town of Tom Price ceases to exist. Leading on from the past question, we need to look at those types of “What if?” scenarios in the longer term to see where the state and the broader community can be enhanced to get the best bang for the buck but also to ensure we have sustainable communities in the longer term. As you would be aware, this is not a new issue; it has been an issue with what I call the depopulation of rural towns, which have been solely, perhaps, focused on the agricultural sector in some areas. So, the same principle applies to a country town or a regional town that is based on just one product, because the world changes. Looking at those issues where you can not only enhance perhaps the population pressure on the Perth, Peel and Bunbury regions, but also how you sustain population growth in those towns but in a manner that ensures they are sustainable in the longer term is a key issue I see facing the state.

**Hon LJILJANNA RAVLICH:** Was any of that preliminary work done with any of the Pilbara Cities initiative?

**Mr Lumsden:** Not to the degree, I think, which one would like to do. I mean, we did our best as an agency in providing advice. We certainly provided, I call it, the best advice we could at the time, but there are aspects which need ongoing investigations to ensure that those areas can continue. I think all things being equal and subject to obviously a bit of good luck in economic terms, towns



like Karratha and Port Hedland are sustainable. Whether other towns like Tom Price and others in that broader region are sustainable to the same degree will vary, and we have to probably try to identify with other agencies if there is a product differentiation which can be enhanced and built upon for the future to ensure sustainability. That is the type of work, I personally view, that the department should be doing to assist the state.

**Hon LJILJANNA RAVLICH:** I refer to page 168 of the annual report under the heading of “Consultants and contractors”. I noticed that in 2011, \$14.06 million —

**The CHAIR:** We just have not got the numbers, so we are being challenged here.

**Hon LJILJANNA RAVLICH:** — was expended and there is a reduction to \$12.04 million. I wonder whether you could advise the difference between consultants and contractors because they have been bundled in together, so to speak. Perhaps you can take it on notice. You might be able to give us a breakdown of how much was expended on consultants and how much on contractors, firstly.

*[Supplementary Information No B5.]*

**Hon LJILJANNA RAVLICH:** If you want to take that on notice, that is fine.

**Mr Lumsden:** I can take the specific on notice, but I just would like, through you, Madam Chair, to make a general statement. Firstly, I have still got confusion at times about the difference between a contractor and a consultant.

**The CHAIR:** I am glad it is not just us!

**Mr Lumsden:** My colleague can define that. But as a general approach, because of the constraints in the department but also in terms of good management, we are trying to minimise that where possible. When I came to the department, generally I was concerned that we were using consultants far more widely than necessary in the sense that they were—in some cases; not all cases—at times duplicating effort that had already been availed in the department. So we have taken a very strong management approach to minimise the use of consultants and/or contractors, unless they can be shown that they are actually adding value. I did that for a number of reasons. First of all, to stop wastage and to try to generate those efficiencies you mentioned earlier to redirect elsewhere, but also to ensure that staff who are administering that are utilised more appropriately rather than checking consultants’ work which may include a large component of staff’s work—in other words, just regurgitation. That is an approach I have had in my past life.

But in terms of the difference between the definitions, so I do not stuff it up, I will hand over to my colleague.

**Hon LJILJANNA RAVLICH:** I am sure you would not stuff it up!

**Mr Lumsden:** Sometimes I wonder!

**Mr Wilson:** In the accounting system, it is just money we spent on consultants or contractors; there is no real difference in the definition in the accounting system. It is mainly services that we have purchased from a consultant. That “contractors” is just a string; it is just the name of “Consultants and contractors”. We do not differentiate in the accounting system between consultants and contractors; it is just the services we have purchased for a consultant to come on board and do environmental scans or a whole raft of different projects. I do not know if we can separate what we have spent on consultants or contractors; it is all one in the same in the system.

**Hon LJILJANNA RAVLICH:** Okay, if you can, you can, and if you cannot, then advise the committee. On page 168 in reference to that line item, I want to ask whether the WA Planning Commission has used the services of a company called MacroPlan.

**Mr Lumsden:** We need to take that on notice. I think the answer is yes, but I need to be absolutely sure of that.

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**Hon LJILJANNA RAVLICH:** If you can take that on notice and if you can advise also when you used those services, the value of those services and what those services were for.

**Mr Lumsden:** Okay.

[*Supplementary Information No B6.*]

**Hon LJILJANNA RAVLICH:** And also on how many occasions you might have used the services of MacroPlan.

**Mr Lumsden:** Yes, certainly.

**Hon LJILJANNA RAVLICH:** On the same page, in relation to travel for the committee, which is under point 9, it is listed that the travel for the committee was \$2 000 for the year 2012. We know, for example, that Mr Prattley's travel far exceeded that figure. I wonder whether you could advise the committee where we might find information in relation to Mr Prattley's travel.

**Mr Lumsden:** We would have to do research and provide that to the committee.

**Hon LJILJANNA RAVLICH:** Does that fall under your area of responsibility?

**Mr Wilson:** Yes.

**Hon LJILJANNA RAVLICH:** That would?

**Mr Lumsden:** Let me rephrase that. It falls in our responsibility in terms of we have the records associated—to give you that.

**Hon LJILJANNA RAVLICH:** Okay, but you do not actually approve it?

**Mr Lumsden:** No. But in terms of the costs, we can provide that to the committee.

**Hon KEN TRAVERS:** It strikes me that that is where travel undertaken by members of the WA Planning Commission should be listed, including the chairman—is that right?

**Mr Thomson:** I need to—the other role which has befallen me in recent times—as secretary of the Planning Commission, just explain. The travel for the chairman in relation to international travel, that is approved by the minister. His interstate and intrastate travel, that is undertaken by the chair as required. Those reports, I believe, of interstate and international travel are provided to Parliament, so there is a regular report. I think there were some questions in Parliament recently in relation to the latest travel returned. So, that information is provided to the Parliament. The only additional travel that he undertakes is the intrastate travel in relation to the planning committee; we have that information available.

**Hon LJILJANNA RAVLICH:** Okay, if you could provide a schedule of all of the chairman's travel, international and other—that is, inter and intrastate—the value of that travel, where he went, when he left and came back —

**Hon KEN TRAVERS:** And also where it is shown in the financial statements, because I would have thought that that is where it should be coming up.

[*Supplementary Information No B7.*]

**Mr Thomson:** There is a separate appropriation for the chair. I think it is in the order of —

**Mr Wilson:** It is \$352 000.

**Mr Thomson:** — which comes from Treasury to the commission. It is consolidated appropriation and that goes towards obviously his remuneration and travel and —

**Mr Wilson:** It will be part of the supplies and services; I just need to get a breakdown of it because it is all just wrapped up. I can pass that information on for the last 12 months.

**The CHAIR:** Okay, that is part of supplementary information B7.

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**Hon LJILJANNA RAVLICH:** It is interesting why they allocate \$2 000 and list it in your budget and then the remainder of the information is nowhere to be found. Really, what we need to know is where we can find it. It must be sitting in someone's budget somewhere.

**Mr Wilson:** Yes, it is in there. They spent it in here but they just did not separate it. That is just for the actual board members, that committee board fees—that point 9.

**Hon LJILJANNA RAVLICH:** Okay, so that \$2 000 is just for all the other board —

**Mr Wilson:** The board members, yes.

**Hon LJILJANNA RAVLICH:** Okay, so Mr Prattley is not even there at all.

**Mr Wilson:** Yes, it is just the board; it is not the chair, no. The sitting fees is just for the board members.

**Hon LJILJANNA RAVLICH:** Okay.

**Hon KEN TRAVERS:** So the question is: where do you record that spend and why do you record the chairman separately to the other board members?

**Mr Wilson:** Historically I am not sure why.

**Hon KEN TRAVERS:** There will be an explanation of that.

**The CHAIR:** That is supplementary information B7, let us say, because I think it is all part of the same package.

**Hon LJILJANNA RAVLICH:** We also have on page 176 of the annual report which shows the total remuneration of the commissioner, and that is in the range of \$270 000 to \$280 000. My understanding is that this figure is meant to really show all the benefits as well as the salary range. What we are wanting to know is: where are the benefits for Mr Prattley found?

**Mr Wilson:** See that \$392 000—remuneration of the accountable authority—that is where all of his travel and everything is captured in there. So, you really need a breakdown of the salary, the travel and all that of that figure there.

**Hon KEN TRAVERS:** I am assuming he is the \$270 000 to \$280 000, because that is all of the board members.

**Mr Wilson:** Yes, that would include all of his allowances, fringe benefits tax and —

**Hon KEN TRAVERS:** In that \$270 000 to \$280 000.

**Mr Wilson:** Yes.

**Hon KEN TRAVERS:** So if we can get a breakdown of how that \$270 000 to \$280 000 is arrived at, because you earlier said that you get an appropriation of about \$350 000, so what does the rest of the \$350 000 go on?

**Mr Wilson:** The travel and the —

**Mr Thomson:** We will provide the base detail, but the chairman's base for remuneration, in my understanding, is in the order of \$245 000. But that is my understanding, so we will give you this detail. Then, obviously, he receives superannuation and a government vehicle under the GVS scheme. But then, in addition to that, expenses are paid in relation to his undertaking his duties as the chairman.

[2.30 pm]

So that includes, as we have raised before, the two components which were reported to Parliament, I believe, the travel reports in relation to interstate and international travel, and there is the component in relation to the regional planning committees.

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**Hon LJILJANNA RAVLICH:** Is it usual for a chairman to also be given a government car? It is highly unusual.

**Mr Thomson:** I am not able to answer that. I mean, it is part of the remuneration that was negotiated at the time, and my understanding is that that was assessed by the Public Sector Commissioner.

**Hon LJILJANNA RAVLICH:** Do you know what the total value of that remuneration package is?

**Mr Thomson:** As I said, the base salary is, I think, in the order of \$240 000.

**Mr Wilson:** It is \$242 000.

**Mr Thomson:** It is \$242 000. We will have to give you the detail of that because that may include the superannuation and the car.

**Mr Lumsden:** We can give you the full break-up.

**Mr Wilson:** The specifics.

**Mr Thomson:** I think the base may actually even be \$207 000 or something in that order. Do not quote me on the exact numbers but it is in that order. There is a package which has been signed off by the Public Sector Commissioner, approved obviously by the minister, for his salary, car and superannuation. Then there are expenses relating to travel and other related expenditure of the chair, which are covered through the appropriation.

**The CHAIR:** So that will be all under B7.

**Hon KEN TRAVERS:** If I can follow up on that, as I just want to be clear that we are going to get a breakdown of the \$270 000 to \$280 000 and what that is made up of.

**Mr Thomson:** Yes.

**Hon KEN TRAVERS:** But then on top of that you are going to give us a reconciliation for the full \$350 000 appropriation, or whatever the actual figure is from Treasury for it; and if there are expenses in there, what those expenses are that they were incurred and paid for out of that, and if there is any other money paid for in terms of if he has a credit card, how much was expended on that credit card. If we can get that, because it would strike me that when I read the note here, it talks about that it is supposed to include non-monetary benefits and other benefits for the financial year. So if there has been travel or expenses paid on his behalf, even accommodation, I would have thought that should be included in the figure that is listed there. And so, if it is not, I would like an explanation to why it was not included.

**Mr Thomson:** Yes.

**Hon LJILJANNA RAVLICH:** I have a question just in relation to sitting fees. I am wondering whether you might provide information in relation to the number of occasions that Mr Prattley, the chair, tendered his apologies to these meetings.

**Mr Lumsden:** Which meetings are they?

**Hon LJILJANNA RAVLICH:** The committee meetings.

**Mr Lumsden:** Sorry, yes.

**Hon KEN TRAVERS:** The meetings of the commission.

**Mr Lumsden:** Okay.

*[Supplementary Information No B8.]*

**Hon LJILJANNA RAVLICH:** And also on how many occasions did Mr Prattley declare a possible conflict of interest at the commission meetings?

**The CHAIR:** Also in B8.

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**Hon KEN TRAVERS:** And if we can be clear about that, I would certainly like any meetings of the commission or subcommittees of the commission that he is a member of.

**Hon LJILJANNA RAVLICH:** Yes.

**Mr Lumsden:** Through you, Madam Chair, I hope the committee realises this will require a bit of research.

**The CHAIR:** Sure; we will take that into consideration, yes.

**Hon KEN TRAVERS:** As I understand it, Mr Prattley is now on leave, is that correct?

**Mr Lumsden:** I understand that, yes.

**Hon KEN TRAVERS:** And has been throughout September.

**Mr Lumsden:** I believe so.

**Hon KEN TRAVERS:** So what were the administrative changes that have been put in place to manage the chairman being on leave?

**Mr Lumsden:** I am, and I use the word “informally”, acting chair. And by “informally” I mean as I normally attend a number of the committee meetings of the commission, such as the Western Australian Planning Commission itself, statutory planning committee. If I am available, I normally attend those meetings and it has been the practice, but under no obligation, for those other committee members to elect me as acting chair for that committee at the time.

**Hon KEN TRAVERS:** So what impact has it had, though, in terms of have you had the normal number of meetings and committees that the chairman would be involved in during the month of September; or have you had to cancel or delay or defer any meetings as a result?

**Mr Lumsden:** We had to delay one meeting, but that was through no fault, in my view, of the chairman’s non-attendance because at that time I could not attend either. And also a number of the other members, through events beyond their control, could not attend. So even if the chairman and myself were not in attendance, the lack of quorum still would have prevailed. So we have been managing that through my office.

**Hon KEN TRAVERS:** So at this stage have you rescheduled those meetings?

**Mr Lumsden:** Yes, and there is only one to be rescheduled that I am aware of.

**Hon KEN TRAVERS:** At page 63 of your annual report you list the advertising agencies and there is \$56 862 on Adcorp Australia. Are you able to tell us what that was spent on?

**Mr Wilson:** Through the Chair, that is mainly for recruitment, advertising human resource positions. Adcorp, that is the government—CUA. Under the CUA, that is who we go through to do the advertising.

**Hon KEN TRAVERS:** And also you have got the WA Planning Commission next door to that, the \$404 000. Is that predominantly on advertising scheme amendments and the like?

**Mr Lumsden:** Yes; public comment periods.

**Hon KEN TRAVERS:** And consultations.

**Mr Lumsden:** Yes.

**Hon KEN TRAVERS:** So direct mail would be to seek public comments from affected landowners and that sort of thing.

**Mr Lumsden:** My understanding is yes, but there may be some other aspects there which I am not familiar with at this time.

**Hon KEN TRAVERS:** But the substantial part of that would be on the —

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**Mr Lumsden:** The statutory type of requirement under the act to advertise certain aspects of the commission's activities.

**Hon KEN TRAVERS:** As I understand it, you are contributing \$500 000 to the Bigger Picture campaign as an agency; is that correct?

**Mr Lumsden:** Correct.

**Hon KEN TRAVERS:** Was that a decision generated internally within the agency or was that something you were directed to do external to the agency?

**Mr Lumsden:** Something I was directed to do.

**Hon KEN TRAVERS:** You were directed to do it? Who were you directed to do it by?

**Mr Lumsden:** Through the Department of the Premier and Cabinet.

**Hon KEN TRAVERS:** And was it a formal, written direction or just a verbal direction?

**Mr Lumsden:** I would have to check on that, but certainly it was an understanding that the agencies involved, which included Transport, ourselves and the Metropolitan Redevelopment Authority, should all make an equal contribution to that program.

**Hon KEN TRAVERS:** You do not recall who suggested or who requested or directed?

**Mr Lumsden:** It came out of a meeting amongst all the agencies, including representatives from Premier and Cabinet.

**The CHAIR:** Is that a supplementary question?

**Hon KEN TRAVERS:** Yes, if we can get that formally, who directed and when it was first raised that the agency contribute.

**Mr Lumsden:** Yes.

*[Supplementary Information No B9.]*

**Hon KEN TRAVERS:** Were you provided with additional budgetary allocation for that?

**Mr Thomson:** We funded this through last year's appropriation. At the time and going forward we put forward a supplementary funding request for a shortfall in the agency. I cannot recall the exact amount but it was something in the order of \$6 million, which we mentioned before the structural deficit. We managed to secure that supplementary funding which went to pay for our accommodation shortfall and some others, our salary shortfall. Through a range of savings measures that we had undertaken during the year, however, we did find that we had some surplus appropriation and we were then able to have the invoice raised. Through the Metropolitan Redevelopment Authority, who took carriage of that program, we were able to have those funds invoiced and therefore covered from last year's appropriation, which included the supplementary funding request.

**Hon KEN TRAVERS:** So are you paying for it or is the MRA paying for it?

**Mr Thomson:** As discussed, we have provided half a million, \$500 000, to the Metropolitan Redevelopment Authority along with, I believe, the Departments of Transport and —

**Mr Lumsden:** The MRA itself.

**Mr Thomson:** — and the MRA itself to cover the cost, which has been coordinated through the MRA.

**Hon KEN TRAVERS:** So, what is the benefit to your agency of the participation in that advertising campaign?

**Mr Lumsden:** It is part of the overall implementation of the planning framework for the City of Perth.

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**Hon KEN TRAVERS:** But where in the adverts does it talk about the overall planning framework for the City of Perth?

**Mr Lumsden:** I cannot answer off the top of my head; I would have to go back and look at it. But certainly the objective was, bearing in mind there were a number of projects in terms of implementing Directions 2031, implementing the public transport strategy plus other transport initiatives and the view there was confusion amongst the public and which agency was delivering which, that it should have been a whole-of-government approach through the three principal agencies involved—Planning, Transport and of course the other planning agency being the Metropolitan Redevelopment Authority.

**Hon KEN TRAVERS:** But I still do not see how that helped you, or in terms of the tight budget that your agency is under, where the benefit to your agency is. As far as I can tell, with the transfer of Elizabeth Quay to the MRA on 1 January this year, I am not aware of you being the lead agency on any of the projects that are included on the [getthebiggerpicture.wa.gov.au](http://getthebiggerpicture.wa.gov.au) website.

**Mr Lumsden:** We were the lead agency up until 30 December, as I indicated before.

**Hon KEN TRAVERS:** Yes, but the adverts are running now, nine months after that.

**Mr Lumsden:** Yes, but since that time the lead agency is clearly the MRA for its role in delivering those projects and of course the Department of Transport, but we are a supportive agency, so I mean I suppose it is a matter of debate whether or not we should have put in the money but we felt at the time, bearing in mind this was delivering planning outcomes, that we should contribute.

**Hon KEN TRAVERS:** Is there a link? I cannot find a link to your agency.

**Mr Lumsden:** There should be a link but I would have to check.

**Mr Wilson:** I am not sure.

**Hon KEN TRAVERS:** And can you tell us whether that has driven any increase in inquiries to your agency as a result of that advertising?

**Mr Lumsden:** We have had some inquiries but we have referred those where appropriate to either the Department of Transport, if it involved roadworks, or if they are in a specific development arena itself where it is on the Perth City Link and/or the waterfront and also Riverside, which is another project, to the Metropolitan Redevelopment Authority.

**Hon KEN TRAVERS:** Is there a formal statement of the intention of what you expect to achieve out of those adverts anywhere? Was that part of the agreement when you funded it?

**Mr Lumsden:** You would have to seek that through Premier and Cabinet, I believe.

**Hon KEN TRAVERS:** But in terms of your agreement to fund it, were you given a statement of what the aims and the objectives were and what outcomes you expected to achieve as a result of that expenditure?

**Mr Lumsden:** I think overall from my perspective and recollection is that the general aim was to ensure that there was a whole-of-government approach to all these projects not only to better inform the public, but also to avoid confusion on what is occurring, when and how.

**Hon KEN TRAVERS:** So how will you measure that your contribution has been a success?

**Mr Lumsden:** I suppose my answer at this time would be if the projects are a success in terms of delivering outcomes, in terms of planning outcomes, bearing in mind —

**Hon KEN TRAVERS:** But how does the advert assist those projects being a success? I mean, that is about the individual agency's control mechanisms, is it not?

**Mr Lumsden:** Well, I have answered to the best of my ability.

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**Mr Thomson:** Maybe I can just add, obviously, the campaign has only recently been launched and I have seen some initial data coming from the number of people accessing the website, but those data will be provided. The important part is that this is an integrated campaign in relation to the major projects in the city, which the Department of Planning has a very strong interest in making sure that the community is properly informed and advised. And as you are aware, there are a number of people in the community who have their own reasons for detracting against the projects, or one of the projects or more of the projects, and some of that detraction has been expressed through information which is not necessarily correct.

**Hon KEN TRAVERS:** Can you give me an example of that?

[2.45 pm]

**Mr Thomson:** Say, for example, the Perth waterfront or Elizabeth Quay, a number of the City Gatekeepers, for example, have been very critical of the road closure. That is not the case. The roads are not being closed; they are being diverted.

**Hon KEN TRAVERS:** You are the secretary of the WA Planning Commission. Your report on submissions refers to the roads being closed—the closure of Riverside Drive. If you go and look at the words that you as an agency were using, you were using the language of closure of Riverside Drive. It was not the gatekeepers who first used that language; that was your own agency's language. At the time, if I can point out to you, you also said that you would do a riverside promenade that would be deliberately designed to discourage traffic on it. That was your own committee report. Where is it misleading for them to then repeat that information?

**Mr Thomson:** With respect, the diversion of the riverside road is obviously an important change to traffic management in the city. One of the objectives of the website is to demonstrate for traffic users areas of congestion and not just with the waterfront but also with the obvious development at Perth City Link and a range of other developments that are going on. That information is very important for the commuters of Perth. Other aspects of course—the projects out at Burswood, the stadium—the department has a very key role in providing strategic advice to Sport and Recreation as that project is being developed.

I would contend that the information is important and there is misinformation being often expressed by people with different views, but the information being provided is something that will inform the community. As to the disruption that might occur during construction and also as that is ongoing, the ongoing use of the website will be able to be developed to give people exactly what the website is called, the Bigger Picture, and the reasons behind the development in order to improve amenity for the city and make Perth a world-class city.

**Hon KEN TRAVERS:** I still come back to, from a Department of Planning point of view, in terms of your contribution, how will you measure that your contribution was a success?

**Mr Lumsden:** All I can say is in two ways: firstly, that the project is delivered effectively to meet the project outcomes; and secondly, that the projects as an integrated approach to development around the city generates what we are trying to do in terms of our capital city planning framework. The other aspect I wish to highlight is that prior to any of this discussion occurring, there was and will continue to be a high degree of activity in terms of the road network or modification of inner city by the City of Perth. I will give you an example of Wellington Street, which has had a number of closures and re-modifications, as I will call it, around the railway station. That was not worked by government agencies; that was worked by the City of Perth. What that highlighted was that the community was not only confused about who was doing what, but also in terms of, as I understand, the City of Perth's own research, that the community wanted to know up in advance what was occurring and what other mitigation aspects could occur in terms of either directing traffic or, in particular, giving the community notice ahead of time of all those roadworks. I suppose I am speaking more from a transport perspective now, Hon Ken Travers, but in terms of implementing



projects, it was also felt that early advice to the community of what is occurring, when and why, was an advantage in terms of a broader development of the City of Perth as a whole in terms of the key element which is occurring from riverside right through to other traffic aspects which may be under the control of other agencies.

**Hon KEN TRAVERS:** You mentioned at one point your “Capital City Planning Framework”. Have you now completed that? You released a draft some time ago.

**Mr Lumsden:** Yes, and it is about to be finalised.

**Hon KEN TRAVERS:** When will that be released?

**Mr Lumsden:** Subject to ministerial approval, certainly within the next couple of months, I would anticipate.

**Hon KEN TRAVERS:** Again, that document is not mentioned anywhere on this website.

**Mr Lumsden:** That is probably a fair comment and I take responsibility for that, but again we have been actively working on that project.

**Hon KEN TRAVERS:** In terms of this area, was there any research done prior to initiating the advertising campaign as to what information people required? What are the issues from a public perspective? As part of the \$1.5 million budget, is there any intention to do any research to measure the outcomes of the advertising campaign?

**Mr Lumsden:** My understanding is the short answer—I think there are two question there—is yes. I will ask Mr Thomson to elaborate.

**Mr Thomson:** My understanding is that there was a survey conducted in the initial instance in terms of awareness of the projects. As to the second part of your question, I cannot answer that with authority. I would have to take that on notice.

**Hon KEN TRAVERS:** If you could take it on notice.

*[Supplementary Information No B10.]*

**Hon KEN TRAVERS:** And if we could also ask if you as an agency have been provided with the research that was done prior? I assume, if you are a joint funder of it, you would have been. If we could have a copy of that as well.

**Mr Lumsden:** Yes.

**The CHAIR:** Members, I am aware that we have gone over time. I could make allowance for one question more and then will have to take them on notice.

**Hon KEN TRAVERS:** In terms of your land disposal, what is your current program for land disposal? Are you in a process of identifying land that is suitable for disposal?

**Mr Lumsden:** The last question first: yes. Secondly, again as part of the department’s initiatives through Mr Thomson, we are in the process of looking at land from a strategic disposal perspective. Where we have opportunities to dispose of land not just simply to the open market but also to meet other government objectives such as housing and affordability, we are in the process of liaising with the Department of Housing for that, and also looking at it from the point of view of disposal of land not just simply disposing it perhaps as a past practice but how we can use the disposal of land to ensure a strategic financial return, where appropriate, back to the commission to minimise any potential increase on government to provide further funds for land acquisition as part of the commission’s role in terms of reserving and acquiring land. I think that is, again, a strategic initiative which we are trying to implement through the department to minimise cost on government but also to make sure there is a more effective use of the commission’s land assets.

**Hon KEN TRAVERS:** Are we able to get a list of the land that you have identified as suitable or is no longer required or is maybe suitable for —

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**Mr Lumsden:** I would have to ask Mr Thomson. We are in a process of compiling that.

**Mr Thomson:** I would have to get advice. Part of the problem is, whilst there are obviously sites being identified, and some of those are probably well known to the honourable member, they are lands which are no longer required for public purposes. So they are lands which may have been acquired in the past for public purposes but are no longer required. There is not a definitive list. Given the possibility of going into the marketplace with some of these parcels, I would be reluctant to give a draft list at this point in time due to confidentiality issues in terms of providing that list. I would have to seek advice as to what could be provided. But clearly the aim is to identify those lands not required for public purposes which are surplus to requirements and maximising the value to the community. That is something that we are putting a lot of attention to over the next period of time.

**Mr Lumsden:** Madam Chair, I am well aware of the role and functions of this committee. Notwithstanding Mr Thomson's answer, I would like some assurance from the committee that if we do provide that information, it will be treated on a confidential basis.

**The CHAIR:** My experience—correct me if I am wrong—is I think it is information that we have had previously. I seem to think it is something that this committee has had access to. I think the solution there is, if you can provide the information and we can take on board Mr Lumsden's comments.

**Mr Thomson:** With caveats, Madam Chair; this is just a draft list at the moment. The preliminary assessment and really the work that has been underway, we have only just in the last few weeks established what we call a strategic property unit. I have only appointed in the last few weeks an officer who many of you would know, Tim Hillyard, to that role. Previously he managed the operational side. The work is at a very early stage and so the caveats are that it is a draft list and where there is a lot of work to be done around valuation, a lot of work to be done around how we might dispose of that if we are to dispose of it, and obviously the issues around confidentiality in going into a marketplace. We would not want it to be widely made public because we may go into the marketplace seeking a competitive process.

**Hon KEN TRAVERS:** That is in terms of the value of the land, though, you are talking about.

**Mr Thomson:** In terms of the disposal potentially. Firstly, the valuation we are doing internally. We have valuers on board and we can also have access to the Valuer-General. But in terms of then putting it into the marketplace, we would have to make the decision—which we have not yet made—and that would have to go to the commission. Depending on their thresholds, it may require ministerial endorsement. But then the final process of actually how those lands would be disposed, whether it be through a joint venture through the Department of Housing, for example, or whether it be just an open tender process to the private sector—a private sector developer, for example, who might want to for some of those parcels—or through another agency such as LandCorp for development of industrial lands.

**Hon KEN TRAVERS:** How does identifying them as surplus to requirements impact? That is, if there is a commercial impact on the state—I do not want to damage the state, I can assure you that; we need all the money we can get at the moment. I am not sure I understand how just simply identifying that they have been identified as surplus to requirements is likely to impact on the commercial return the state would get.

**Mr Lumsden:** Let me just put it simply. You may have acquired a number of properties for a road widening. It may make strategic sense to amalgamate, say, two or three of those properties to be a more useful land parcel, which then could be used to facilitate some strategic development in accordance with the planning objectives for that area. In terms of process, as Mr Thomson said, we are going through that process at the moment to ensure that the potential is enhanced wherever possible to meet the planning objectives as well as minimising, where possible, the financial impact

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of just doing a normal advertising of the land, because in its state it would not be as enhanced as the approach we are undertaking where it may be consolidated with other parcels we have got. In other words, instead of selling one. I can demonstrate to you simply.

**Hon KEN TRAVERS:** I guess what I am picking up, and maybe I am reading too much into it, is your concern is that the developers may seek to cherrypick the bits they want and use their influence to get the outcomes that they would want, which are not necessarily giving you the opportunity to put together a case that will be the best interest of the state.

**Mr Lumsden:** I would not like to use the word “cherrypick”. What we are trying to do, whether it is a private developer or not we sell off the land to, is to ensure that the best outcome for the use of land, whether it is an individual parcel or adjacent parcels, is looked at in a strategic planning context to make sure that, other than what the balance of the land—that is, the land perhaps acquired for a road widening—has been achieved and that we ensure other planning objectives in an integrated manner in terms of development outcomes. We are not trying to do anything devious, if that is the line of questioning.

**Hon KEN TRAVERS:** No, no; I think I can understand it. I was just trying to understand.

**Mr Lumsden:** What we are trying to do is to maximise the outcome for the state and meeting planning objectives.

*[Supplementary Information No B11.]*

**The CHAIR:** Thank you. 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 will include the questions you have taken on notice. Responses to these questions will be requested within ten working days of receipt of the questions. Should you be unable to meet this due date, please advise the committee in writing as soon as possible before the due date. The advice is to include specific reasons as to why the due date cannot be met. If members have any unasked questions, please submit these to the committee clerk at the close of this hearing. Finally, on behalf of the committee, thank you for your attendance this afternoon.

**Hearing concluded at 2.59 pm**

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