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LEGISLATIVE ASSEMBLY ESTIMATES COMMITTEE B

Wednesday, 23 May 2018

Legislative Assembly

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ESTIMATES COMMITTEE B

The meeting commenced at 9.00 am.

Division 15: Jobs, Tourism, Science and Innovation — Service 1, Defence Issues, \$100 059 000 —

Mr R.S. Love, Chair.

Mr P. Papalia, Minister for Defence Issues.

Mr R. Sellers, Acting Director General.

Mr G. Wedgwood, Deputy Director General, Resources Development and Defence.

Mr S. Melville, Director, Corporate Services.

[Witnesses introduced.]

The CHAIR: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or amount in the current division. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall be examined only in relation to their portfolio responsibilities.

The minister may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by Friday, 1 June 2018. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

I give the call to the member for North West Central.

Mr V.A. CATANIA: I refer to page 175 of volume 1 of the *Budget Statements*. Under the heading "Defence West" it states —

Since its establishment in May 2017, Defence West has worked with local industry, universities and education and training providers to grow and promote the State's defence industry capability.

I note that the commonwealth has a \$3.5 billion offshore patrol vessel program. Can the minister update me on what companies in Western Australia have put their hand up to get some of that \$3.5 billion of work from the commonwealth?

Mr P. PAPALIA: The final decision has been made and it was announced that the Lürssen design was chosen. That company has partnered with Forgacs, which is the defence division of Cvmec. The member would have probably heard about some controversy around that decision because although the federal government indicated that the original partnership or consortium that had bid as part of the Lürssen proposal had included ASC Shipbuilding, and Austal had partnered with it on an alternative design, it announced that Austal would be incorporated into the selected proponent and ASC would be removed. Subsequent to that announcement, however, it has come to pass that that arrangement could not be resolved. About one week ago it was announced that Austal would not be part of the partnership. At the moment, the lead designer is Lürssen, a German company, and that has partnered with Forgacs and Cvmec, and they are the clients that will provide the build. No doubt they will have already identified small to medium-sized enterprises that will contribute to the supply chain and the build of the offshore patrol vessels in both South Australia and Western Australia. I am not aware of all the smaller companies participating in that project.

Mr V.A. CATANIA: Since Austal is not going to be part of this \$3.5 billion Western Australian-owned company —

Mr P. PAPALIA: Yes.

Mr V.A. CATANIA: — or the money that Defence West has used to work with local industry, universities and education and training providers, does that mean we do not have a Western Australian or an Australian company benefiting from the \$3.5 billion for building offshore patrol vessels in Western Australia?

Mr P. PAPALIA: Civmec owns Forgacs and is a Western Australian company. In fact, Civmec has been listed on the Singapore stock exchange and it is moving to list on the Australian stock exchange. That company is very much Australian. Beyond the listing, it is located entirely in Western Australia. If the member has not been down to Henderson to see it, I would urge him to go because it is a great Western Australian company. It is deeply involved in the offshore oil and gas industry. Undoubtedly, that company would be the premium, heavy-rolled steel fabricator in the country, if not the entire planet—it would be very close. That company is very capable. It builds pressurised containers that sit on the seabed as a part of challenging offshore oil and gas projects. It will be applying that skill set to building the world-class designs from Lürssen. The beauty of this outcome and the selection of Lürssen is that Peter Lürssen from the family-owned company in Germany has, on a number of occasions, publicly committed to beyond the \$3.5 billion project for offshore patrol vessels, 10 of which will be built in Western Australia if the federal government keeps its word. He is committed to establishing a hub in Western Australia to market his other designs to the Indian Ocean and Asian regions. None of the other competitors were intending to do that. They were all bidding for the build of the offshore patrol vessel, but he has committed to establish a hub that would undoubtedly mean that we become an export site, which is far in excess of any outcome that could have been achieved from just building a navy ship.

Mr V.A. CATANIA: Given the minister's discussions with the federal government about trying to attract the \$3.5 billion offshore patrol vessel contract and those capabilities here in Western Australia, have any of those discussions with the federal government been around developing a naval base or housing some of those patrol vessels that we are building for Australian defence in, for example, Western Australia and particularly the north west in Exmouth, given that our assets are quite valuable in the north west and particularly the North West Shelf?

Mr P. PAPALIA: I had a meeting with Minister Pyne on federal budget day about two weeks ago. We followed up on a letter that we had sent to his office outlining a list of objectives for discussion. Primarily, we resolved at that meeting to collaborate on developing a defence industry strategy for Western Australia that we would draft and his office would ensure that we had access to appropriate senior defence officials, both uniform and civilian. That is a near-term objective that is to be completed by the middle of the year. Within that strategy, we would identify potential federal government investments on behalf of Defence in Western Australia. We might advocate for a research and development hub or an infrastructure spend in Henderson, potentially Cockburn Sound and beyond. It was not listed in that letter, but we mentioned and discussed potential force disposition possibilities around Exmouth.

[9.10 am]

Mr V.A. CATANIA: Did the minister have that conversation?

Mr P. PAPALIA: Only in discussion with Minister Pyne. It was not in writing and it was not advocated for as a major proposal by the state, because force disposition is a federal government decision; really, it is a Defence decision. We made the point that Exmouth is the closest point on the mainland to the patrol areas that our patrol forces and ultimately our offshore patrol vessels will be engaged in. The patrol areas predominantly intercept vessels that might be carrying people from the Asian region towards the Australian coastline. Exmouth is the closest point of approach and I think it saves in the order of two days steaming time, which is significant in not only time, but also fuel, which is costly. We pointed that out to the minister and we confirmed in those discussions that RAAF Base Learmonth is a ready-made air base that could facilitate crews flying in and out, potentially. If patrols are going to operate in much the same way as the current Coastwatch vessels, they could easily fly crews in and out and have the vessels stay in Exmouth and maintain them there. We made the point that it would require different facilities and enhanced infrastructure for support of those vessels. We raised the issue of Exmouth; I cannot say whether the federal government will pursue it, but it acknowledged those points.

There is talk of a couple of Poseidon aircraft crews being based out of Learmonth for aerial surveillance activities as well. I cannot confirm that that is definitely going to happen, but there have been discussions around that. Again, it is the closest point on land to a lot of those patrol areas and areas of operation. We made that point and we advocated on behalf of the region for that particular site, Exmouth, as a potential air and naval base or at least as a staging point. We made those points.

Mr V.A. CATANIA: Given that it fits perfectly for our patrol boats to be based at Exmouth—as the minister said, it takes two days to steam out of there—and Learmonth base is already there, will the minister advocate on behalf of the community, which is desperate to have diversified industry by having the Australian Defence Force based there and its benefits for tourism, for state and federal government funds to be put towards a deepwater port at Exmouth to cater for the patrol vessels we are building in Western Australia, so we can keep some of those patrol vessels here, as well as the benefit of having cruise liners, because it would have a deepwater port?

Mr P. PAPALIA: I am already an advocate for a deepwater port in Exmouth. The potential use of a port is clear. It could potentially support naval operations and be an opportunity for future resources exports and, obviously, there is the tourism potential of being able to secure certain visitation for cruise ships. That does not mean that I would argue that state government has to dedicate large amounts of money towards it. I would argue that the

nature and potential of that base justifies the federal government viewing it as a national strategic asset. It is the nature of these things; building ports is expensive. Ports are strategic assets and, in this case, we are talking about Defence benefits and potential industry benefits in a number of different sectors. It could be, for instance, the location for fuel bunkering. It might not necessarily be in that location, but it might be the access point for fuel into the north west to ensure that we have adequate supplies.

I do not believe it is right to argue that the state should invest substantial funds. We could facilitate the activity and certainly support it through all the different measures that are required through Planning, Transport and the like. I have already been doing that and so has the Minister for Transport and the Minister for Regional Development. I understand that there is cross-agency analysis of the potential of a deepwater port.

Ms L. METTAM: I refer to page 173 and the line item “Office of Defence West” under the subheading “Election Commitments”. Why is there no funding for the office beyond 2019–20?

Mr P. PAPALIA: As the member would be aware, Defence West did not exist before we came to office. The office has been established and work is being done to deliver on some of the commitments that we made. Effectively, most commitments have been delivered and some of the office’s other achievements will become evident shortly, but because the office did not exist and we needed to determine how its activities would evolve, I guess, or how they would grow and change, means that the initial funding is there. Once we determine more accurately what the office will be doing, how it will do those activities and what resources are necessary, we will be able to budget more accurately in the future in the out years.

Ms L. METTAM: Will there be future funding?

Mr P. PAPALIA: There will be. I am hopeful that within government I will be able to demonstrate some success and perhaps argue the case for increased funding. It is a very constrained budget environment, so with a new activity, in this case a completely new activity, we want to have a more accurate feel for where resources need to go, what they will be used for and how much funding will be required.

Ms L. METTAM: Would the minister argue that the Western Australian defence industry, or small business sector, requires that level of certainty—the same level of certainty that the minister argued for tourism when he was in opposition? I know that when the minister was in opposition, he argued quite a lot in Parliament about funding falling off a cliff; are we not seeing that with this allocation?

[9.20 am]

Mr P. PAPALIA: The Western Australian defence industry knows that the McGowan government is a strong supporter of the defence sector and we have been advocating for it. We argued the case for a portfolio and for an office to represent its interests and that has happened. There is no likelihood at all that we would not continue to deliver on that commitment.

Mr M.J. FOLKARD: Going back to the seventh dot point on page 175 of budget paper No 2, what will be the focus of the Indo–Pacific defence conference in 2018?

Mr P. PAPALIA: I might ask Mr Wedgwood to respond.

Mr G. Wedgwood: The conference is being organised by Defence West in conjunction with the Perth USAsia Centre. We are looking to hold that on the last Tuesday in October. There will be a number of international keynote speakers, some key national speakers and local speakers. The idea is to get local industry along to that, plus the universities and various research institutions. The international speakers will focus on the geopolitical climate that is driving countries, like Australia, to commit \$200-odd billion to defence expenditure. We hope to have at least one, if not two, relevant federal ministers presenting, as well as the Department of Defence, Navy and so on, and then we will have some keynote speakers from Western Australia who will highlight the opportunities that distil down from the geopolitical climate and also showcase our local industry capability. We expect a number of international visitors to attend the conference, not in a speaking role, but are simply vitally interested in what is going on. This will be a precursor to a larger, more internationally focused conference in 18 months’ time after that.

Mr P. PAPALIA: I will just add, member, that it is our ambition to grow it. We aspire to one day emulate something like the Pacific International Maritime Exposition in Sydney, but that has 14 000 delegates and has been going for a long time. It draws people from all over the world to the city, so it becomes a significant event as a function of tourism event-type attractions, but it also gives a wonderful platform for local industry. That is our aspiration. We want to be different from that, so this is again feeling our way to determine what that ends up looking like. Ultimately, the aspiration is to grow it and exploit the fact that we are on the Indian Ocean rim. We are the only Australian state that has that and no-one can take that away from us. We want to use our many decades of engagement across a whole range of different sectors in the defence space. We want to enhance what we can contribute to the nation’s discussions using that advantage that we have.

The appropriation was recommended.

Division 15: Jobs, Tourism, Science and Innovation — Services 2, 3 and 4, Tourism, \$93 859 000 —

Mr S.J. Price, Chair.

Mr P. Papalia, Minister for Tourism.

Mr R.J. Sellers, Acting Chief Executive Officer.

Mr R. Sansalone, Chief Financial Officer.

Mr D. Lowe, Acting Managing Director.

Ms D.G. Belford, Executive Director, Destination Development.

Ms S.J. Doherty, Executive Director, Events.

Ms L.A. Scott, Executive Director, Strategy, Brand and Marketing Services.

Ms J. Ardern, Principal Policy Adviser.

[Witnesses introduced.]

The CHAIR: I give the call to the member for North West Central.

Mr V.A. CATANIA: I refer to “Tourism Destination Development” on page 180 of volume 1 of budget paper No 2. I am pretty sure this comes under it, but I would like to ask the minister about the recent announcement of the secret deal between the government and Qantas to subsidise 24 900 discount airfares to Broome. What is the government paying to Qantas as its part of a 12-month subsidy?

Mr P. PAPALIA: I have to correct the member. Firstly, it is not a secret deal.

Mr V.A. CATANIA: Tell us how much.

Mr P. PAPALIA: I publicly announced it fairly dramatically, I think —

Mr V.A. CATANIA: Tell us what it is worth.

Mr P. PAPALIA: — in two different locations in the state on the same day. It was not a secret. Secondly, there is no subsidy to Qantas; a partnership was formed with Broome International Airport, Australia’s North West Tourism and Tourism WA to reduce the cost for Qantas landing at Broome to enable flights to be offered at a level pretty much equivalent to what Jetstar Airways offers.

Mr V.A. CATANIA: The minister is saying landing fees are about \$200 or \$300 one way.

Mr P. PAPALIA: Did I say that?

Mr V.A. CATANIA: No, I would just expect the minister is saying landing fees.

Mr P. PAPALIA: Let me finish. That was part of what was done; the other part is our marketing. Most of our contribution is towards marketing the new route. I have come to learn—I knew nothing about it before I took on the portfolio—that when negotiating with airlines, there are a couple of things we can do. One is to subsidise, which I do not think is a very good model at all. I am not very enthusiastic about that anywhere. Effectively, it is chartering an aircraft and paying the airline to fly, and when we stop paying, in all likelihood, the flight might not keep going. That is not what we are doing. The intent is to remove a barrier, which was the airfare price, when people are searching for a destination. The airfare to Broome was the barrier. That was identified by the Broome industry in the sector. They had done a lot of work. There is a good group chaired by James Brown; I am trying to remember the name of it.

Ms D.G. Belford: The Broome Tourism Leadership Group.

Mr P. PAPALIA: Is that what they call it? That is a challenge! The Broome Tourism Leadership Group has done a lot of work over a number of years, beginning under the previous government whereby it identified the threshold fare that it needed to achieve to really shift behaviour. It did that through surveys and research to identify the consumer, particularly in Western Australia, noting that 428 000 Western Australians fly to Bali every year. There is obviously a great opportunity to shift the behaviour of some of those people and have a significant return for the state and the region. The group identified what prices need to come to. I would aspire towards Western Australia being serviced by an affordable airline such as Jetstar or Tigerair Australia, like the east coast, but they are very risk averse; they will not get in front of the curve. We have to demonstrate the market to them and the intent of this trial for a year and that partnership is to entice them to deliver effectively Jetstar-like fares. We have to commend Qantas for stepping up and having a crack. This is in response to the government-initiated parliamentary inquiry into regional airfares. It would not have happened otherwise.

[9.30 am]

Qantas already responded with local fares for 10 regional towns. That was one of its responses. We also asked Qantas to look at Broome because of that market of 428 000 people. That is a big market sitting there. After the Sari Club bombings, a big market grew in Broome and it benefited at that time, sadly, from what happened in Bali.

There is clearly an opportunity. We have to demonstrate to the airlines that this can be sustained and will be supported by local industry. That is why I went to Broome on the day and, with 24 hours' notice—because we did not want to reveal beforehand what we were doing—we had 55 or 56 local businesses from the hospitality industry, such as hoteliers and tour operators, come to a meeting to talk about this matter. The chair of Tourism WA, Nathan Harding, and I said to them very clearly that it is now their responsibility to step up and provide affordable packages that entice people to view Broome as an alternative to Bali.

Mr V.A. CATANIA: Twelve months ago, the minister and the Premier said that this government would be open and transparent. I commend Broome for what it has been pushing, but I ask the minister to be open and transparent about what taxpayers are putting into this deal to reduce the airfares. Other players in the market—Virgin, Rex and Skippers—operate in regional Western Australia and other tourism towns, such as Shark Bay, Exmouth, Esperance, Albany, Geraldton and Kalgoorlie, can be alternatives to Bali. The list goes on. The minister can understand that those towns are pretty upset that they have not been afforded the same consideration of a taxpayer subsidy to reduce airfares. That is my question to the minister.

Mr P. PAPALIA: Is this a question or a speech? Is the member going to stop at some time so I can answer?

Mr V.A. CATANIA: It is a question. Can the minister be open and transparent, as the minister and the Premier said they would be, about the deal that the government has given Qantas and the people of Broome?

Mr P. PAPALIA: I will correct the member again, because yet again he is incorrect and being misleading. It is not a subsidy. I just explained what it was. A subsidy is when the government pays an airline to fly and essentially it charters an aircraft to fly and it stops —

Mr V.A. CATANIA: No, I did not ask that this time. I asked about the taxpayers' money.

Mr P. PAPALIA: The member threw that in there. I am correcting the member because he was wrong. Beyond that, there is not one activity going on in the field of tourism. We are doing things all over the state as a component of our two-year action plan. The industry worked with Tourism WA's board and Tourism WA more generally to develop a two-year action plan to respond to the eight and a half years of neglect that had been suffered under the previous government. We are going to fix the lack of action in tourism. One of the things we are doing is this wonderful announcement about Broome to specifically target the 428 000 people who fly to Bali every year. They go from the cold winter climes to a tropical environment.

Mr V.A. CATANIA: Why not Exmouth?

Mr P. PAPALIA: They want to enjoy a tropical environment, which is easily comparable with that in Broome, so it is an obvious alternative. Exmouth is already benefiting from one of our other initiatives. In partnership with Qantas, to market direct flights from London to Australia and vice versa, we are selling a stopover in Perth and pushing people out to the regions.

Mrs L.M. HARVEY: Ha!

The CHAIR: Members!

Mr V.A. CATANIA: They are laughing because the prices are still high.

Mr P. PAPALIA: She is laughing because she is ignorant of what I am about to say. The member for Scarborough is laughing. This is the former minister who signed a deal with Qantas that cost the state \$5.7 million and within 12 months it stopped flying from Perth. That was wonderful—a great outcome. That is the incredible record of the member for Scarborough.

Mrs L.M. HARVEY: What did the minister say when we announced direct flights to London?

Mr P. PAPALIA: That is an incredible record achieved by the member for Scarborough!

As a component of the \$5.7 million or thereabouts—I am probably wrong about the exact figure—of the marketing campaign for stopovers, we are pushing people out to the regions through Qantas Explorer fares. People can come from London and fly to Exmouth for, I think, \$69 return. It is extraordinary. If the member is telling me that the people and businesses in Exmouth are not benefiting from that deal with the state government, he is deluded. Of course, they are. It is not the only initiative. There are a number of different initiatives. With other destinations in the state, clearly —

Mrs L.M. HARVEY: We have questions here. Stop pontificating.

Mr P. PAPALIA: No, I am responding to the question. It was a long, rambling question that listed a number of other sites in the regions, including Albany and Kalgoorlie. Member, just pause for a little bit and think about the target audience for those sites. We are trying to attract people from the south west, from places such as Albany and Kalgoorlie, who fly to Bali every year. When it is cold and wet in the south or when people get a bit of time off in the mining regions, they want to fly to Bali. I want them instead to choose to go to Broome or Exmouth. We will not stop at this. This is a first step. I understand that a lot of action is going on in tourism and opposition

members are not used to it because they are used to eight and a half years of slumbering and snoozing through the boom. Every time we announce something, the opposition leaps on it as though it is the only thing we will do. We will do a lot of things. This is a good first step and opposition members should applaud it, not talk down the regions.

Mrs L.M. HARVEY: What is the total value of this investment with Qantas for the Broome airfares? Will it be paid to Broome or is it directly flowing through to Broome International Airport for landing fees?

Mr P. PAPALIA: I have no idea where the member is going with the second bit. The nature of the arrangement is that it is paid with respect to the number of people who fly. It is not a lump sum or blanket amount in anticipation of getting a certain number. It is in reference to the number of people who fly, essentially, that a payment will be made to ensure that when they land in Broome, the fee —

Mr V.A. CATANIA: I have a point of order. The minister is not answering the question that the member for Scarborough asked. Give us the line item where the subsidy that the government is putting into Qantas for airfares —

Mr P. PAPALIA: It is not a subsidy.

The CHAIR: Member for North West Central, it is not a point of order. Minister, please continue.

Mr P. PAPALIA: The actual amount will be subject to the number of people who take up the offer. That is why it is very important that we get local businesses —

Mr V.A. CATANIA: How much did you budget for?

The CHAIR: Member for North West Central, I call you to order for the first time.

Mr P. PAPALIA: We have enough budget with the \$425 million over five years for destination marketing and events to fund this. If the member wants to know where it is coming from, I can tell him that it is coming from the Tourism WA budget. If the member wants to know how much that is, he should look at the budget and see the money. It is not very technical. The member does not need to know specifics of the actual deal because this —

Mr V.A. CATANIA: The minister does not need to be open and transparent.

Mr P. PAPALIA: I am being open and transparent. The taxpayers of WA know that we committed to \$425 million for destination marketing and events funding over five years, and we are delivering. That is what they need to know. Clearly, this sort of arrangement might be replicated with another airline. I would like Virgin or Skippers or any other airline to come and see us and commence negotiations about delivering better deals for regional Western Australia, instead of killing the pig like they were throughout the term of the previous government. The only airlines that have bothered to discuss this type of outcome with the state, with my office, have been Qantas and Rex. I would welcome an approach by Virgin. I place on the public record that it has neglected Western Australia and treated the people of the north in particular as a cash cow. That is a pretty poor response by Virgin. It should respond. It is a commercial environment. I imagine that it is now under pressure to at least match or try to outdo Qantas with its airfares to that destination. I look forward to meeting with Virgin.

[9.40 am]

Mrs L.M. HARVEY: To be clear on this: this is an open-ended commitment with no limit on it. The government is just going to pay a \$200 subsidy per airfare, per customer, and there is no budget allocation and there is no limit; it is an open cheque. So if there is a sudden influx of thousands of people —

Mr P. PAPALIA: Are you asking a question or making a speech?

Mrs L.M. HARVEY: Come on! Let me ask my question. For goodness sake!

The CHAIR: Let the question finish.

Mr V.A. CATANIA: You are arrogant.

Mrs L.M. HARVEY: The minister just said there is not —

Mr V.A. CATANIA: You're better than that.

Mr P. PAPALIA: The member for North West Central needs a shave!

Mrs L.M. HARVEY: Are you right? The minister just said there is no budget allocation for it; it will just be funded from the money the government has allocated to tourism. There is no limit on the number of people or the number of \$200 subsidies, or whatever the minister wants to call it, per passenger. The government is just going to keep paying \$200 for every person who gets on a Qantas flight to Broome.

The CHAIR: Member, can you put the question.

Mrs L.M. HARVEY: There must surely be a limit on how many tickets the government will fund.

Mr P. PAPALIA: Okay. There is no subsidy. It is not \$200 a person. The flight is below \$200 a person; that is true. It is between \$179 in the off-season and \$199 in the high season, one way. That is the ticket fare. It is not an amount of money we are giving to anybody. With respect to the limit, quite clearly, the upper limit is the number of seats available, and it is between 28 000 and 29 000 additional seats that have been put on the market over the 12-month period. We have said all this publicly. That is all very clear. As to specifying to the member the amount of money that might equate to or the specific detail of the arrangement, we will not do that because this is something that could be replicated or mirrored in relation to other airlines. The member would understand that. Quite clearly, it is not in the taxpayers' interest to signal to Virgin, for instance, that this is the extent of our arrangement with its competitor. If we want it to participate in the market—I want it to do that; I want it to step up and show some interest in servicing Western Australians; that is a good thing—we want to ensure that the state is in a strong bargaining position if we replicate this sort of model.

This is not, however, a build of a stadium, for instance, which we will not do every day of the week. The former government should have been much more transparent and delivered clarity around the actual cost of building the stadium. That is what I was critical of the former government about; that is what I was talking about. The former government claimed commercial-in-confidence with respect to building a one-off stadium, while taxpayers were up for significantly more than the government claimed insofar as the cost of the stadium. This is not that. There will be between 28 000 and 29 000 additional seats on the route in the 12-month period. I hope we manage to fill them all. In the event that we do, there will be an upper limit on the state contribution. In the event that we do not, it will be somewhere between the bottom and the top. But, ultimately, the money comes from within Tourism WA's operating budget right now.

Mrs L.M. HARVEY: Given that the minister is not prepared to actually say the value of this commitment, will he give an undertaking to the taxpayers of Western Australia that once this agreement is finalised, he will reveal the value of the expenditure?

Mr P. PAPALIA: Not necessarily, because even with retrospectivity the threat to the taxpayer in future negotiations is real. It is the same approach that the former government employed on these types of things. It did it incorrectly with the claims around the stadium and Elizabeth Quay, for instance, when it would not reveal how much the costs actually were. But this is a different thing. This is a negotiation, and the type of arrangement reached on a regular basis with Tourism WA. The member knows that the Auditor General approved the response that the former government used in government, and that we continue to employ, whereby the nature of those negotiations and arrangements is not revealed because it would be detrimental to future negotiations in the same type of environment. For instance, what if an airline came to us with a proposal to grow the number of visitors to Exmouth in the same or a similar manner and I told them in advance—publicly—the extent to which we had participated in some partnership over the Broome market? Those negotiations would be detrimental to the taxpayer.

The CHAIR: Member for Vasse.

Mr V.A. CATANIA: We have Qantas flying to Exmouth.

Mr P. PAPALIA: Yes, I know. But what I am saying is —

The CHAIR: The member for Vasse has the call. Excuse me, gentlemen, this is not a discussion across the chamber.

Ms L. METTAM: The minister talked about airline engagement —

The CHAIR: Is this a further question or a new question?

Ms L. METTAM: It is a further question. The minister talked about airline engagement and the leadership that Tourism WA has in this area. Why has Tourism WA withdrawn —

Mr P. PAPALIA: Which page and line is the member referring to?

Ms L. METTAM: I am just referring to aviation, so page 175.

Mrs L.M. HARVEY: It is a further question on the Broome question.

Ms L. METTAM: It is further to the Broome question. It is a supplementary question.

Mr P. PAPALIA: Okay.

Ms L. METTAM: The minister talked about airline engagement. Why was a decision made in October last year to withdraw the lead role in airline engagement for Busselton airport's flights between —

Mr P. PAPALIA: I have to ask the member where specifically—which line—in this budget she is referring to, because this is about this budget.

The CHAIR: Thank you, minister. This is actually a separate question, member. Can you identify it in more detail?

Ms L. METTAM: Okay. I just refer to aviation —

Mr P. PAPALIA: No; what page and what line?

Ms L. METTAM: Destination marketing on page 179, at the top.

Mr P. PAPALIA: Which part?

Ms L. METTAM: “Tourism Destination Development”.

Mr P. PAPALIA: Which page is that?

Mr V.A. CATANIA: It could be 4, “Tourism Destination Development” —

Mr P. PAPALIA: Who is asking the question?

The CHAIR: The member for Vasse is. Do you want me to come back to you, member for Vasse?

Ms L. METTAM: It is “Tourism Destination Development”.

Mr P. PAPALIA: If the member says the page number, then —

Ms L. METTAM: It is page 180.

Mr P. PAPALIA: Okay.

Ms L. METTAM: Under the heading “Tourism Destination Development”, the budget states —

This service focuses on tourism supply side issues; working across Government and the industry to determine the needs of destinations ...

The minister is aware that there has been investment in the expansion of Busselton–Margaret River Regional Airport. I understand that Tourism WA had a role in leading airline engagement up until October last year, but then the City of Busselton was told it would have to lead the airline engagement process. Why has the minister or his department handed the role of airline engagement to a local government?

Mr P. PAPALIA: I am sorry; I have no idea what part of the budget the member is referring to with respect to this hearsay question. Shortly after becoming minister, I met with the mayor and CEO of Busselton council and talked to them about their aspirations for flights to Busselton. I said, “That’s good and I applaud your enthusiasm, but I assume there will not be any expectation that the state will provide funding for pursuing a direct flight of any nature from the east coast.” They said, “No, no; we are in negotiations and have a number of airlines interested”, and that they would be pursuing it. I said that was fine. There is no reference to that in this budget and there was not in last year’s budget; I am not really sure where the member is going with the question.

[9.50 am]

Ms C.M. ROWE: I know that Perth is hosting the Australian Tourism Exchange next year; how does the minister plan to capitalise on this international trade event to grow tourism in WA?

Mr P. PAPALIA: The ATE is the premier tourism conference of the year in Australia. It rotates around different locations. This year it was in Adelaide. Having it in Western Australia next year will provide us with an excellent opportunity to do two things: firstly, we are labouring under a reputation for being expensive and not that good. That was acquired during the boom when there was, frankly, a limited range of product on the market in Western Australia in the hospitality sector and it was ageing. It also benefited from not having to do much to attract occupancy. We had high occupancy rates, very high room costs for visitors and very few opportunities for Tourism WA to attract the leisure market and even business beyond those coming as part of the mining boom. Subsequently, the end of the mining construction boom meant there was a downturn in visitation from people associated with that activity. At the same time we had delivery of a wide range of predominantly top-end new hotels coming on the market and an upgrade of many other hotels already on the market. As a consequence, we now find there is high capacity, very high quality product and the opportunity to eradicate the reputation we accrued during the boom. That is the first thing we can do.

We are counter-cyclical. The average hotel price in Perth is now more affordable than prices in both Sydney and Melbourne and the national hotel price. The vast majority of our product is pretty high quality, at the top end, brand-new or renovated. That exercises downward pressure on all hotel products. We are very attractive and we can use that. Secondly, we can attract people to the state. We can use the fact that tourism is affordable and of quality to draw people in and as a reason for coming now. We are doing that on the east coast with a significant range of marketing activities. We re-established an east coast marketing presence, which was shut down by the previous government seven years ago. We are employing the fact that we are affordable and offer quality, as part of our marketing campaign, both on the east coast and in our pursuit of new direct flights for new-source markets in the region. That is all part of the ATE. The ATE is bringing inbound tourism operators, travel agents and the like from all around the world. People who sell our product overseas and interstate come to those events and we will get the opportunity to demonstrate the quality of our product. We will push them out to the regions so they

can experience those wonderful attractions in Exmouth and other locations—two world heritage sites and the ability to swim with whales, whale sharks, manta rays and turtles and walk off the beach and go snorkelling in our own barrier reef that is every bit as attractive as the Great Barrier Reef and all the other regional areas. If I do not say them all now, I will probably get into the trouble. They will all be sites to which there will be site visits by the people who come to the ATE. That is the beauty of that opportunity.

I have been reminded that there is a significant across-government focus to ensure this is a big event and delivered in a quality manner. A jobs and economic development subcommittee agenda item will ensure that there is an across-government response. It is not just Tourism WA. The benefit of the machinery of government is that we have brought that agency into a larger agency, so it already gets the benefit of support from jobs, tourism, science and innovation. But we will draw on other agencies as well. Everyone in the state needs to understand this opportunity. We need to make it as great an event as we possibly can.

Mr V.A. CATANIA: I refer to page 177 of budget paper No 2, volume 1 of the *Budget Statements* showing “Total dollar amount spent by visitors in Western Australia” and a target spend of \$10 billion, \$10 billion, \$9.6 billion and \$10 billion in 2018–19. I refer to the visitor spend target of \$10 billion and ask: what is the spend projection for each year until 2020–22, keeping in mind there is a target of \$12 billion by 2020?

Mr P. PAPALIA: I am glad the member added that last bit because that is the crux of the matter. The “State Government Strategy for Tourism in Western Australia 2020” employed under the member’s government is no longer our strategy. The aim, clearly, is to respond in a far more aggressive and near-term fashion. We developed the two-year action plan to respond to the immediate needs of the industry in conjunction with industry. That is it in this brochure if the member wants to have a look. The development of that plan was done in conjunction with industry. I have asked Tourism WA’s board to work again with industry, as it did with this plan, to develop a longer-term strategy beyond those two years. The board is working on that now. This took about six months of work in collaboration with industry to develop. It will now work on a longer-term strategy that reflects the current environment.

The problem with the 2020 tourism strategy was that it was written at a time of completely different circumstances than we confront now. As I indicated earlier, when that strategy was written, we did not have to do very much to fill hotel rooms. It was not the leisure market doing that. We now have a significantly different environment. We are counter-cyclical to the east coast. We are attractive in terms of value and quality, yet we also are confronted with a serious challenge for the hospitality and tourism sectors in that we have excess capacity. Right now, we have to focus on driving bums on seats—getting them to the state from interstate and overseas. The strategy will have to accommodate the new circumstances we confront. Part of that is to recognise that we have asked for a focus on establishing ourselves as the western gateway to Australia. Under the member’s government, that was never a consideration. His government did nothing to pursue growing international direct flights from new source markets such as Shanghai, Tokyo and India. They are key elements of our action plan and I expect the benefits from pursuing those flights will be part of the strategy.

Mr V.A. CATANIA: It is interesting that the minister has developed all these new things but he is not reaching the target of an extra \$2 billion, but anyway.

Mr P. PAPALIA: That is your target; you were failing to meet your target.

The CHAIR: Minister!

Mr P. PAPALIA: Do you know that the federal Minister for Trade, Tourism and Investment —

The CHAIR: Minister!

Mr V.A. CATANIA: Can the minister separate out tourism spend growth targets between regional Western Australia and the Perth metropolitan area on the basis of this \$10 billion that is forecast each year?

Mr P. PAPALIA: No, member. I have just told the member that the problem is that the Tourism 2020 strategy was written at a completely different time from what we confront now. In the last three years, Steve Ciobo, the federal Minister for Trade, Tourism and Investment—is he National or Liberal?

Mr V.A. CATANIA: I have a point of order. I have just asked a specific question about tourism spend growth targets.

Mr P. PAPALIA: And I am answering it specifically.

The CHAIR: Minister, a point of order is to be heard in silence, thank you.

Mr V.A. CATANIA: If the minister cannot tell us the difference in growth targets in regional Western Australia, a question that is quite clear and specific —

The CHAIR: Thank you, member for North West Central, there is no point of order. Minister, respond precisely to the question, thank you.

Mr P. PAPALIA: Firstly, no statistics are available for this year. The member does understand that. Tourism Australia has not released any statistics this year. The only statistics it has released are for December 2016 to December 2017. They indicated a diminishing spend from international tourists to Western Australia. However, those statistics reflected the previous two years. It has been confirmed by the federal tourism minister that for the last three years at least, visitation to Western Australia has been declining. I imagine that was previously the case as well, certainly for leisure tourism. The Tourism Council of WA has suggested that the leisure tourism numbers for Western Australia collapsed by about 30 per cent during the boom. I do not think it was that much, but it was significant. That meant that the targets that were developed under the Tourism 2020 strategy were consistently not being reached under the member's government and, looking at projections, they were not going to be reached. The value of that strategy is questionable. That is why I asked for an action plan to respond to the immediate need and circumstances. I have now asked the board of Tourism WA to work with industry to develop a strategy that reflects the circumstances that we confront and identify objectives.

[10.00 am]

Mrs L.M. HARVEY: I refer to page 12 of budget paper No 3. The first paragraph states —

Tourism is one area of the services sector that has grown over the past five years, with its share of nominal GSP increasing from 1.7% in 2011–12 to 2.5% (or \$6.1 billion) in 2016–17.

In light of the comments the minister just made that tourism declined over the term of the previous government, will the minister now commit to detailing when he will publicise his target for growth of the tourism industry, given the investment this government is making in tourism?

Mr P. PAPALIA: I do not get the relationship between the member's initial reference and the question, but that aside, the target for tourism is to grow visitor numbers to the state. It is essential that we do everything we can to fill those vacant hotel rooms. The best thing we can do is focus all our efforts on growing interstate and international tourism because those people come from outside the state and add to the economy when they arrive, so the same money is not going around in a closed loop. That is the focus, and I think it is pointless to establish a target.

I know what happened under the member's government. When I looked at the target components of the Tourism 2020 strategy, I thought that the activity was reasonable under the circumstances, but the targets were essentially our proportionate share of the national targets under the federal Tourism 2020 strategy. The federal minister is no longer concerned about that Tourism 2020 strategy; he is looking towards a new strategy being developed that will reflect the current circumstances. As a consequence of our advocacy, he has acknowledged that a key element of national outcomes is to grow Western Australia's tourism market. As everyone knows, we have been lagging. The federal minister now recognises that —

Mrs L.M. HARVEY: Not according to the government's budget papers. The budget papers state that it has been growing.

Mr P. PAPALIA: The member sitting right next to the member for Scarborough has pointed out that the statistics show that leisure visitation to Western Australia by international and interstate visitors has been lagging. That is a fact, and, as has been confirmed by the federal minister, the numbers have been declining over a number of years. We need to focus on growing visitation. I am not sure that setting specific money targets will drive better effort and greater outcomes for the state. The primary objective of every activity we undertake and every consideration we make regarding marketing, events or whatever we are doing is drawing people in from interstate or overseas. Other considerations are also included, but those are the primary objectives that will prioritise our efforts. When the boom was on and there were not really any hotel rooms to spare, tourism money was spent on things that were aimed at elevating the brand of Western Australia or the brand of a region as a priority. It is now far more important that we drive visitation as a priority.

Ms L. METTAM: I refer to the second dot point on page 175 of budget paper No 2, which reads —

Tourism is a major focus of the Government and forms a vital part of the Government's plan to create jobs, provide small business opportunities ...

I also refer to the service summary on page 176.

Mr P. PAPALIA: What part of page 176 are you referring to?

Ms L. METTAM: I am referring to the fourth line item on tourism destination development. Can the minister please explain the 55 per cent decrease in tourism destination development between 2017–18 and 2021–22 and the rationale for that decrease, given this government's continued rhetoric about tourism as a vital economic driver?

Mr P. PAPALIA: I refer the member to the first note under the heading "Explanation of Significant Movements" on page 180 of budget paper No 2. It states that the decrease in total cost of services between the 2017–18 budget and the estimated actual is due to the re-cashflowing of money and the other explanation about changes. The

second note states that three finite programs that had been funded by the member's government would end in this financial year. As a consequence, there is a change in funding. They were finite programs that the previous government established. They have concluded and the previous government had not budgeted for them in the future after their conclusion.

Ms L. METTAM: It seems that a lot of funding has been pulled out of developing regional Western Australia as a destination. The programs that have been cut are for caravan and camping, regional visitor centres and Aboriginal tourism. Overall, we are seeing less funding in the tourism portfolio compared with even the Barnett government. We are seeing a drop.

Mr P. PAPALIA: Is it a question, member?

Ms L. METTAM: How does the minister respond to that if he thinks that tourism is meant to be front and centre as a priority under this government?

[10.10 am]

Mr P. PAPALIA: As I indicated, the three programs to which the member referred were finite—they had been funded for a period of time and they concluded. With respect to the visitor centres, there was a program to enhance capabilities, which has been completed. The program was delivered within a finite time. It has concluded. The visitor centres are operating with the benefit of having had their capabilities enhanced. With respect to caravanning and camping, the program is complete; it was delivered. The funding was for a specific number of projects and a specific number of sites. They have been completed. With respect to the Aboriginal tourism development plan, the government has asked Tourism WA to work with the Western Australian Indigenous Tourism Operators Council. They are engaged right now in developing a two-year action plan for Aboriginal tourism product and the development of Aboriginal tourism. That is underway. Once they determine what is required, I will be looking towards the agency to fund it.

Ms L. METTAM: Where will the funding for WAITOC come from, going forward, given that it has been effectively withdrawn from the budget?

Mr P. PAPALIA: Pardon?

Ms L. METTAM: Where will the funding for WAITOC come from going forward?

Mr P. PAPALIA: WAITOC is funded as part of the Tourism WA budget.

Ms L. METTAM: But going forward, as I understand it after 2018–19 —

Mr P. PAPALIA: The funding to which the member is referring was not for WAITOC—it was for Aboriginal tourism development. As I indicated, Tourism WA is currently working with WAITOC to develop a two-year action plan for Aboriginal tourism. It reflects Labor's own two-year action plan, which actually incorporates the development of Aboriginal cultural tourism anyway, but this will be a more specific action plan. Once that is developed, it can be funded.

Ms L. METTAM: The minister is confirming that future funding in Aboriginal tourism development has been withdrawn.

Mr P. PAPALIA: No, I am not.

Ms L. METTAM: No?

Mr P. PAPALIA: I did not say that.

The CHAIR: Is that the end of your further question, member for Vasse?

Ms L. METTAM: Yes.

The CHAIR: Minister.

Mr P. PAPALIA: They were finite programs. If the member is talking about Aboriginal tourism development, we have asked Tourism WA to work with WAITOC to develop an action plan for Aboriginal tourism development. They are working on that right now. Once that is concluded, it will be funded as necessary. I will just add that the funding for that sort of activity does not necessarily have to come entirely from tourism.

Mr V.A. CATANIA: I go to page 176 of budget paper No 2. I refer to the heading "Relationship to Government Goals" and to the service summary below, which lists destination marketing, event tourism and tourism destination development. I note that under tourism destination development there is a projected cut from \$14.179 million to \$4.847 million over the forward estimates. I cannot find in the budget papers how much tourism money is actually being spent in the regions. The minister talks about \$425 million. I cannot see anything specifically for the regions. Can the minister tell me how much is being spent in the regions when it comes to destination marketing, event tourism and tourism destination development, and can the minister be specific?

Mr P. PAPALIA: Firstly, there is no cut. I understand the member for North West Central not listening to the member for Vasse, but, that aside, I just went through and explained that on page 180 there is an explanation for the change in funding over the forward estimates; it is as a consequence of finite programs funded by the previous government only to this year coming to an end. That is fine, because in two of the three cases they delivered on what they were intended to do and then they concluded. That is why those ones are no longer funded. With regard to the third one—the Aboriginal one—I have indicated what is happening there.

Mr V.A. CATANIA: I am not talking about that.

Mr P. PAPALIA: The member started by saying that there has been a cut. There is no cut. Part of the problem with the budgeting for tourism under the dysfunctional previous government was that everything was viewed through the prism of the National Party wanting to be able to fund singing toilets or whatever in a certain location and, therefore, to seek some degree of local political benefit out of that announcement. Beyond giving a record \$425 million for destination marketing and events funding over five years to Tourism WA, and giving certainty every year—there is \$85 million for those two activities every year—the key element of what we have done is that we have freed up the money, which has empowered Tourism WA and will, I am certain, get better results. It is not tied to —

Mr V.A. CATANIA: To the regions.

Mr P. PAPALIA: Not at all.

Mr V.A. CATANIA: I agree!

Mr P. PAPALIA: The member needs to understand that if we want people to come from the east coast to Exmouth, we should not spend money in Exmouth on advertising—we need to spend money on the east coast on advertising. What the previous government did with its myopic focus on money having to be spent in a certain geographic location was that it constrained Tourism WA's ability to market the state in markets outside the state. The members of that government might have made themselves feel good, but they did not have an impact on driving visitors from outside the state to Western Australia and to the electorate of the member for North West Central. We are doing that right now. We currently have conversion campaigns on the east coast aimed at sending people to Exmouth, Carnarvon and Monkey Mia. That is the objective.

Mrs L.M. HARVEY: That is what we did; that is standard practice.

Mr P. PAPALIA: The previous government shut down the office on the east coast; all it did was to hamper it even further. It constrained the ability of Tourism WA to be flexible and employ the money in a tactical fashion.

Mrs L.M. HARVEY: Tell the truth!

Mr P. PAPALIA: This is not a debate. The previous government constrained the ability of Tourism WA to employ the money in a tactical fashion, so when it saw an opportunity or a threat, it was not able to respond. That has changed. We have a regional events program; that has not changed. The amount allocated to it is identical to the amount provided under the previous government. If the member is worried about regional events, that has not changed.

Mr V.A. CATANIA: The minister keeps on quoting that \$425 million is being spent over the forward estimates —

Mr P. PAPALIA: In destination marketing and events funding.

Mr V.A. CATANIA: Yes. I want to know how much is being spent specifically on marketing or doing whatever in the regions. Surely the minister has some idea how much of that \$425 million is being spent in the regions. If the minister says that Exmouth is being marketed on the east coast, surely that could be added up. How much is being spent on tourism in the regions out of the \$425 million? That is a pretty simple question.

Mr P. PAPALIA: The regional events program in this budget year has funding of \$10.8 million. That is pretty much unchanged from previous years. There are a range of processes for determining which events get funded; that is unchanged. With respect to marketing, we market Western Australia and we market specific regions. I am not going to go through for the member and calculate every single item of every single campaign that mentions the destinations in the member's electorate, because that would be irrational.

Mr V.A. CATANIA: I am happy to take it as supplementary information.

Mr P. PAPALIA: The member is not going to get supplementary information, because that would be silly. It would be a waste of my agency's time to focus on giving that information to the member for his benefit. It is silly. We are marketing the state. We market the regions as a natural consequence of marketing the state. Every single day—right now—in social media platforms, Tourism Western Australia is selling the member's electorate as a destination. The Coral Coast is a key element of what we do, as are all the other regions. It is ongoing, it is constant. I am not talking about putting leaflets in someone's letterbox. It would be silly for me to ask my agency to do that so that the member can go out to his electorate and say, "On this day, I spent X amount of money selling one of your destinations", which is the mentality that you guys employed.

[10.20 am]

Mrs L.M. HARVEY: I refer to the “Outcomes and Key Effectiveness Indicators” table on page 177 of budget paper No 2. I note the minister’s comments about a record spend of \$425 million over the next four years for tourism marketing; however, the key effectiveness indicator of total dollar amount spent by visitors in Western Australia is staying at \$10 billion. There is no upward revision of the dollar amount being spent by visitors in Western Australia as a key effectiveness indicator of the agency to correlate with the additional spend in marketing. Will the government revise the key effectiveness indicators to be reflective of the additional spend?

Mr P. PAPALIA: We will look towards the strategy developed by Tourism WA in conjunction with industry to indicate what they believe are effective and useful measures, and we will reflect that in future budgets.

Mrs L.M. HARVEY: Can we expect an upward revision of these key effectiveness indicators in the next budget?

Mr P. PAPALIA: They may not even use those key effectiveness indicators; they might determine better ones or more useful ones. The spend indicator may not be the best indicator. As the member knows, there are a lot of questions about the viability and the accuracy of Tourism Research Australia’s data. There are a lot of questions about the effectiveness or usefulness of it. We might be able to employ better indicators and it might determine that as part of the strategy development. For instance, by way of indication, a lot of technological advances enable us to track who comes to Western Australia as opposed to surveying 600 people on the phone. As part of that strategy, it may determine a better measure, or it may retain it—I do not know.

Ms L. METTAM: I refer to the first note under “Event Tourism” on page 179. It states that the government has a commitment to set event tourism baseline funding at \$40 million per annum for five years. Can the minister please explain why this funding is anticipated to be only just over \$32 million in 2017–18?

Mr P. PAPALIA: Essentially, member, it was not spent in the time frame available so it has just been redirected. Event negotiations are generally done over an extended period. The good thing about the certainty of funding is that that period can be extended. We can make deals further in advance than was the case in the past, which is a good thing. That is one of the outcomes of giving certainty of funding, but these things take time and they were not able to lock down deals in the time frame available.

Ms L. METTAM: Can the minister explain where the effective cut of \$7 million to events tourism has gone?

Mr P. PAPALIA: There was a redirection of funds to destination marketing to fund the bringing forward of \$2 million in marketing activity in the first half of the financial year. The member may remember that when we took office last year, the hotel industry was in a critical state. We committed to an immediate campaign to boost visitation, and, despite the member’s scepticism, it did, which resulted in 52 147 additional bookings in that time frame. There is a contribution from Tourism WA towards the Broome port dredging project. Three obstacles in the Port of Broome were key elements in why Carnival Australia had withdrawn its home porting from Western Australia. A fundamental reason for it returning and committing, as we have already announced, to double its visitation in the next cruising year was the dredging of Broome port. As I understand it, Carnival had been trying to get funding for that for something like seven years. We committed to doing it. The funding has come from the Western Australian Tourism Commission, the Department of Transport and the Department of Regional Development.

Mr V.A. CATANIA: When will it be completed?

Mr P. PAPALIA: It will be completed in July, in the middle of the year. A dredge that is available in the state for work in Port Hedland is being used. It is a specific type of dredge. There was a re-cashflowing of the budget to the 2018–19 destination marketing budget to accommodate the Australia Tourism Exchange next year, and there are other smaller matters. Those are significant amounts of money—\$2 million for the campaign, two and a bit million dollars for dredging Broome port and over \$2 million for the ATE. They are significant amounts of money and it was re-cashflowed towards some smaller items.

Ms L. METTAM: Just to clarify, the funding that was dedicated to events has been reallocated to last year’s marketing campaign and to dredging Broome port. Does this fly in the face of the certainty of the \$425 million in funding over five years to which the government committed?

Mr P. PAPALIA: No, it actually confirms it. It is wonderful that flexibility has been provided to the budget now. It was not possible under the structure of the budget overseen by the former government. It would not have been able to redirect funding that could not be spent on events in one financial year to, in this case, some very different activities, all of which bring tourism benefits. The ability to redirect funds to an immediate marketing campaign in response to a critical situation in the hotel industry was a good thing, and it was welcomed universally by the hotel sector. If we had not had the ability to contribute to dredging Broome port and to save cruising in Western Australia—Cruising Australia asked the former government to do it, but there was no commitment and it received no joy—cruising in Western Australia would have dropped to a about a third of what it is now. Instead, Carnival has committed to doubling it cruising next year, which is a 100 per cent increase. That is a good thing. The ATE was an unforeseen activity. It is wonderful that we are getting the ATE, but it was not anticipated by the former government and was not in the forward estimates. The ability to fund that is a good thing. All those things

are great and essentially they are all contributing to the tourism effort. The outcomes are all beneficial to tourism; it is just using the money in a different way. I will correct myself with regard to the Australian Tourism Exchange not being in the forward estimates. It was there, but its funding was basically coming out of the budget that the Western Australian Tourism Commission had then. We have added money so that it does not lose activity. The benefit is in being able to exploit the money rather than not use it. It was not through government direction that the events money was not spent. The member would be aware of the process in which the executive director and others look for events that will enhance the calendar and attract people to the state. If there are no suitable events, they cannot spend the money.

[10.30 am]

Ms L. METTAM: With regard to events tourism, I am sure the minister would agree that the industry and the hotel sector value investment in events given the benefits that they provide. What funding has been dedicated for the new “homegrown Perth” event mentioned in the two-year plan?

Mr P. PAPALIA: It will just be part of the events budget.

Ms L. METTAM: Will that event replace the Margaret River Gourmet Escape?

Mr P. PAPALIA: No, it is completely unrelated.

Ms L. METTAM: Does the minister have any idea what will replace the Margaret River Gourmet Escape?

Mr P. PAPALIA: The government made it clear that it is seeking to grow and boost the gourmet event to incorporate as a wine region not just Margaret River but also the Swan Valley and have a number of other opportunities beyond that. Before too long, we will be announcing what that looks like, and, when that happens, I will let the member know.

Ms L. METTAM: Could the minister provide a breakdown of all major events scheduled to come to Perth for each year of the forward estimates period?

Mr P. PAPALIA: We have announced some, and others we will announce at certain times. A lot of negotiation is underway. Beyond the ones that are probably on the public record, we will announce them when we announce them. We do that for a couple of reasons. Obviously, we want to get maximum awareness of the event and elevate it as an attraction. We have already announced them. There is no point keeping them secret. If we get a good event, we will put it on the public agenda, because the longer we can promulgate and market it in advance, the better the return.

Mr V.A. CATANIA: I refer to page 187 of budget paper No 2, volume 1, and the table “Details of Administered Transactions”. Halfway down the table is the heading “Expenses”. An amount of \$2.8 million each year for six years has been allocated to the line item “Qantas Hub Infrastructure”. Can the minister elaborate on that and tell me what that is for? There seem to be a lot of favours for Qantas, that is all.

Mr P. PAPALIA: The member is right. That was all agreed to by the member’s government.

Mrs L.M. HARVEY: I think that is to expand the customer facilities for the direct flights to London.

Mr P. PAPALIA: That is right. It is essentially an appropriation to cover that cost—\$14 million over five years. This was agreed to by the member’s government; we are just fulfilling the commitment. It is for customer integration and infrastructure. The cost has been spread over five years. It is just a fulfilment of the previous government’s commitment. It is nothing that we have initiated.

Mr V.A. CATANIA: The previous government invested in Qantas hub infrastructure to have the direct Perth–London flights. It was the previous government that set up the Perth–London flights.

Mr P. PAPALIA: That is right. The member would remember that the Qantas hub arrangement was subject to a lot of lobbying and campaigning by Qantas and supporters, and the previous government committed to this arrangement. Our government has marketed the flight and stopover in Western Australia. We are making it work.

Mr V.A. CATANIA: The minister just agreed that it was the previous government that set up the Perth–London flights and put in infrastructure. I am happy with that.

Mr P. PAPALIA: I have never questioned that. Obviously, it was an incredible deal for Qantas. But that is not what is drawing people to the state. The marketing is drawing people to the state and delivering a return on the investment.

Mrs L.M. HARVEY: If the direct flights are not facilitating visitors to the state, why is the government actively pursuing direct flights from China into Perth?

Mr P. PAPALIA: Sorry. Can the member say that again?

Mrs L.M. HARVEY: The minister just said that the Qantas London–Perth direct flight was not facilitating visitors to the state, so why is his government engaging with China Southern Airlines and other airlines in China to facilitate direct flights from China to this state?

Mr P. PAPALIA: I am not sure what the member is getting at. I said that what actually drives the visitors is not the direct flight but its marketing. For people to get on the plane to come here, they have to know that there is a direct flight. A key element of our action plan is to establish the objective of making Perth the western gateway. The good thing about the Qantas direct flight is that it is a tangible indication of that objective. Beyond that, we have to look for new source markets. If we were to remain satisfied with our current share of the Chinese market at only 4.7 per cent of the total market to Australia, that would not be in the interest of the taxpayer. For every other jurisdiction in the country, China is the first or second source of visitation. The previous government sat on its hands throughout its time in office and did nothing to grow our presence in China or compete in what is a really competitive environment. We have only one direct flight —

Mr V.A. CATANIA: Because we were too busy rebuilding the state.

Mr P. PAPALIA: I am not sure that that is what the previous government did. It had forty thousand million dollars' worth of debt—it built that all right! The only direct flight we have from China to Western Australia comes from Guangzhou via China Southern Airlines. It is wonderful that we have it. We have managed to increase the number of flights per week to between three and five, depending on the season. Melbourne gets 14 flights a day! Obviously, we have to pursue more vigorously and aggressively the growing number of international direct flights from China to Western Australia if we want to grow visitor numbers. Beyond that, in 2011 we stopped having a direct Japan–Perth flight, which is potentially a really lucrative market. The previous government made no effort to re-establish a direct flight—it showed no interest. Tourism Western Australia anticipates that if we could get a direct Tokyo–Perth flight, we could grow the leisure market by 80 per cent. That would be a significant benefit because the Japanese are a really valuable market. The huge potential of India remains untapped. We do not have a direct flight from India and we are going to pursue that. All those flights contribute to Perth being the western gateway to Australia. For the first time in recent years, Tourism Australia has recognised the need to sell Western Australia in a different fashion from the way it sells the rest of this country. It has normally sold Australia as one market. That change has come about only since October last year when we drew it to its attention. It has embraced the need to do that now, and it is a good thing.

[10.40 am]

Ms L. METTAM: I have a question about destination marketing. I refer to item 2 in the service summary on page 176. I am interested in the breakdown of funding by project for each year across the forward estimates.

Mr P. PAPALIA: Can the member direct me to her reference in the budget papers?

Ms L. METTAM: It is item 2, “Destination Marketing”, in the service summary on page 176. Can the minister provide a breakdown of funding by project for each year across the forward estimates? I am specifically interested in the amount of funding allocated to different campaigns, such as outdoor media, radio, television, print and various advertising materials.

Mr P. PAPALIA: We will not do that for the forward estimates, member, because we do not want to constrain the ability of the agency to respond in different ways to different circumstances. That has been a great initiative to free up and liberalise the agency to spend where it needs to at different times, so I do not want to, and I would not expect to, lock the agency into specific campaigns in specific locations for the forward estimates.

Ms L. METTAM: Would the minister be able to provide what has already been spent as supplementary information?

Mr P. PAPALIA: I undertake to provide the member with some supplementary information. It will be a general breakdown of marketing activity in the financial year to date. I do not think it will provide all the specifics that the member is hoping for, but it will be a general breakdown, so it will give her some indication of spending.

I undertake to provide to the member a general breakdown of the marketing activities spend by Tourism WA in the year to date.

[*Supplementary Information No B8.*]

Ms L. METTAM: I refer to page 174 in budget paper No 2 and the line item “Contribution to Broome Port Authority—Dredging Project”. Given the recent withdrawal of the Norwegian cruise ship *Regatta* due to inadequate infrastructure—this was in relation to the all-tides gangway, which is federal funding dedicated to Broome port—what action has been undertaken to ensure that that project, which has been stalled for over 12 months, will be progressed by the time the international cruise ship event takes place in September this year?

Mr P. PAPALIA: Member, that question has nothing to do with that line item.

Ms L. METTAM: It has a lot to do with the Broome Port Authority.

Mr P. PAPALIA: Ask the Minister for Transport.

Ms L. METTAM: I thought the minister just took credit for growing Broome as an international destination —

Mr P. PAPALIA: We have, through our contribution to the Broome Port Authority dredging project; it is unrelated to the member's question.

Ms L. METTAM: If Broome port has nothing to do with tourism, why has event funding been used to dredge Broome port?

Mr P. PAPALIA: I did not say that. I said that we made a contribution to the Broome Port Authority dredging project from Tourism, and that is a great thing because it has saved cruising in Western Australia; it had been lost under the previous government. Carnival Australia is not only returning to home porting in Fremantle, but also committed to doubling the number of port visits and cruising days this coming year. That is a wonderful outcome. The question about the all-tides access pontoon is a question for the Minister for Transport, but I am interested in it.

Mr V.A. CATANIA: It is in the budget.

Mr P. PAPALIA: No, it is not. That is a different line item; it refers to dredging. The member referred to something that floats on the water next to the port; it is a completely different thing.

Ms L. METTAM: I am aware of that.

Mrs L.M. HARVEY: It is in brackets and the money has come out.

Mr P. PAPALIA: This line item has nothing to do with the member's question. I am trying to convey to the member that she needs to ask the transport minister if she wants specific details about that project, which is not this project. That is a different project.

Ms L. METTAM: I am aware that it is a different pot of funds —

Mr P. PAPALIA: No, it is a different project. It is a completely different issue.

Ms L. METTAM: Sure, but the agency had invested in the Broome cruise ships strategy. Clearly, cruise shipping is an interest of the minister, given that event funding has been used to dredge Broome port, so I am hopeful that the minister can give some assurance that this all-tides gangway, which was funded by the federal government, but dedicated to Broome port, will be progressed by the time the international cruise ship event in Broome happens in September.

The CHAIR: Even though it is a follow-on question to a question that does not relate to the minister, he can respond if he wants to.

Mr P. PAPALIA: As I said, it is nothing to do with the line item that the member identified; nevertheless, I understand that Transport and the port, in particular, are in discussions about how they might resolve that challenge. The member really needs to talk to the transport minister if she wants details on where they are at and what they are doing. Potentially, providing a gangway is what is required. On that proviso I would be supportive of it as an outcome, but it is not my responsibility.

Ms L. METTAM: Why is there no further funding for the Broome cruise ship strategy? Is there any funding for that strategy?

Mr P. PAPALIA: Is the member referring to a line item?

Ms L. METTAM: The allocation would have appeared —

Mr P. PAPALIA: I do not think there is, or was at any stage, a line item that referred to the Broome cruise ship strategy. We are out there fighting for cruise ships to visit Broome—do not worry about that.

Mr V.A. CATANIA: Broome, Broome, Broome! What about Exmouth?

Mr P. PAPALIA: And to Exmouth—the member knows I would love to have a port there.

Mr V.A. CATANIA: I refer to page 179 of budget paper No 2, volume 1, and note 1 under the heading “Explanation of Significant Movements”. The minister keeps referring to the \$425 million fund that will be spent on destination marketing and event tourism over the next five years. Can the minister explain, or let me know, how much of that \$425 million in the budget is royalties for regions moneys?

[10.50 am]

Mr P. PAPALIA: I will undertake to provide the member with supplementary information to confirm the proportion of that \$425 million in funding that is royalties for regions.

The CHAIR: Do you want to clarify that?

Mr P. PAPALIA: I will undertake to provide the member with detail of the proportion of the \$425 million allocated over five years to destination marketing and events that will be drawn from royalties for regions.

Mr V.A. CATANIA: What projects are being funded?

Mr P. PAPALIA: I might not undertake to provide another part.

The CHAIR: That is correct. We will stop on this one because the minister has agreed to provide that information as outlined.

[*Supplementary Information No B9.*]

Mr V.A. CATANIA: With that information about how much of that \$425 million is made up of royalties for regions, is the minister able to provide the detail of the projects that that money is going into?

Mr P. PAPALIA: It is similar to the response to the member for Vasse's question about the forward estimates. Specifically identifying projects or campaigns or the like in advance would unnecessarily lock the agency into the inflexible operations that it was constrained by before. We are trying to give it flexibility. I do not think we can.

Mr V.A. CATANIA: The minister is saying that he is treating that \$425 million as a global figure for tourism. In that global figure, when it comes to destination marketing, wherever it may be—overseas or over east—and event tourism, which could be whatever the minister does to promote the Swan Valley, he is saying that royalties for regions funding could be used right across the board.

Mr P. PAPALIA: No, we are not. It is constrained by the same rules governing royalties for regions expenditure everywhere else in the budget.

Mr V.A. CATANIA: Is that royalties for regions money—the minister will come back and tell me how much of that \$425 million is royalties for regions money—specifically allocated to projects only for regional Western Australia?

Mr P. PAPALIA: We are constrained by the same rules for royalties for regions as the entire budget is, but as has been indicated to me, it may be a project or an event, for instance, or a campaign that receives a significant amount of money from the consolidated account as well. There is a mixture of events. We use it in the most efficient way we can. If the member is asking whether the Swan Valley event is being funded out of royalties for regions, no it is not; we cannot do that. We are still constrained by the Minister for Regional Development looking very carefully at where funding is allocated.

Mrs L.M. HARVEY: Under the spending changes table on page 173, there are some harvested savings from the senior executive service reduction. How many full-time equivalent positions does that saving represent?

Mr P. PAPALIA: That is the 20 per cent target for the senior executive service reduction for the entire Department of Jobs, Tourism, Science and Innovation.

Mrs L.M. HARVEY: Mr Gwyn Dolphin has left. Is his salary harvested here?

Mr P. PAPALIA: That is the global figure for savings achieved through the 20 per cent reduction of SES across the Department of Jobs, Tourism, Science and Innovation.

Mrs L.M. HARVEY: It does not represent FTE positions that the department has collapsed and positions that have been removed; it is just an arbitrary —

Mr P. PAPALIA: No, because that is where the savings are made. If there is a 20 per cent reduction in SES across the department globally, that is represented by that number. The consequence is some 20 per cent fewer positions across the department and that is the saving.

Mrs L.M. HARVEY: In tourism, of the SES, how many FTEs are represented by the 20 per cent reduction?

Mr P. PAPALIA: The SES reduction across the Department of Jobs, Tourism, Science and Innovation was four, and that incorporated one from Tourism WA. But the structure has changed, so the outcome is that saving across the department.

Mr V.A. CATANIA: I refer to page 173 and wherever the minister wants to look at appropriations, expenses and cash assets. When it comes to job cuts, what is the total number of job cuts under the government's redundancies that the minister anticipates or has to make in his portfolio of tourism?

Mr P. PAPALIA: Just so we are clear, is the member talking about the voluntary targeted separation scheme?

Mr V.A. CATANIA: The job cuts, yes.

Mr P. PAPALIA: The member is talking about the voluntary targeted separation scheme.

Mr V.A. CATANIA: Yes. I am referring to how many jobs the minister has to shed under his regime.

Mr P. PAPALIA: Does the member mean as part of the voluntary targeted separation scheme? There is a global target across government of 3 000. The Treasurer has articulated that; he has referred to it frequently. In the budget speech he indicated that at that time just under 2 000 had been achieved and he anticipated that by about now there would be more than 2 000, and into the future the government would be pursuing the 3 000 target. It is a global objective. There are no targets in specific agencies. They are overall global objectives. If the member wants to know how many came out of Tourism WA —

Mr V.A. CATANIA: Yes, there is that; I would like to know how many.

Mr P. PAPALIA: There are four.

Mr V.A. CATANIA: How many does the minister project to have out by the end of the financial year?

Mr P. PAPALIA: I am not projecting any. That is the extent of the VTSS in Tourism WA.

Mr V.A. CATANIA: The minister has not been given a specific target to make up those numbers for 3 000 public servants.

Mr P. PAPALIA: No; we have achieved as many as the government want us to achieve.

Mr V.A. CATANIA: The minister is no longer part of those job cuts or, in his terms, redundancies.

Mr P. PAPALIA: The voluntary targeted separation scheme?

Mr V.A. CATANIA: Voluntary redundancies. The department has met the requirements?

Mr P. PAPALIA: The whole government is.

Mr V.A. CATANIA: The department has met its requirements?

Mr P. PAPALIA: If the member is asking whether there are going to be any more, at the moment, no, not that I know of.

[11.00 am]

Ms L. METTAM: I refer to international education, trade and investment on page 175 of budget paper No 2. I also refer to page 183 of budget paper No 2.

Mr P. PAPALIA: Choose one, member. The member is supposed to choose one.

Ms L. METTAM: There is a reference on both pages.

Mr P. PAPALIA: Choose one spot and then refer to it and ask the question.

Ms L. METTAM: The minister can refer to page 175 and the reference to the international education strategy. When will the international education strategy be finalised given that it was also a commitment in the 2017–18 budget?

Mr P. PAPALIA: The member had better ask the Premier that question.

Ms L. METTAM: Is it not in the minister's portfolio?

Mr P. PAPALIA: I am not developing the strategy.

Ms L. METTAM: Given the recent figures showing that the number of international students in WA has dropped by four per cent while nationally international student enrolments have grown on average at seven per cent, what representations has the minister made —

Mr P. PAPALIA: Where is the four per cent drop from?

Ms L. METTAM: That is according to the Independent Schools Council of Australia statistics. The Department of Education and Training —

Mr P. PAPALIA: Is it from the Australian Bureau of Statistics? I have seen statistics from the ABS that indicate that tertiary education enrolments grew every month of last year but at a slower rate than in the other states, so our proportional share has diminished.

Ms L. METTAM: I think it was from the Department of Home Affairs.

Mr P. PAPALIA: I have also seen data that indicates that for the last two years of the previous government, between 2015 and 2017, there was a downward trend in the number of international students for English language training and general tertiary enrolments. There is another category, but it slips my mind right now. All of them are on a downward trend over a number of years. It has not suddenly emerged as an issue. As I indicated, it is not our responsibility right now in this budget. I am interested, but it is not our responsibility.

Ms L. METTAM: I refer to the increased competitiveness and viability of the Western Australia tourism industry on page 176 of budget paper No 2, volume 1. Given that we have seen significant drops in visitor spend but growth in other states, how is the government planning to reverse this trend?

Mr P. PAPALIA: Tourism WA, in conjunction with the Western Australian tourism industry, has developed the “Two Year Action Plan for Tourism Western Australia—2018 and 2019” to target reversing that trend; that is a key element of what the plan is about. Essentially, the plan has a number of components. Firstly, for international visitation, it is about establishing ourselves as the western gateway and pursuing, as a component of that, direct flights from new source markets such as Shanghai, Tokyo—which is, as far as leisure goes, a new source market—and India. We would also like to grow the number of flights from Guangzhou via China Southern Airlines. We will look towards continuing to service, grow and enhance our extant markets. There is potential for an additional direct flight from Europe via Qantas. I would argue Germany is the best for that, but who knows? One element is growing new source markets internationally and establishing ourselves as the western gateway. We are not being sold as one market for Australia whereby WA misses out.

At the interstate level, we are running a series of campaigns to exploit the fact that we are countercyclical to the east coast and we are now an affordable and quality destination, as opposed to what we were during the boom. We are going to dispel our reputation for being expensive and difficult by replacing it with a quality and affordable brand, and by telling people that that is the reason to come to Western Australia now. In addition, as I have indicated, we have significantly invested in cruise shipping. This coming cruising year we will increase the number of cruise days and port visits by 100 per cent. That is a significant outcome. We are looking at growing it in the future.

Finally, the other day we saw probably the single greatest initiative for regional airfares and the tourism market that any state government has undertaken—the announcement about Broome. We will look for other opportunities, but, clearly, there is a big focus on removing the hurdle that was presented by high regional airfares from some of our key and emblematic tourism markets. All those matters are dealt with in this two-year action plan. Another element is developing Aboriginal cultural tourism. All those matters are in the plan and that is what we are doing to respond.

Ms L. METTAM: I would like to ask a question about Aboriginal tourism. I refer to the line item “Aboriginal Tourism Development Program” on page 170 of budget paper No 3 in table 1 headed “Royalties for Regions Expenditure”.

The CHAIR: Member for Vasse, you are no longer a committee member. You can still ask the question, but your time has expired.

Ms L. METTAM: Thank you. Under the former Liberal–National government, \$4.4 million was invested over four years to support the development of Aboriginal tourism by working with the Western Australian Indigenous Tourism Operators Council. I note from the line item that there is no further funding for the program this year. We have touched on that. Given that Tourism WA research has found interest in Aboriginal tourism far outweighed participation, which indicates massive potential, where can we see in this budget a dedication to Aboriginal tourism and investment and that same level of investment going forward, given that there is no line item for Aboriginal tourism development after 2018–19? It drops off a cliff, we could say.

Mr P. PAPALIA: As I indicated earlier, that was a finite program. We have asked Tourism WA to work with WAITOC right now and it is in the process of doing that to develop a two-year action plan for Aboriginal tourism and development. It is in our “Two Year Action Plan for Tourism Western Australia—2018 and 2019”. There is a clear commitment to meet consumer demand. Page 12 of the action plan states —

- 3. We will help meet consumer demand for Aboriginal tourism experiences by:**
 - a. Seeking opportunities** to increase the inventory of export ready Aboriginal tourism businesses through investment and coaching activities delivered by Tourism WA and WAITOC. This will include a focus on Aboriginal products for the international cruise sector.
 - b. Launching one new Camping with Custodians campsite** in the Kimberley, making four operational in the north of Western Australia by 2019. Seeking opportunities for continued investment in Camping with Custodians development, especially on the Dampier Peninsula to support the sealing of the Cape Leveque Road.

We are committed to enhancing and supporting the development of Aboriginal cultural tourism. It is a key defining and, I think, differentiating opportunity for our state. The action plan will be developed and funded.

Ms L. METTAM: Where will the funding come from; will it come from the \$425 million?

Mr P. PAPALIA: It may, but it might also seek additional funding from other agencies or other portfolios.

The appropriation was recommended.

Meeting suspended from 11.10 to 11.15 am

Division 18: Small Business Development Corporation, \$12 171 000 —

Mr S.J. Price, Chair.

Mr P. Papalia, Minister for Small Business.

Mr D. Eaton, Small Business Commissioner.

Mr R. Buttsworth, Director, Corporate Resources.

Ms E. Roebuck, Senior Policy Adviser.

[Witnesses introduced.]

The CHAIR: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point, which would be great! The estimates committee’s consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or

amount in the current division. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall be examined only in relation to their portfolio responsibilities.

The minister may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by Friday, 1 June 2018. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

I give the call to the member for South Perth.

Mr J.E. McGRATH: I refer to the first dot point under "Significant Issues Impacting the Agency" on page 222 of budget paper No 2 of the *Budget Statements*. It has had a lot of publicity with subcontractors and issues about them not being paid, especially on some big state government projects, including the Perth Stadium, which I was involved in. Some subbies who were in my electorate of South Perth had problems on this issue. I seem to recall that while we were in government, we took some steps towards remedying the situation, but I think that applied only to state government projects. In the last 12 months, or since the McGowan government has been in power, have we made any progress on this issue of payment of subcontractors, and supporting this aspect of the business community?

Mr P. PAPALIA: Yes, member, it has excited a lot of interest within government and, obviously, concerns and advocacy led by the Small Business Commissioner. We have established an industry advisory group. It is an across-government response, working collaboratively with industry towards addressing the issue the member has identified. Clearly, the initiatives his government undertook have not really resolved the problem. I would argue that it has not necessarily been resolved in the public sector. I think there are still vulnerabilities in public sector subcontracting, despite the initiatives implemented. The industry advisory group is looking outside the public sector and across the entire economy and working on measures that will, hopefully, assist in reducing the liability to which subcontractors are being left so vulnerable.

I concede that we are anxiously awaiting another initiative within my portfolio that will very much focus on the public sector, responding directly to make it much less likely that subcontractors working on public sector projects will be vulnerable. Yes, the industry advisory group is the key initiative; it is under the Minister for Commerce and Industrial Relations, not me.

[11.20 am]

Mr J.E. McGRATH: Does the Small Business Development Corporation ever think that one day a subcontractor's payment would be guaranteed by the money being put aside by the head contractor? We are looking at commercial contracts between two commercial operators. Would a government be able to enforce that sort of regulation? It could be a bit like buying an apartment off the plan, whereby the money has to be put aside so that if the building does not go ahead, people get their money back. Could something like that be put in place?

Mr P. PAPALIA: There has been a lot of discussion in the community and among different agencies about project bank accounts and how they might be employed in the private sector. I am not sure whether the state government could compel such an initiative, but it is being led by the Minister for Commerce and Industrial Relations. He is the one leading those industry advisory group discussions. The Small Business Commissioner is engaged in that process and supportive of it from the perspective of small business. He is, essentially, acting in the role of advocate for small businesses and subbies. We are exploring other measures within the public sector, which, once we get them locked down, could ensure that, mostly, subbies will be protected significantly more than they are currently. We are working on initiatives right now that do not involve the initiative the member for South Perth is talking about, but I am not excluding that. I know we are working on things. When we are able to, we will tell people about them and announce them. I am confident that they will be a significant step up with what we do to protect subcontractors in the public sector.

Mr V.A. CATANIA: The industry advisory group is headed by John Fiocco, who I think was the Shop, Distributive and Allied Employees Association lawyer in my time in the Labor Party —

Mr P. PAPALIA: I do not know, mate, you are more familiar with them than I am. I would not have a clue— factions I am talking about.

Mr V.A. CATANIA: Will the IAG group consider new legislation? I know the minister is not the lead minister on this, but since the SBDC has a role to play in the IAG, is the group scoped to consider any new legislation and look at other Australian jurisdictions for better legislation to protect subcontractors?

Mr P. PAPALIA: I will not go into it too much because it is not my portfolio. I obviously have an interest and the Small Business Commissioner is contributing to and participating in that ongoing process. At this stage, I do

not think any ideas or initiatives are being excluded. The net is being cast wide in an effort to get the best return, outcome and protections for subcontractors that we can achieve. It will be challenging because in the commercial environment outside of government contracts there is a lot of activity in which the state does not have a great deal of oversight or power. It is being approached with goodwill towards subcontractors and we are trying to achieve the best outcome for them.

Mr V.A. CATANIA: I know that the minister is not the lead minister of this advisory group, but does the group have a time frame within which to resolve the issues of subcontractors in the future, whether that be through legislation or in other ways?

Mr P. PAPALIA: I am informed that the group is looking to deliver a report in the second half or closer to three-quarters of the way through the calendar year. But it is not my portfolio so I should not be promulgating responses.

Mr V.A. CATANIA: Does the Small Business Development Corporation hold records of the number of breaches of the act and code that have occurred in WA since 1 January 2017?

Mr P. PAPALIA: That is the Department of Commerce.

Mr V.A. CATANIA: Is that Commence as well?

Mr P. PAPALIA: Yes.

Mr V.A. CATANIA: I refer to page 221 and the table “Appropriations, Expenses and Cash Assets”. I think the funding for the Regional Small Business Awards has been cut for this financial year, which will hurt a lot of regional towns that want to celebrate the fact that their small businesses are doing well. Can the minister elaborate on the reason SBDC cut the funding for the regional business awards? Did he pressure the Regional Chambers of Commerce and Industry to not push for the funding?

Mr P. PAPALIA: To correct the record, there has been no cut to funding for regional tourism awards. A finite program ended after a four-year period of funding allocation. It was from the royalties for regions fund—not from SBDC. That aside, I can confirm that we are working right now on a possible solution for a statewide event.

Mr V.A. CATANIA: Will that event be funded by royalties for regions?

Mr P. PAPALIA: I will not give the member any details about where that funding will come from. I will say that we are working right now on trying to establish an event this calendar year.

Mr V.A. CATANIA: Why did the minister allow the royalties for regions funding to lapse and not support the regional business awards, which are pivotal in celebrating small business success in regional Western Australia? Has the minister let that funding lapse to be able to put his own stamp on it with this new funding that may or may not come about in the next whoever knows how long?

Mr P. PAPALIA: The SBDC continues to support local small business awards programs. That has been welcome and confirms that the primary —

Mr V.A. CATANIA: But the funding has been cut!

Mr P. PAPALIA: This is the Regional Small Business Awards. This is important—regional awards in the regions continue to be supported by the SBDC. They confirm that the primary benefit occurs at the local regional level. The case could be made that one expensive gala evening in Perth is not necessarily the greatest contribution to small business in the regions. I have not necessarily conceded the case, but it is a reasonable observation to make that the benefit accrued to regional small businesses from having a gala event in Perth once a year for a relatively small number of people is pretty minimal compared with activity out in the regions over a vast geographical area. Many people will never get to that gala awards ceremony.

Mr V.A. CATANIA: Will the minister say the same for the tourism business awards or any others?

[11.30 am]

Mr P. PAPALIA: I concede that a lot of small businesses go to the Tourism Council Western Australia awards. It is arguable what degree, but there is a degree of value in enabling people to have an awards ceremony that recognises effort, gives them a moment to reflect and attributes some esteem to achievement. I concede that is a valuable thing.

With respect to funding, it is the same across every portfolio: there is significant pressure as a consequence of the forty thousand million dollars of debt that was racked up by the previous government that has to be considered in every deliberation in every field of endeavour. All I can say is that we are working on a small business awards event. I have always been kind of unsure about the idea of having a regional small business awards and not a state small business awards. Potentially, I can see value in a statewide small business awards, in the same way that there are statewide tourism awards, with regional tourism being a component of that awards system. Other sectors of the tourism industry are recognised during those awards also. Many other awards events have different categories.

Mr V.A. CATANIA: I accept what the minister is saying to a degree. As the minister said, the Western Australian Regional Small Business Awards are about getting people involved, promoting the work they have done, and everyone sharing and learning information. It is disappointing that, yes, there is still some funding, but obviously funding has been cut because the royalties for regions program has lapsed under this government's time and has not been reinstated to make it a viable prospect to have these regional achievement awards. Why is the minister not asking the regional development minister to put some royalties for regions money into something that has been very successful in driving small business in regional Western Australia? It has helped small business to put forward what they have been able to do—their ideas—to network and to really grow the businesses in their particular towns, whether it be Exmouth, Carnarvon or Onslow. Has the minister asked the Minister for Regional Development to put some royalties for regions money into this, which has been so successful, or is royalties for regions dead?

Mr P. PAPALIA: Clearly, royalties for regions lives thanks to the Labor Party. The Western Australian Labor Party is the only party in Western Australia that can deliver on royalties for regions in the future. The Liberal Party has declared that it will get rid of it; it will kill it. The Leader of the Opposition has publicly stated that it should go. The only way the Nationals WA can form government is with the Liberal Party.

Mr V.A. CATANIA: The minister shows his true colours when it comes to regional Western Australia. Why would we form government with his party?

Mr P. PAPALIA: Therefore, both the parties represented opposite are incapable of sustaining royalties for regions. Vote Labor in the regions, I say. On the question about the event, I conceded that there is some value. I am unsure of the extent of the value, but I can see some value in a gala event once a year that acknowledges the achievements of small business across the state. I do not necessarily believe that it should be isolated to the regions, because there are a far greater number of small businesses in the metropolitan and south west regions, for instance, that engage every day in all the challenges and demands of small business and contribute every bit as successfully and importantly to the state's economy as those in the wider regions. I do not like separating regional from the city. I do not like turning the city against the country. That is not what this government does; that is what the National Party does. To the extent that I value the idea of having an event, we are in discussions about how we might continue an event.

Mr A. KRSTICEVIC: This, hopefully, will be very quick. I refer to the significant issues impacting the agency on page 222 of budget paper No 2. The final dot point is to do with the business migration program and outlines \$250 million of capital inflow in 2017–18. Firstly, what do the out years for business migration inflows look like? Secondly, does the seven per cent foreign property tax have any impact on these people?

Mr P. PAPALIA: The business migration program has exceeded expectations in just about every year in recent times. I expect that this year will be an exceptional year. That has been the case for every one of the last four or five years that the program has been in place. Every year there is an expectation that the program might at least reflect the return from the previous year, and every year it has exceeded that. Understanding that the government came to office in March 2017 with a stated intent of increasing taxation on foreign investment in property, in the 2016–17 financial year there was, effectively, a total capital inflow of \$305.1 million, and the forecast capital inflow for this financial year is \$375 million. Has it had an impact? It has, only in a positive way. The benefit of having a free-market, solid, reliable democracy with sovereign integrity means that we are always an attractive site for investment. That is not impacted by matching other jurisdictions in Australia on that particular impost. Clearly, it had no impact.

The appropriation was recommended.

Division 34: Local Government, Sport and Cultural Industries — Services 2, 18 and 19, Racing and Gaming; Citizenship and Multicultural Interests, \$20 568 000 —

Mr S.J. Price, Chair.

Mr P. Papalia, Minister for Racing and Gaming; Citizenship and Multicultural Interests.

Mr D. Ord, Director General.

Mr M. Beecroft, Director, Strategic Regulation.

Ms S. Sherdiwala, Chief Finance Officer.

Ms K. Ellwood, Acting Executive Director, Office of Multicultural Interests.

Ms E. Roebuck, Senior Policy Adviser.

Mr S.S. Padshah, Senior Policy Adviser.

[Witnesses introduced.]

The CHAIR: Thank you, minister. Questions? I give the call to the member for South Perth.

Mr J.E. McGRATH: I refer to the item “Outcome: Western Australia was recognised as a vibrant and effective multicultural society:” on page 453 of budget paper No 2. The first item under that heading concerns the percentage

of organisations and individuals who report that the Office of Multicultural Interests had a positive impact on the promotion and support of multiculturalism. How is “positive impact” measured in relation to these services? Why is the target rate 80 per cent? What happens with the remaining 20 per cent?

[11.40 am]

Mr P. PAPALIA: Harsh! I ask Ms Ellwood to respond.

Ms K. Ellwood: Every year we undertake an effective outcomes customer survey to assess the satisfaction of everyone with whom we work. We survey more than 1 500 people via telephone and email. The survey is determined culturally appropriate because a lot of the clients we work with do not speak English proficiently and we want to ensure that they are able to complete the survey. We use those results every year to ensure that we improve. We tend to get a consistent report back. We analyse the survey responses every year to see whether we can make changes, and we have made changes each year. We believe that that percentage is quite high in government.

Mr J.E. McGRATH: Given that 20 per cent of the 1 500 people surveyed were not satisfied—by my math that is 300 out of 1 500—can the minister describe what sorts of things were they unhappy about or not satisfied with?

Mr P. PAPALIA: I am not sure what detail the granularity of the survey achieves as far as why people are not satisfied. Understandably, there are a significant number of nil responses to the survey. Given the nature of the survey and the different methodologies that the member heard about are used—they are not all face-to-face—and given the diversity of the population that is being surveyed, it is not unreasonable to expect that a fair number of people will not respond to the survey or give a nil response. I think that a satisfaction rate for service provision in excess of 80 per cent is pretty high across a government agency of any description. It is not a scientific methodology, but, anecdotally, I regularly encounter people in the community who are very supportive of the services provided by the Office of Multicultural Interests and the state government in the multicultural field of endeavour. I might ask Ms Ellwood whether she can add anything.

Ms K. Ellwood: Every year it has been relatively consistent, which is something that we are quite proud of and want to continue, but that does not mean that we stop seeking further clarification. If there are potentially one or two small groups that might not have received funding for a program, that is fine because we work with them in other ways to help their capacity. The majority of responses are either positive or neutral. The customer service satisfaction survey is underway at the moment so we can provide the updated figures and any feedback on that, if required. It is not a problem; nothing is hidden.

Mr J.E. McGRATH: It would be good to know how many people do not respond to the survey.

Mr P. PAPALIA: I will undertake by way of supplementary information to provide the member with the number of people who did not respond to last year’s customer satisfaction survey. That might be easier because this year’s survey is still underway.

[*Supplementary Information No B10.*]

Mr P. PAPALIA: I take some comfort in the knowledge that there has been no significant shift in the satisfaction rating, which would indicate that we are consistently delivering.

Mr A. KRSTICEVIC: I refer to the third line item, “Italian Insertion Program” on page 447. Footnote (a) states that “Existing agency spending has been reprioritised to meet some or all of the costs of this commitment.” What funding has been reprioritised, which projects does the funding relate to, how much money has been reprioritised and will this affect any other programs?

Mr P. PAPALIA: At the outset, I will respond to the last question. No other programs have been impacted by retaining or meeting our funding commitment to the Italian language program. OMI is now part of a consolidated agency in the form of the Department of Local Government, Sport and Cultural Industries and there are opportunities for drawing on a greater spread of funding from other sources. I can confirm that none of the community languages programs were impacted. That is not what happened. We did not shut anything down to fund it. We went to the election committed to it and we have met that commitment. I will put this on the record with a breakdown. There is a redirection from the community languages budget to the Italian insertion program of \$120 000 in 2017–18, \$190 000 in 2018–19 and \$300 000 in 2019–20. In 2018–19, there is a one-off shortfall. We are effectively funding it from the program without cutting any of the other funding. There is a one-off shortfall of \$110 000 in the 2018–19 budget that we will meet by the internal relocation of departmental funds.

Mr A. KRSTICEVIC: What programs were cut?

Mr P. PAPALIA: No, it is departmental funds, which is Mr Ord’s responsibility. He had to find the money from his other budget.

Mr A. KRSTICEVIC: Whether that is from OMI or the local government component.

Mr P. PAPALIA: Yes, somewhere within the overall department funding.

Mr A. KRSTICEVIC: Why was the decision made to split the fund into two streams—the after-school program and the in-school insertion program—when the program has traditionally been designed for after-school hours?

Mr P. PAPALIA: I think it is pretty rich to claim that it has traditionally been something when it has been underway for three years, effectively. The community languages program is a relatively new initiative. I acknowledge that the previous government established it on the grounds of funding it for after school, but some 30 years before that, we put in place the delivery of an Italian language program in schools. We are encouraging the opportunity for other languages—Chinese and potentially others—to be delivered in a relatively similar fashion in the school curriculum. These are delivered at two places; one is more small scale and involves the retention of culture and reaching out to its own demographic in the community on the weekends and after hours while the other provides a more substantial delivery of the service to a wider audience and potentially greater participation by the general community during school as part of the program. I think it is a good mix. Clearly, the ones who do that during school need a stronger, more robust structure around their program. They need a wider volunteer base, they have to have qualifications and all the necessary components for delivering training in a school. There are more demands on them so we need a different category.

Mr A. KRSTICEVIC: If other ethnic groups decide to set up that structure of capability, will they automatically be entitled to a similar level of funding?

Mr P. PAPALIA: No. It is a process. It is the same as the community languages program outside of school hours. There is an application process. If they meet the criteria they become eligible, and the funding reflects numbers engaged and things like that.

Mr A. KRSTICEVIC: What is the current application process and what criteria have to be met?

Mr P. PAPALIA: I think it is all publicly available. The Office of Multicultural Interests can outline the process to people. I know that applications have been made for other languages to be engaged in after-hours school funding. I am getting the terminology wrong. We have to remember also that with the Italian insertion school program, the Italian government has provided funding from its budget to the Western Australian education system for three decades. That is a significant contribution and exceeds the amount we put in.

[11.50 am]

Mr A. KRSTICEVIC: Is no-one else doing it?

Mr P. PAPALIA: Not at the moment, but the criteria would mean —

Mr A. KRSTICEVIC: Are the criteria public at the moment?

Mr P. PAPALIA: We can make them public.

Mr A. KRSTICEVIC: But they are not public at the moment?

Mr P. PAPALIA: Not yet. It is an evolving process, but I can do that. Last week we concluded those deliberations around the Italian language program and we made an announcement. I will undertake to ensure that the criteria are made public, noting that a significant factor is the contribution that the Italian government makes to language training. As far as I am aware, that does not happen anywhere else in Australia. Perhaps Victoria might have just received something, but I am not aware of any other national government that has offered to contribute to our education system.

Mr A. KRSTICEVIC: Is one of the criteria that funding has to be received from a foreign government?

Mr P. PAPALIA: I am informed that it is in a partnership, yes.

Mr A. KRSTICEVIC: If a foreign government wants to fund a program in our schools, do we allow that to happen?

Mr P. PAPALIA: We have with the Italian language program for something like 37 years. The member is talking about a language program.

Mr A. KRSTICEVIC: Yes.

Mr J.E. McGRATH: He is talking about Croatia!

Mr P. PAPALIA: If the Croatians are going to step up, I would welcome that. But it is a challenge to match the extent of the contribution from the Italian government—I can understand that. It is an opportunity, and other governments from around the world are interested in supporting the promotion of their language as part of their cultural engagement. It is not outrageous to suggest that that might happen. Once we put the criteria out there, that could be possible and we might engage with them, which would be a good thing.

Mr A. KRSTICEVIC: Does this funding predominantly go to private schools, not public schools?

Mr P. PAPALIA: It is undeniable that as a consequence of the previous government's decision to cut the Italian language program, the extent of its reach was diminished. Many schools that had been participating in the public and private sector withdrew because they could not meet the obligations necessary to retain the program without state government funding. The program's reach is less than it used to be, but it is available. I expect that with our funding, that reach will extend again to what it was before. I am informed that our funding is for the government sector and Catholic education—not other private schools—noting that Catholic schools often deliver to a fairly widespread demographic; they are not necessarily just Aquinas College.

Mr A. KRSTICEVIC: Of course. The minister indicated in his response that a number of programs in both public and Catholic schools were cut as a result of the funding cut. Can the minister please provide a list of all the schools that cut the Italian language program?

Mr P. PAPALIA: No. I am saying that the number of schools participating in the Italian language program contracted when the previous government withdrew the funding for that program.

Mr A. KRSTICEVIC: By default, they did not deliver the Italian language program. That is what the minister said.

Mr P. PAPALIA: I can probably tell the member how many schools—perhaps we can find that out. We know that, for instance, 22 000 students were engaged annually in the program and, when the funding was cut, it contracted to around 14 000.

Mr A. KRSTICEVIC: Can the minister provide me by way of supplementary information a list of the schools at which the program was cut and no longer delivered?

Mr P. PAPALIA: That is not something I can do. The member could ask the Italo–Australian Welfare and Cultural Centre.

Mr A. KRSTICEVIC: The minister indicated that the program had been cut from a number of schools because of that, so I assume he must know which schools.

Mr P. PAPALIA: The number of participating students went from 22 000 to 14 000.

Mr A. KRSTICEVIC: That could be for many different reasons.

Mr P. PAPALIA: There was one pretty obvious reason.

Mr A. KRSTICEVIC: Then it should be easy to get the list of schools.

The CHAIR: The member has asked the question and the minister has answered it.

Mr P. PAPALIA: The previous government cut the funding, so far less funding was available to deliver the program. The program funding essentially came from the Italian government rather than the state government because the state government of Western Australia withdrew its funding. That meant that for schools to retain the training, they had to meet some obligations that they were not previously meeting, and some of them could not achieve that.

Mr A. KRSTICEVIC: The minister said that student numbers went from 22 000 to 14 000—an 8 000 drop. Is the minister saying that 8 000 students stopped studying Italian because of a \$200 000 cut by the state government?

Mr P. PAPALIA: It is actually bigger than that, but yes.

Mr A. KRSTICEVIC: So a cut of \$200 000 across the entire Catholic school system cut the number of students —

Mr P. PAPALIA: The member's government cut the state contribution to the program and schools could not afford to fill the gap.

Mr A. KRSTICEVIC: Out of all the Catholic schools —

Mr P. PAPALIA: It was not just Catholic schools; it involved state schools as well.

Mr A. KRSTICEVIC: Over how many Catholic schools is this funding spread?

Mr P. PAPALIA: The member would have to ask the society that delivers the program. We did not deliver the program. As the member is aware, the now Leader of the Opposition when in government changed the portfolio that was responsible for the funding so that he could cut it, and he did that. That was the previous government's decision. We committed to refund the program, and we are doing that.

Mr A. KRSTICEVIC: I assume that the money must be acquitted. The minister must know where it has been spent. The schools are not just given the money and told to spend it wherever they like.

Mr P. PAPALIA: It was the member's government that made the cut. It happened under the member's government. The member should ask the Treasurer of the time.

Mr A. KRSTICEVIC: The government is giving them the money now, which is fine.

Mr P. PAPALIA: Ask me next year where the funding went and which schools took it up—I will know then.

Mr A. KRSTICEVIC: So the minister does not know where the money is going; he just knows that it is going to the schools and that they will do something with it?

Mr P. PAPALIA: All I know is that the previous government cut the funding, there was a drop in the number of students enrolled, and schools dropped out of the program because they could not substitute the funding that the member's government cut. The current Leader of the Opposition was the minister responsible. Why does the member not go down the hallway and ask him?

Mr A. KRSTICEVIC: But how much per school was cut?

Mr P. PAPALIA: I say it again: that cut occurred under the member's government. If the member wants details of the negative impact of his government's cuts, he should ask the minister who made them.

Mr A. KRSTICEVIC: But the minister is making assertions that those reductions —

Mr P. PAPALIA: I am reinstating the funding. I will be able to tell the member what impact that will have after it happens.

Mr A. KRSTICEVIC: Does the minister expect that that number of 14 000 students will increase back to 22 000 students or more, based on the fact that this money is being reinstated?

Mr P. PAPALIA: I am hopeful that the benefits accrued to the children of Western Australia in language training will be enhanced by the funding increase.

Mr A. KRSTICEVIC: Will the minister do an assessment at the end of each year to see how effective this funding has been and whether it has achieved any of the objectives that it set out to achieve?

Mr P. PAPALIA: The objective is to refund the Italian languages program that was cut by the member's government. We will achieve that and we will monitor the uptake. If the member wants to find out the impact of his government's cuts to the Italian language program, he should ask the minister who was responsible at the time—that is, the Leader of the Opposition. The member will find his office if he goes out through that door, turns right and goes down to the other end of the corridor, and he can ask him.

Mr A. KRSTICEVIC: I am sure I will.

[12 noon]

Mr R.R. WHITBY: I draw the minister's attention to budget paper No 2, volume 2. I refer to the sixth dot point on page 448 under the heading "Significant Issues Impacting the Agency". Can the minister explain how amendments to the Liquor Control Act will result in efficiencies being realised?

Mr P. PAPALIA: The proposed changes are contemplated with the intention of streamlining approvals and avoiding duplication wherever possible. We hope that by introducing these amendments to Parliament we will ensure that existing and potential licensees in Western Australia do not have the burdens of excessive time or money to contend with when making an application or varying a licence. In turn, applications of a less intensive nature will be progressed through the licensing system more efficiently and a greater number of licences will be processed.

I can highlight several proposed amendments that will address these matters. The proposed amendment to clause 20 will allow the director of Liquor Licensing to classify licence categories as low risk, meaning that licences that fall in the prescribed categories will not be required to complete a public interest assessment unless requested by the director. That will free up resources and time at the department to process applications requiring greater scrutiny. The proposed amendment to clause 27 will allow all new applicants for a restaurant with a capacity of 120 people or fewer simply to opt in for a permit to serve liquor without a meal. Currently, this process requires a separate permit application. This measure will save time, money and resources at the department and for the applicant. The proposed amendment to clause 32 will remove the requirement for established venues with an ongoing-hours extended trading permit to return to the department after five years and doubles this time frame for licensees, with licensees only required to lodge a renewal for an ongoing-hours ETP after 10 years. Time, money and resources will be saved at the department and by the licensee. The proposed amendments to clauses 25 and 26 will remove the requirement for clubs to register their constitutions in two separate departments, which is unnecessary duplication. The proposed amendment to clause 65 will allow applicants and licensees to agree to a code of conduct that will incorporate all venue policies that are currently prepared by the applicant to obtain a licence. This amendment will remove the burdens of cost and time for the applicant and streamline this process at the department. I have to reiterate some of the observations made in the lower house during consideration in detail of this proposed amendment: it will be to the benefit of venues. There is no secret agenda to extend onerous demands on people; the amendment will actually reduce obligations and make the process more streamlined. It is a good initiative.

Several other amendments aim to reduce the time, money and resources used by the department and licensees, which will result in greater efficiencies in liquor licensing systems. Key stakeholders, such as the Australian Hotels Association, the Liquor Stores Association of WA, the Small Bar Association of WA, Clubs WA and many others, have assisted us to reach some great outcomes with these amendments to the act. I look forward to the legislation passing in the Legislative Council in due course.

Mr R.R. WHITBY: As a patron of hospitality venues, along with the member for South Perth, I know we will both be celebrating those changes.

Mr J.E. McGRATH: I refer to page 448 and the fifth dot point that states —

The Department continues to see a consistent increase in the number of liquor applications ...

Can the department provide supplementary information that shows since March 2017 the number of liquor licence applications lodged with and received by the department, the types of liquor licence applications, how many applications were approved and how many were rejected, and the location of the sites granted liquor licences?

Mr P. PAPALIA: The number of liquor licence applications lodged for the financial year 2016–17 was 14 792. It was an increase from the previous year, when 11 628 applications were lodged. I think I can provide by way of supplementary information details on the member's questions about the types of licences, how many of those were approved and how many were rejected, but I do not think I can provide answers to the other components of the question.

Mr J.E. McGRATH: The location of the sites.

Mr P. PAPALIA: I do not think I can do that one. That is an unnecessarily onerous task for the agency that I do not want to impose on it. I will undertake by way of supplementary information to provide the member with numbers of the types of applications for liquor licences since March 2017 and of those applications the number that were approved and the number that were rejected.

[*Supplementary Information No B11.*]

Mr J.E. McGRATH: And the number of applications made in relation to temporary venues or bars—pop-ups.

Mr P. PAPALIA: The category is a casual licence and that incorporates a range of other activities associated with a casual licence, so it will not isolate licences for pop-ups. I think we can give you the casual licence category, but that will be part of the other answer, because the member asked for the types of categories. I think we are already answering the question. The member needs to understand that not all casual licences are for pop-ups.

Mr J.E. McGRATH: I understand.

Mr V.A. CATANIA: I refer to page 467 of budget paper No 2, volume 2, and the third paragraph under the subheading "*Income*", which states —

The decrease in service appropriations of \$3.4 million in the 2018–19 Budget Estimate compared to the 2017–18 Estimated ...

How many of these redundancies fall within the Racing, Gaming and Liquor section of the Department of Local Government, Sport and Cultural Industries?

Mr P. PAPALIA: I might ask Mr Ord to answer.

Mr D. Ord: In terms of the voluntary separation scheme that the minister referred to previously in the division, at the time when the budget was set, there had been 33 separations in total from the agency. Obviously, that covers Local Government, Culture and the Arts, Sport and Recreation and the others. I need to find the specific number for Racing, Gaming and Liquor. We do have a number for it out of the 33 separations.

[12.10 pm]

Mr P. PAPALIA: Yes, it is not where they anticipated it coming from.

Mr V.A. CATANIA: Perhaps I could keep talking while the minister is looking for it. It was reported on 11 May in *The West Australian* that 39 redundancies have so far been taken across the Department of Local Government, Sport and Cultural Industries.

Mr P. PAPALIA: That was the global number that the director general referred to.

Mr V.A. CATANIA: Was it the 33?

Mr D. Ord: It was 33 at the time of the budget papers.

Mr P. PAPALIA: That is across the whole department. If we do not find the figure now, we can find it for Racing, Gaming and Liquor and provide it to the member.

Mr V.A. CATANIA: How many of these redundancies were positions based in regional Western Australia?

Mr P. PAPALIA: I am told it was six.

Mr V.A. CATANIA: Were six positions taken out of regional Western Australia?

Mr P. PAPALIA: Six voluntary targeted separation scheme —

Mr D. Ord: From racing and gaming —

Mr P. PAPALIA: Sorry, we have confused it there. The number of VTSS from Racing, Gaming and Liquor and associated agencies was six. In response to the member's question about regional positions, there are none. Yet again, the regions come out on top. I look after the regions.

Mr V.A. CATANIA: It is not comedy week, but anyway.

Mr P. PAPALIA: You normally take care of the comedy.

Mr V.A. CATANIA: What process is in place to ensure that the function of each of these redundant staff members is being undertaken?

Mr P. PAPALIA: It is the director general's job to ensure that services are delivered by his agency. The voluntary targeted separation scheme just provides opportunities for people to take a voluntary separation. The service delivery is not impacted.

Mr V.A. CATANIA: Perhaps by way of supplementary information, will the minister provide the position, location and level of each position made redundant?

Mr P. PAPALIA: I think we can. Is the member talking about in Racing, Gaming and Liquor? By way of supplementary information I undertake to provide the member with the title of the position, the geographical location and the level of the roles that the individuals who took VTSS in Racing, Gaming and Liquor were filling.

[Supplementary Information No B12.]

Mr J.E. McGRATH: We get on to the sport of kings. I refer to page 449. The first item under the dot point headed "Government initiatives in other areas that will impact the Department" states in part —

the Department of Treasury (Treasury) has undertaken a detailed analysis on whether a potential sale framework for the Western Australian TAB could be developed to satisfy the interests of Government, the racing industry and a potential buyer.

It goes on to say that the department will provide assistance going forward. Can the minister give the Parliament some update on how things are progressing?

Mr P. PAPALIA: It might be best if we move to Racing and Wagering Western Australia for the purpose of discussing anything associated with the TAB or point of consumption, if that is the member's objective?

Mr J.E. McGRATH: Okay.

Mr P. PAPALIA: He is talking about a specific field of endeavour.

Mr J.E. McGRATH: What about the greyhound program? Is the minister happy to talk about that?

Mr P. PAPALIA: The member could wait for RWWA too, because Mr Burt can respond to any of that stuff.

Mr J.E. McGRATH: I will leave it for RWWA. That is fine.

Mr V.A. CATANIA: I refer to page 463 of budget paper No 2, volume 2, service 18, "Licensing—Evaluation and Determination of Applications". Can the minister explain the \$1.2 million drop in the line item "Net Cost of Service" from \$2.4 million in 2017–18 to the 2018–19 budget target of \$1.8 million?

Mr P. PAPALIA: I am pretty certain that as a consequence of the voluntary targeted separation scheme and the wages policy across government, we are now delivering services in a far more efficient manner than the member's government was ever capable of. We have reined in the 6.4 per cent compounding growth across the public sector that we saw throughout the member's term in office. As the member would have seen, the Treasurer delivered a very boring budget that had 0.9 per cent projected growth in the public sector spend, and that is all part of it.

Mr V.A. CATANIA: Is the minister confirming that in the line item "Employees (Full Time Equivalents)" the number has decreased from 50 in 2016–17 to 46 this year and that he does not expect more redundancies in the liquor licensing area of the department in the coming year?

Mr P. PAPALIA: I do not know whether that is in any way related to the member's original question. What is he asking?

Mr V.A. CATANIA: It is because the minister just mentioned the full-time equivalents.

Mr P. PAPALIA: No; the member asked me to explain the cost of service change, and I explained that.

Mr V.A. CATANIA: Then under the line item "Net Cost of Service" —

Mr P. PAPALIA: Net cost of service was one thing and now the member is going on to another line item for a different question.

Mr V.A. CATANIA: I think it is in the same area, but if the minister wants to take it as a new question, he can. It does not matter; I still would like the answer to it.

Mr P. PAPALIA: It is a completely different line item.

Mr V.A. CATANIA: Let me perhaps have a new question.

The CHAIR: No; there are people in the queue and it is not you.

Mr P. PAPALIA: It is okay. Is it our people who are in the queue? We might withdraw, because I want to give time for RWWA, unless our members have something that they are really anxiously awaiting.

Mr V.A. CATANIA: He could have answered the question by now.

The CHAIR: I thought it was one of your own, to be honest.

Mr P. PAPALIA: I do not think anyone else is asking on this side.

The CHAIR: It is just the member for North West Central.

Mr V.A. CATANIA: In the line item “Employees (Full Time Equivalent)” on page 463, the number has decreased from 50 in 2016–17 to 46 this year. Does the minister expect more redundancies in the liquor licensing area of the department in the coming year?

Mr P. PAPALIA: I do not know whether I am reading it right, but in 2016–17 the actual is 49, and this year the budgeted target is 45. Sorry, I am looking at something different—the member is talking about the figures further up the page. As the member heard the Treasurer indicate in the budget, the VTSS is continuing. It has actually been extended and more numbers are anticipated across government before the end of the financial year. I will ask the director general to respond.

Mr D. Ord: As the minister said, the program is ongoing until June 30. The savings measures are effected across the department and the separations are, as the minister has indicated, voluntary. We have, however, found that in bringing the agencies together, we had four corporate services divisions and four finance and human resources divisions and so on. Staff who are thinking about their careers have self-selected, to some extent, mostly around corporate services-type roles rather than specific roles related to skill sets such as licensing or areas in which other career options might be more limited because they are specialists in their area. On that basis, I am confident that we will retain a workforce that is highly skilled to do the functions the government has set us up for. Although the numbers that apply to each division will change a bit as the program is finalised, most of the savings will in fact come out of duplicated roles in the corporate services area and general administrative support of the agencies.

[12.20 pm]

Mr V.A. CATANIA: I refer to the fifth dot point on page 448 of budget paper No 2. It continues from the previous page under the heading “Significant Issues Impacting the Agency”. Will the minister provide the number of applications per licence category for the year 2017–18 so far and 2016–17 —

Mr J.E. McGRATH: We already asked for that.

Mr P. PAPALIA: I have undertaken to provide that information for 2016–17 to the member for South Perth. There are some qualifications, but mostly we responded.

Mr V.A. CATANIA: In regard to pop-up bars —

Mr P. PAPALIA: He asked about that too. We have undertaken to provide something.

Mr V.A. CATANIA: He was too quick!

The appropriation was recommended.

Division 40: Biodiversity, Conservation and Attractions — Services 2, 6 and 7, Tourism, \$155 936 000 —

Mr S.J. Price, Chair.

Mr P. Papalia, Minister for Tourism.

Mr M. Webb, Director General.

Ms M. Reynolds, Executive Director, Rottnest Island Authority.

Mr A. Abraham, Acting Chief Financial Officer, Rottnest Island Authority.

Ms J. Ardern, Principal Policy Adviser.

[Witnesses introduced.]

The CHAIR: I give the call to the member for Vasse.

Ms L. METTAM: I refer to the sixth item in the table on page 572 under “Resource Agreement”, which refers to conserving habitats. The Minister for Tourism is listed as a responsible minister. This is a relatively general question, but I am hoping that the minister may be able to answer it or refer it to someone else. Has there been a shift in the approach towards developing mountain bike trails in national parks?

Mr P. PAPALIA: Does the member mean trails on Rottnest Island?

Ms L. METTAM: No. Is this division specific to Rottnest?

Mr P. PAPALIA: I am locked into speaking about Rottnest. The member is talking about the minister representing the Minister for Environment in other areas.

Ms L. METTAM: I will ask a different question. I refer to the eighth dot point on page 571, which states —

Rottnest Island Authority, with the support of Main Roads WA, is reviewing transportation needs and options on the island.

Can the minister can expand on that point?

Mr P. PAPALIA: I will get Ms Reynolds to explain that.

Ms M. Reynolds: Yes, there are 42 kilometres of roads on Rottnest Island. We are working with the Department of Transport and we have an arrangement whereby the department funds us \$150 000 per annum for road maintenance and the like. We have determined that a strategy for our roads is necessary. We are looking at issues with our road network, what type of vehicles are utilising that road network, how we work with a very small number of vehicles on the island and how we move an increasing number of visitors around the island in the most environmentally friendly way.

Ms L. METTAM: Will the future planning and these options include segways?

Mr P. PAPALIA: Segways already operate on the island. A segway tour operates from next to Kingstown Barracks and goes all the way to Wadjemup Lighthouse and back. They already operate, mostly on paths. They go on roads, particularly around the settlement, but mostly they are on paths. Does the member mean further afield than that?

Ms L. METTAM: I met with the Rottnest Segway Tours WA people. I wonder whether segways will be incorporated into this plan.

Ms M. Reynolds: We are looking at all vehicles on the roads, particularly around the settlement area. Segways will probably come into it, but not to the same degree, as the minister has indicated. The tour is mainly on tracks and the like. They take to the main arterial roads in only small numbers.

Ms L. METTAM: I refer to item 2 in the table headed “Service Summary” on page 573. Is there a reason for the fall in funding over the forward estimates?

Mr P. PAPALIA: I am informed that the decrease in funding from the estimated actual in 2017–18 to the budget estimate in 2018–19 relates mainly to the budget reduction of \$3.4 million for the roof restoration project. Additional funding was allocated for that purpose and that project is now complete.

Ms L. METTAM: I assume that the reason that this project has ceased is that the project is complete. Can I please get some clarification?

Mr P. PAPALIA: That component of the project is complete. The infrastructure on Rottnest Island will require ongoing enhancement and maintenance forever. Regular projects associated with restoring and renovating the infrastructure on the island will be necessary. It is a matter of budget management over time. I am told that \$1.85 million is budgeted for 2018–19, which will be used to pay for the balance of works, and the small remainder of works in 2019–20 will be specifically for the hotel—the Governor’s residence—section. That will not end the need to continue to reinvest in the infrastructure on the island and to look for ways to achieve that. A key element in funding the island is increasing visitation, because that is, essentially, its source of revenue. The more we can grow visitation, the better.

[12.30 pm]

Ms L. METTAM: I refer to the fourth dot point on page 571 of budget paper No 1, volume 2, where it states, in part —

On Rottnest Island the former Aboriginal prison building known as the Quod, ... will return to the management and control of the Rottnest Island Authority.

What is underpinning that decision?

Mr P. PAPALIA: The Quod was leased—it has just finished—to Karma Group to utilise it as hotel accommodation, but that was deemed to be inappropriate in our more enlightened times. The Rottnest Island Authority saw an opportunity, to not only return the Quod to management by the island but also, in conjunction with Aboriginal people from around the state who have a keen interest in this matter, establish an appropriate commemorative site. The Wadjemup Working Group has been established by Ms Reynolds, which draws membership from Aboriginal communities right across the state. That group is collaborating with the Rottnest Island Authority on developing a plan for the future use of the Quod and the treatment of the burial site adjacent to it. My view is that there is an opportunity to create an appropriately reflective and respectful commemorative site that can also be an attraction. Some people do not agree with that, but I think it is possible. It is done around the world and will be a key education centre. I think it is a great outcome that has been managed very well by the Rottnest Island Authority to date and I look forward to the ongoing collaboration.

The appropriation was recommended.

Racing and Wagering Western Australia —

Mr S.J. Price, Chair.

Mr P. Papalia, Minister for Racing and Gaming.

Mr R. Burt, Chief Executive Officer.

Ms E. Roebuck, Senior Policy Adviser.

[Witnesses introduced.]

The CHAIR: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. Members may raise questions about matters relating to the operations and budget of the off-budget authority. Off-budget authority officers are recognised as ministerial advisers. It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The minister may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by Friday, 1 June 2018. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

I give the call to the member for South Perth.

Mr J.E. McGRATH: We have to move quickly on this one. I refer to the second last paragraph on page 449 where reference is made to the point-of-consumption tax. In October last year, Racing and Wagering Western Australia chief executive, Richard Burt, said that the government's planned point-of-consumption tax could backfire on the industry unless it was carefully planned. That was a reasonable observation. He said that the tax would raise the overall tax burden on the state-owned betting agency, the TAB, and said a lot of work will occur between now and when the tax comes into effect in January 2019. As the minister, will he give a rolled-gold guarantee to the racing industry that it will be no worse off once the point-of-consumption tax has been implemented?

Mr P. PAPALIA: I will give the member a bit of an answer and perhaps Mr Burt can add to it. Firstly, right now—I think the member is aware of this—a process is underway by which the industry is being consulted comprehensively around not only this matter, but also matters associated with the TAB. As a necessary precursor to that, advisory committees were elected from within each of the codes and they have been brought into the confidence of RWWA and Treasury to ensure they are delivered all the information necessary to make deliberations on behalf of the industry concerning the TAB, whatever outcome they determine. But also, as a component of that point-of-consumption tax, it is kind of inherent because it will happen. Governments around the country are moving towards implementing that, as the member is aware. Always from my perspective, the motivation has been to ensure that the industry is no worse off. I am not in the habit of giving rolled-gold guarantees but I can say that there has been deep consultation. I would like to commend in *Hansard* the effort made by the representatives of each of the codes on this matter and the TAB deliberations. They have sacrificed a great deal of time and put a lot of energy into it. They have brought a great deal of insight from the industry, and I am comfortable that the interests of their codes have been well and truly represented by those bodies. I will ask Mr Burt if he wants to add anything.

Mr R. Burt: Good afternoon. The consultation so far has shown what the financial impact will be. The work we are doing with Treasury gives us confidence that the additional wagering tax that RWWA will have to pay will be reimbursed and that the further areas where we might have our other income impacted by the introduction of the POC, we are still working on with Treasury and it is receptive towards them. It is still going through a process of consultation.

Mr P. PAPALIA: It has been a very collaborative process. Treasury is not storming in and proclaiming anything. There have been a lot of good discussions.

Mr J.E. McGRATH: Further to that, the government has announced a 15 per cent point-of-consumption tax. Very recently Victoria brought in an eight per cent point-of-consumption tax. To some people in the industry, that could create some problems for Western Australia because it could lead to the big corporate bookmakers channelling their punters to Victoria because they will not have to pay as much tax on the bets. Does the minister have an opinion on that?

Mr P. PAPALIA: I am aware of the level that the Victorians have chosen. We are also sensitive to the fact that New South Wales is yet to set its tax, and there is a likelihood it will respond. I do not know that the impact will be the one the member has indicated but there are potentially threats associated with having such disparity between a level we have been contemplating, and the one from Victoria. All those things are being considered. We have not yet arrived at a final determination, and Treasury is aware of what is happening. In these negotiations and discussions, those factors are being considered.

Mr J.E. McGRATH: Has the 15 per cent not yet been finalised?

Mr P. PAPALIA: The exact structure of our point-of-consumption tax has not yet been determined.

Mr V.A. CATANIA: Further to that question, on page 167 under “Details of Administered Transactions” is “Racing and Wagering Western Australia Tax”. Is the entire \$21.6 million estimated increase in tax to be collected in 2018–19 a reflection of the implementation of the point-of-consumption tax?

[12.40 pm]

Mr P. PAPALIA: Yes.

Mr V.A. CATANIA: That answers the member for South Perth’s question, does it not?

Mr P. PAPALIA: No. The member for South Perth asked about the impact on the racing industry and how that might be minimised or avoided through some degree of structure around the tax. I note that deliberations are still underway, but the projections of tax in that table probably reflect a 15 per cent tax. In those original discussions there was consideration of compensation for any differential between being no worse off and the tax arrived at, so it may not look like that.

Mr V.A. CATANIA: Is the extra \$55 million raised by the point-of-consumption tax in the first four years from its implementation in 2019–20 compared with the estimated actual for 2017–18 entirely attributed to the new point-of-consumption tax?

Mr P. PAPALIA: Based on the time of printing, the modelling employed would have been the 15 per cent. As I have indicated, that has not yet been resolved. That is a projection based on that original statement by the Premier in last year’s budget.

Mr V.A. CATANIA: Will the extra revenue from the point-of-consumption tax be paid into the consolidated account or will it be returned to the industry?

Mr P. PAPALIA: I think the member is asking the wrong person. He is talking about a Treasury matter. He should really be talking to the Treasurer. The member for South Perth asked about the industry. I have indicated and confirmed that our intent is that the industry will be no worse off. That has always been a motivating factor from my perspective and, as far as I am concerned, in my portfolio, that is the objective.

Mr V.A. CATANIA: I note that the tax collected increases by about \$5 million to \$6 million per annum in the final two years. What is the reason for this increase?

Mr P. PAPALIA: It is just modelling based on projections associated with the shift in the nature of betting that will result in a greater potential catchment of overall global betting that will be captured by this tax. Every state is motivated to move towards a point-of-consumption tax to capture a greater proportion of the betting that is going on in each state, much of which is not subject to any return to the state or, as far as overall benefit, the industry.

Mr J.E. McGRATH: I think what the member for North West Central is alluding to is that when there was talk about the possible sale of the TAB, the industry felt that it should get some share of the proceeds through an infrastructure fund —

Mr P. PAPALIA: Is this a question related to a specific line item?

Mr J.E. McGRATH: This is further to what we are talking about.

Mr P. PAPALIA: I do not think it is relevant to the question he asked.

Mr V.A. CATANIA: I have a further question.

Mr P. PAPALIA: I think the member for South Perth can have a further question but he has to identify —

Mr J.E. McGRATH: It is on the point-of-consumption tax, which we are talking about. The industry might ask, “Can we get more out of this tax?” The tax will obviously be raised by the government. A fair share of it will go into the consolidated account, but the industry, according to the minister, can be fairly guaranteed that it will not be any worse off as a result. The industry might ask the minister whether it can get a bit more because it is providing the product.

Mr P. PAPALIA: The industry is in negotiations through its representative committees with RWWA and Treasury on the nature of —

Mr J.E. McGRATH: The carve-up?

Mr P. PAPALIA: No, on the nature of the point-of-consumption tax, how that might be applied and constructed, and the future of the TAB. Industry is fully engaged. Its motivation during these discussions will always be to the benefit of the industry. There will be discussions on behalf of Treasury focused on benefits for the state, but ultimately it is deeply engaged. As I indicated earlier, the discussion is a collaborative process. Members should rest assured that the industry is being represented and is directly involved.

Mr V.A. CATANIA: Given the fact that the minister says it is a matter for Treasury to decide whether the \$55 million that will be raised by the point-of-consumption tax will be returned to the industry, will the minister fight for that money to remain in the industry or will he allow Treasury to put it into the consolidated revenue coffers?

Mr P. PAPALIA: I am struggling to find one word of accuracy in the member's statement. I did not say anything of that type at all.

Mr V.A. CATANIA: You did!

Mr P. PAPALIA: That might be the member's interpretation. I have consistently and repeatedly said that the industry is engaged in discussions on these matters with the government in the form of Treasury and, through collaboration with RWWA, with its representative committees right now. It is engaged.

Mr V.A. CATANIA: Will the minister back the industry if it asks for the \$55 million to stay?

Mr P. PAPALIA: I will always ensure that we have a sustainable and robust racing industry in Western Australia. That does not necessarily mean —

Mr V.A. CATANIA: But will the minister back the industry and keep the \$55 million in the industry?

Mr P. PAPALIA: What \$55 million? I have said that the modelling here may not reflect what is arrived at. I am assuming that this model is based on the statement by the Premier. The member is asking the wrong person about tax. The statement by the Treasurer in the last budget indicated that he was contemplating a 15 per cent point-of-consumption tax. I am assuming that is the modelling, but the member can ask the Treasurer if he wants to know the detail. That is a model.

Mr V.A. CATANIA: You are the racing minister.

Mr P. PAPALIA: I am the racing minister so ask me a racing question.

Mr V.A. CATANIA: Is the minister saying that this has nothing to do with racing?

Mr P. PAPALIA: The member knows full well that the Treasurer is the lead minister on tax.

Mr V.A. CATANIA: This is tax that will be imposed on the industry.

Mr P. PAPALIA: Unlike some members on the other side, my motivation is to ensure that the racing industry is as robust and strong as possible and is able to make a good, solid, sustainable contribution to the Western Australian economy in the future. I have a range of motivations. Firstly, as a government, the WA Labor party values all codes in the racing industry. We said that when we took office and before then, and we have reaffirmed that regularly. Secondly, I happen to be the Minister for Tourism and I personally value the contribution made by the racing sector to tourism. Not everyone recognises the racing industry's contributions to tourism, but I do. Thirdly, I am the Minister for Small Business. I am motivated to ensure that small businesses survive and prosper under our government. Just about everyone in racing is a small business operator. For all those reasons, I am very keen on getting the best outcome for the racing industry.

Mr J.E. McGRATH: I refer to "Racing and Wagering Western Australia" on page 242. I hear the minister's comments that he values all codes of the racing industry. I have been copied into correspondence that has been sent to the minister by the president of the Golden Mile Trotting Club. The letter seeks the minister's support in intervening in a decision by Racing and Wagering Western Australia to shut down one of the oldest harness racing clubs in the state. It is a club that has been going for 104 years. I find some of the language in the letter a bit difficult to understand.

Mr P. PAPALIA: What is the member's question?

Mr J.E. McGRATH: The letter claims that this decision has been put forward on a biased and incorrect database that tends to infer that the Golden Mile Trotting Club is not sustainable.

[12.50 pm]

Mr P. PAPALIA: What is the question? I assume I will see the letter eventually. I do not know the date of it; I have not seen it today. Can the member for South Perth just ask me the question, rather than reading out the letter?

Mr J.E. McGRATH: I am going to ask a question.

Mr P. PAPALIA: I know about the subject. Just ask me the question.

Mr J.E. McGRATH: Is the Minister for Racing and Gaming prepared to intervene and seek more time for the Golden Mile Trotting Club to be able to work through this situation with Racing and Wagering Western Australia, so that the club, which once had 26 meetings and now has none, will be able to continue?

Mr P. PAPALIA: Firstly, I act in the interests of the racing industry as a whole. As minister, that is my objective. I am going to ask Mr Burt to explain exactly what has happened in relation to that harness club.

Mr J.E. McGRATH: The minister has not answered my question.

Mr P. PAPALIA: No; I will not intervene. I will ask Mr Burt to explain what has actually happened with this matter.

Mr R. Burt: Thank you, minister. It is clearly an emotive issue. Closing a race club at any time is not pleasant. In fact, in RWWA's existence, the only two clubs that will not have race dates are the Geraldton Harness Racing Club and the Golden Mile Trotting Club in Kalgoorlie. The reasons we have not issued race dates to the Golden Mile Trotting Club are insufficient local starters, field sizes and commercial sustainability of the club. Racing and Wagering WA has a responsibility to position each of the codes on a sustainable footing to ensure its prosperity going forward. RWWA is centralising and consolidating harness racing in the south west. We are doing that for a number of reasons, but primarily because the level of subsidy that harness racing has enjoyed under RWWA needs to reduce and we need to be able to lift the commercial viability of the code. It is the most subsidised sport out of our three codes. With harness racing, that can be done; race meetings can be transferred to the remaining venues in the state. However, that cannot be done with thoroughbreds because it is turf based, and each turf track can take only a certain volume of races. We are consolidating harness racing in the south west. We have undertaken consultation. As recently as Monday this week, we met with the club and community up there and basically explained our reasoning.

Mr J.E. McGRATH: I am told that the club —

The CHAIR: What is the question, please, member?

Mr J.E. McGRATH: I have to explain before I can ask the question. I am told that an email was sent to RWWA on 5 February 2018 by the club, pointing out the steps it intended to take to make itself more competitive. Yet, without any further consultation, RWWA announced a decision on 28 March that it was the end of the road for Kalgoorlie.

The CHAIR: What is the question, member?

Mr P. PAPALIA: I might get Mr Burt to respond.

The CHAIR: It was not a question; it was a statement.

Mr P. PAPALIA: I know.

Mr J.E. McGRATH: The question is: did that happen?

Mr P. PAPALIA: Mr Burt will respond to the claim.

Mr R. Burt: We did receive a question from the Golden Mile Trotting Club. The wider issue we have with what the club was proposing is that we are bringing in a much more commercially viable harness program across 260 race meets across the state. It involves allocating race dates to the south west region, going as far east as Kellerberrin and as far south as Albany. What Kalgoorlie recommended was that it have bias of stake money, whereby it would be an incentive for people to travel out to Kalgoorlie. The problem with that is that if we were to bias people to travel to Kalgoorlie, they would not be available to sustain the fields in the south west area. It means that we would be effectively paying more subsidy to get people to travel when, really, the only benefit would be putting on the show in Kalgoorlie when it is a televised sport that survives off wagering, which can occur at any venue. We totally respect that Kalgoorlie deserves to have sport up there. Our issue is that we can actually run harness racing in a manner that is more commercially sustainable for the participants, including the participants of Kalgoorlie, because they have the ability to train in Kalgoorlie at their venue and race in the south west as well, which is nearly the reverse of what is currently occurring with Kalgoorlie having race dates. We are actually presenting harness racing and using strategies that will ensure its sustainability going forward, so that it will be a lot more prosperous. We actually think that for employment, the community and economic benefit generally, that is going to be a better outcome than if we simply took no responsibility for putting these sorts of difficult strategies in place.

Mr J.E. McGRATH: Given that the Golden Mile Trotting Club claims that its tote turnovers on and off the course are better than all other comparative tracks—so, not counting Pinjarra, Bunbury and Gloucester Park—would the minister be able to seek for this committee from RWWA the figures from clubs like Kalgoorlie, Albany, Kellerberrin and Busselton—in other words, from those tracks that are not our major provincial tracks?

Mr P. PAPALIA: I am undertaking to provide to the member by way of supplementary information parimutuel and fixed-odd wagering turnover for the race tracks comparable with Kalgoorlie for the last financial year.

[Supplementary Information No B13.]

Mr J.E. McGRATH: Could RWWA also provide the amount of funding it provides to each of those clubs in terms of prize money and the cost of sending stewards to the course—basically, the cost of putting on those meetings? It has been raised that it is too expensive to send the stewards and pay for the prize money in Kalgoorlie when the return is not as great. We would like to compare that with other tracks.

Mr P. PAPALIA: I undertake to provide to the member by way of supplementary information, for the same tracks, for the same financial year, the total industry funding for each of those venues, including RWWA's direct operational costs.

[*Supplementary Information No B14.*]

Ms C.M. ROWE: I refer to the ninth dot point under significant issues impacting the agency on page 449 of budget paper No 2. Could the minister please provide an update on what has been achieved by the greyhound welfare working group facilitated by RWWA?

Mr P. PAPALIA: For the first time in WA, the greyhound racing industry and the major greyhound welfare and adoption groups have collaborated in a bid to improve the treatment and welfare of greyhounds in WA racing by discussing what initiatives are currently in place and working towards solutions and common goals. Lisa Baker, MLA, member for Maylands, and I established the WA greyhound welfare working group, which is facilitated by Racing and Wagering Western Australia as the principal racing authority in the state. The working group enables communication and cooperation between the racing industry bodies, the racing authority and the welfare advocacy and adoption groups, all of which bring a wealth of knowledge about the welfare and treatment of greyhounds. The first meeting was held in November 2017 and the group has met five times since then. Members of the group include RWWA, the Western Australian Greyhound Breeders, Owners and Trainers Association, the Western Australian Greyhound Racing Association, the RSPCA WA, GreyhoundAngels of WA, Greyhound Adoptions WA and Free the Hounds. The initial meetings were important to build relationships between members through the detailed sharing of information and experiences from all perspectives, with a view to determining specific goals and objectives that the group can strive to achieve to ensure that WA greyhounds receive gold-standard treatment throughout their entire lives. The group has focused on improvements across the whole life of a greyhound, even those that do not make it to a race track. The group has been discussing initiatives and enhancements that can be made in the welfare space for the stages of breeding, rearing and racing. The group has also been reviewing post-racing rehoming initiatives, including the transition from racing life to life as a pet, the green collar assessment and fostering arrangements. The group is scheduled to meet again at the end of this month, when it is expected to finalise the goals and objectives it aims to achieve over its operation.

The CHAIR: That concludes the examination of Racing and Wagering Western Australia.

Meeting suspended from 1.00 to 2.00 pm

Division 33: Communities — Services 11 to 17 and 22, Disability Services, \$1 110 710 000 —

Ms S.E. Winton, Chair.

Mr R.R. Whitby, Parliamentary Secretary representing the Minister for Disability Services.

Mr G.J. Searle, Director General.

Ms M. Hailes-MacDonald, Assistant Director General, Disability Services.

Ms H. Nys, Assistant Director General, Policy and Service Design.

Mr M. Richardson, Director, Finance and Business Support.

Mr L. Carren, Executive Director, Business Services.

Ms L. Holding, Chief of Staff, Minister for Disability Services.

[Witnesses introduced.]

The CHAIR: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or amount in the current division. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, the parliamentary secretary shall be examined only in relation to their portfolio responsibilities.

The parliamentary secretary may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. I ask the parliamentary secretary to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the parliamentary secretary's cooperation in ensuring that it is delivered to the principal clerk by Friday, 1 June 2018. I caution members that if the parliamentary secretary asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

Member for Carine.

Mr A. KRSTICEVIC: I refer to the National Disability Insurance Scheme on page 95 of budget paper No 3. What is the major difference between the state and commonwealth models?

Mr R.R. WHITBY: As the member would know, back in December a decision was made by the state government to go with the federal model for a range of reasons. It was seen to be a superior option in working collaboratively to deliver a federal system. At the moment two systems are operating in Western Australia—NDIS in WA, which is continuing to serve a number of people and is still being rolled out and transitioned to the federal structure. I think it is a bit difficult to describe the differences between the two systems, because the WA NDIS was a trial that will not reach its full conclusion. The determination we made as a government was that it would be better to be a part of the national scheme for a range of reasons, including reciprocal arrangements and so that people with disability have portability to go from state to state, as sometimes happens. I am happy to drill down on those differences if the member wants to know more.

Mr A. KRSTICEVIC: Yes.

Mr R.R. WHITBY: I can certainly take some advice on that. I refer to Marion Hailes-MacDonald for a bit more of that detail.

Ms M. Hailes-MacDonald: The differences are in the way that it will be implemented. The national scheme works with planners and local area coordinators, which are two separate people, whereas the WA system, as it is currently, operates with a single local area coordinator. The intention of being part of the national system is that it will be fully portable, as the parliamentary secretary said, and the plans will align from state to state. A national registration system will be used across the nation. From the perspective of portability, consistency and administration, the same approach will be taken with everybody who is eligible for the NDIS.

Mr A. KRSTICEVIC: Will any people who are currently eligible under the state system not be eligible under the national system? I have heard that some situations supported in the state system will not be supported in the national system.

Mr R.R. WHITBY: I will get some clarification, but I make the point that anyone receiving benefit under the Western Australian system will not be left behind. Arrangements have been made to pick up responsibilities in those areas. I am sure that the adviser can explain more.

Ms M. Hailes-MacDonald: Under the bilateral agreement there is a continuity of support agreement. The support for people who are currently in the system will continue. We suspect a number of people, including New Zealanders who entered Australia after February 2001, will not be eligible, as they are not at this point in time. The state is looking at ways to support those people, and that will be done in conjunction with other states that have people in similar situations. The National Disability Insurance Scheme has particular eligibility criteria. First, people have to be under 65 years of age at the time of entering the system. The member may have heard that people aged over 65 might not be eligible, and that is where continuity of support comes in. People who have turned 66 and are currently receiving support will continue to receive their disability supports. There is also a residency requirement as part of eligibility, and the other requirement is that the person has to have a permanent and profound disability.

Mr A. KRSTICEVIC: It has been indicated that the new people who come on board who may not be eligible will be supported in some way by the state. Will they be treated as second-class citizens? Will they get the same level of support as those who are on the NDIS or will they be offered a lesser level of support?

Mr R.R. WHITBY: I am happy for Ms Hailes-MacDonald to answer that.

Ms M. Hailes-MacDonald: It is intended that the support they receive will be very similar or the same, according to their needs, and the mechanisms for that are currently being worked out across government and the different states.

Mr A. KRSTICEVIC: When Ms Hailes-MacDonald said that it will be very similar, does that mean that it is not guaranteed that it will be the same? It will be somewhere near, but that could be a long way off where it is currently. If it is “similar”, there is the potential that some major things could be left out.

Mr R.R. WHITBY: There is no intention at all for someone to suffer a massive decline in services. The aim and intention would always be to provide a very similar service.

Mr A. KRSTICEVIC: Will these people eventually transition to the NDIS or will the government eventually run a second NDIS equivalent in Western Australia if the number of people currently outside the system grows at an exponential rate?

Mr R.R. WHITBY: Everyone who is eligible will be transitioned. We can go through the eligibility criteria later, but a person eligible for the WA NDIS will be transitioned across to the federal structure. Everyone who is eligible will be accepted and there will be a national standard across Australia. We anticipate that there will be about 39 000 Western Australians by 2020 and 48 000 by 2023. It is a significant number. Some people might not meet the criteria because of age, nationality or other reasons, but I anticipate that would be quite a small proportion.

[2.10 pm]

Mr A. KRSTICEVIC: How many people has it been projected will not transfer to the National Disability Insurance Scheme after that and will need to be supported both currently and in future years by the state?

Mr R.R. WHITBY: If they are in the WA NDIS, they will be transferred over.

Mr A. KRSTICEVIC: But some will not and they will need those services. I think the parliamentary secretary mentioned that some will not transition and some will come in after that transition.

Mr R.R. WHITBY: Everyone who is part of the WA NDIS system will transition.

Mr A. KRSTICEVIC: But what happens if they are not part of it?

Mr R.R. WHITBY: That is a different issue, and perhaps Marion Hailes-MacDonald can answer.

Ms M. Hailes-MacDonald: Work is still occurring on that as to how the states will respond.

Mr A. KRSTICEVIC: So we do not know at the moment. Will the transition happen soon?

Mr R.R. WHITBY: It will happen progressively.

Mr A. KRSTICEVIC: When will we know what the state's position will be and what people who are currently not in the system will face when that happens?

Mr R.R. WHITBY: Perhaps the director general can offer some insight.

Mr G.J. Searle: We are currently working with the National Disability Insurance Agency to understand the transition time lines. Its current time line to transition people across is 2020. We think that is very ambitious given the task in front of the agency. The requirement in this space is around required necessary supports. At this stage, it is the position that we will continue to provide those supports to people who require them. The challenge we have is that the demography of Western Australia is changing quite rapidly at the moment. We have gone through a period in which the population has dropped, and trying to get a handle on how many non-citizens will be eligible in three years' time is a pretty tricky thing to do. The intent is for the state to remain a provider of last resort. Although some people fit the categories of NDIA, it is not commercially viable for people to provide services to them given the cost structure, so we think there is an ongoing role for the state as both a provider of last resort and an emergency provider for people in crisis situations. The budget is structured in such a way that we are still trying to work through with Treasury what the size of that will be in 2021, which is when we think it will kick in. It is still a work in progress. The numbers will become more readily defined as we go through the transition process, but there is no intention to walk away from anybody.

Mr A. KRSTICEVIC: Is the director general guaranteeing that funds will be available to deliver the services at the required standard, irrespective of how many people are in that situation at a future date?

Mr G.J. Searle: My understanding at the moment is that the government's position is to continue to fund the required necessary supports for those people who are not eligible.

Mr A. KRSTICEVIC: Obviously, we do not know what that is, so nothing is built into the forward estimates for that. It could be any figure. One would have to pull a figure out of the air to work out what that is because we do not know what the numbers are.

Mr R.R. WHITBY: Some of the information is imprecise—for example, the nationality of people who may or may not be here in Western Australia at a particular time in the future, as the director general explained. This government would obviously be very keen to support people. To give the member some indication of the figures, we think that the current number of people who have New Zealand citizenship is about 200, which is the bulk of the people concerned who are non-Australians. With the way that migration is going at the moment, I do not see that number going up dramatically any time soon. Like any area of government, when we project forward it is difficult to know exactly what the numbers will be. Given that relatively small number, I think that we would be able to cope with eventualities and, as the director general said, no-one would be left behind. We would certainly be very keen to support people.

Mr A. KRSTICEVIC: The parliamentary secretary mentioned that there are currently 200 people. Is the funding for that number of people allocated in the budget?

Mr R.R. WHITBY: Yes.

Dr D.J. HONEY: I refer to page 95 of volume 3, as per the previous member. We were talking about the number of customers who had been served. There has been some public comment on the eligibility of autism clients. I have a two-barrelled question. Firstly, are autism clients funded under the state model currently; and, secondly, are we confident that they will be funded under the National Disability Insurance Scheme?

Mr R.R. WHITBY: Certainly, autism is included under the state system and the transitioning to the federal system.

Dr D.J. HONEY: Is the parliamentary secretary confident or can he guarantee that those autism clients will be covered under the NDIS scheme?

Mr R.R. WHITBY: They are covered under the WA NDIS and under the NDIA-managed federal scheme.

Dr D.J. HONEY: It is just that that was widely reported as changing for the federal scheme or that there may be a change to the criteria for the federal scheme.

Mr R.R. WHITBY: The member is asking me about a newspaper report. I do not have any more details than what has been in the press.

Mr R.S. LOVE: We were just told about the continuity of support during the NDIS transition. I take it that that is the continuity of support for people transitioning from the state trial to the federal system, not those who are receiving other methods of support through the Disability Services Commission at the moment. For those who are receiving support through the Disability Services Commission, especially those who might be in regional areas where the private service provider may not yet be available, what will be put in place to ensure that that transition occurs smoothly? I asked the same sort of question last year and I was assured that people would not be thrown off the home and community care program and put into a situation in which they had nothing, but I can report that people are. It has been reported to all our members of Parliament throughout the state that that is happening and there is concern about that going forward. What is being done to ensure that people in regional areas who perhaps the state has supported in the past will continue to be supported? Will the state actively try to ensure that other providers will move into those areas as the state-provided or otherwise resources may retreat?

Mr R.R. WHITBY: The member has made a point about people who are not covered by the NDIS. Anyone who currently receives disability services at the state level and is not part of the NDIS will continue to receive those services. I remember being here last year and responding to the same question. There are special challenges in the regions; there is no doubt about that. As part of the NDIS transition, the government is investing about \$20 million to assist the sector to upskill and prepare for what will be a big increase in demand. It will bring a lot of opportunities for employment not only in the metropolitan area, but also across the state. However, there are those existing issues in regional areas about the availability of appropriately trained staff. It is an issue of concern that will be addressed by growing the sector. We anticipate a doubling of employment in the sector from 10 000 or so currently to 20 000 in a relatively short time frame. That will mean more services and more service providers existing across Western Australia. We hope that that will alleviate the situation. I think to a degree we will always have an issue in terms of isolation, particularly in the remote parts of Western Australia. It is being addressed.

[2.20 pm]

Mr R.S. LOVE: Western Australia has some unique circumstances that have been brought about by the development of our state-supported system over the years. I am sorry but a bit of a preamble is necessary. Other states tend to use institutions a little more and they gather together persons with disabilities into areas in which their care is more easily provided. Western Australia has taken a more dispersed model in the past. That leaves us in the situation in which we have a National Disability Insurance Scheme program that really does not have within the costing components for each individual plan the types of travel costs that will be faced by providers as they go into the regions. Will there be a special effort to try to set up a model or to try to negotiate with the commonwealth to have some special consideration of the unique circumstances of regional Western Australia?

Mr R.R. WHITBY: The member raises a very good point. Indeed, we have been in consultation with federal counterparts to make the point that distance issues are involved in Western Australia and that perhaps some of the funding models need to be thought about again in order to meet the special needs in Western Australia. There is national governance around NDIS criteria that includes eligibility requirements, and the states can make representation. Western Australia has special needs because of some of the distances involved. Some of the allowances that were put up at the federal level made no sense in Western Australia, where distances are a lot further. That is being taken up with the federal authorities and the NDIS. We definitely want to make that scheme as adaptable as possible to Western Australia's situation, and we will focus on that.

Mr R.S. LOVE: I have a further question on the provision of special consideration for the regions. I understand that the Disability Services office in Margaret River has closed. How do actions like closing that office give people in regional areas confidence that this program can be rolled out in their area? People's concerns about autistic children generally and other disabilities have been referred to in the press, and there is a gathering feeling of some uncertainty and fear in the regions. Actions like closing that office are certainly not helpful. Can the parliamentary secretary confirm that that office has closed?

Mr R.R. WHITBY: It would be ideal to have an office of every government agency in every town. The situation with Margaret River is that that region will be serviced from Busselton, which, when we think about some of the distances in Western Australia, is not a particularly long distance for clients to travel. The demand in Margaret River was quite small. I understand that the rationale for that office did not pass muster in terms of the demand it was serving, and Busselton is well within the radius of the Margaret River region for people to seek assistance.

Dr D.J. HONEY: Is the parliamentary secretary really confident that people in Margaret River will see the same level of service? It might be a shorter distance, but typically we have the tyranny of distance; that is, if it is out of

sight, it is out of mind. What measures have been put in place to make sure that we do not see a diminution of service to the people of Margaret River?

Mr R.R. WHITBY: I do not think that going to Busselton is a particularly arduous or extensive journey for a person in the Margaret River region. As I say, given some of the distances that clients elsewhere —

Dr D.J. HONEY: I was thinking about it more the other way, of services coming to the town rather than people travelling to Busselton.

Mr R.R. WHITBY: The member makes the point of staff from that office going into the community, and I am advised that that is what happens; clients are not expected to go to an office. The office is there to serve a population of a particular region and it is used as a base to go into the community. I have no doubt that many clients in the Margaret River region probably would not notice a difference in where the staff who are assisting them are coming from.

Mr A. KRSTICEVIC: Can the parliamentary secretary rule out job losses as a result of this move, now into the future, and as a consequence of the shift to NDIS?

Mr R.R. WHITBY: I thank the member for the question. There will not be any job losses as a consequence of the shift to NDIS. As I said, many thousands of jobs have been created in the community in the private sector, which is a very welcome thing.

Mr A. KRSTICEVIC: The parliamentary secretary said that jobs have been created in the private sector, as opposed to the government maintaining its —

Mr R.R. WHITBY: No, I said —

Mr A. KRSTICEVIC: Will those employees still have their jobs after this transition?

Mr R.R. WHITBY: Some new jobs will be created in the private sector. New opportunities and jobs will be created within the NDIS federal structure in Western Australia. I am sure that some of the staff who previously worked at the state level will move across. There will be some movement of employment, but overall there will be a massive increase in employment.

Mr A. KRSTICEVIC: Does that mean that there will be forced redundancies for those staff, because they will potentially, from what the parliamentary secretary said, no longer have that role?

Mr R.R. WHITBY: There is no intention to introduce forced redundancies.

Mr A. KRSTICEVIC: What will those staff do if there is no longer a role for them in their current capacity after this move?

Mr R.R. WHITBY: I will get Ms Hailes-MacDonald to respond to that.

Ms M. Hailes-MacDonald: The skills and knowledge that the local coordinators have is well recognised within the Department of Communities. Our focus within the Department of Communities, of which Disability Services is one area at the moment, is person-centred, local decision-making and semi-autonomous working. It has been well recognised by the director general that the skills and knowledge of the local coordinators need to be fostered through the whole of the Department of Communities. Certainly, if I look at the Department of Communities and the way it is and will be operating, those skills are well there, with people in various regions presenting at different offices, whether that be a co-located office for what we knew as housing and child protection, but a Department of Communities' office, with the local coordinators approach being very much about facilitating and assisting people with disabilities and others to get the wholesome and full services that they need. We see certainly that the skills of the local coordinators will be very much needed within the Department of Communities.

[2.30 pm]

Mr A. KRSTICEVIC: Will they be allowed to stay in Margaret River or will they be forced to move elsewhere to undertake that role within the Department of Communities?

Ms M. Hailes-MacDonald: They will not be forced to move anywhere. There are various options that occur under a human resource arrangement when somebody's specific job is not required. A lot of consultation occurs with them and then we look at where they might either want to go or how they can work within the community that they are working in. No, there will be no forced moves.

Mr A. KRSTICEVIC: If there is not a fit, in all those particular situations, will there be involuntary redundancies offered to those people?

Mr R.R. WHITBY: No.

Mrs L.M. O'MALLEY: I refer to the third dot point under "Significant Issues Impacting the Agency" on page 416 of budget paper No 2. How is the state government working collectively with the commonwealth and advocating for a system that best meets the needs of Western Australians with disability?

Mr R.R. WHITBY: As part of the commitment to get the best scheme possible, the government has committed to a review of the previous government's decision to pursue a state-based National Disability Insurance Scheme. A collaborative approach working closely with our commonwealth counterparts is very important and integral to that approach in getting the best scheme possible. Western Australia is represented at the ministerial level on the Disability Reform Council. It has senior officer levels on the senior officers working group and various policy working groups as well. Our representation at all levels enables the WA government to advocate for the interests of Western Australians. We feel we are very enmeshed and represented at federal decision-making on the new NDIS. I am advised that Minister Dawson engages on a frequent basis with his federal counterpart, Hon Daniel Tehan, the chair of the Disability Reform Council; and Mr Rob De Luca, the chief executive officer of the National Disability Insurance Agency. There is continuous involvement and monitoring of how things are progressing. Developing and maintaining a positive working relationship will assist the WA government to continue to make significant contributions to how the scheme supports people and how the scheme is rolled out in Western Australia.

Mr R.S. LOVE: On the same page, page 416 of the *Budget Statements*, the sector transition fund is referred to in a line item and the third dot point. The \$20.3 million that has been allocated to that fund is, I assume, to handle all those matters we have been talking about—I refer to matters occurring during that transitional period between the state and federal systems. How did the department arrive at \$20 million and what confidence does the parliamentary secretary have that it is a sufficient amount of money given the enormous task that seems to spread out goodness knows how many more years ahead of us to achieve a successful transition?

Mr R.R. WHITBY: The department and the minister determined that that was a reasonable amount of money—with a proviso that I will mention later—in the cost of compliance and the other issues that were investigated in the transition. We have made an approach to the federal minister to seek some additional funding from the commonwealth. Given that other states have sought and received that funding, we believe that we have a good case to bolster that figure. It is an amount that we have determined at the moment that is reasonable, and we hope that if we can bolster it, obviously we will be able to achieve more.

Mr R.S. LOVE: The purpose of the fund is to provide money to existing suppliers or organisations that might be working in disability services so that they can continue that service. As people who are in that service progressively fall off, so to speak, on to the NDIS, presumably there must be at some point some role for those organisations going forward. Will they be able to continue to provide their service under the NDIS or do all the state's current organisations just disappear?

Mr R.R. WHITBY: It is not the case that a service provider to the WA NDIS will cease to be a service provider when transition occurs to the federal scheme, and indeed the whole design of the process is about individual freedom, allowing the person with a disability to seek out their own support in a competitive free market. It is very likely that if a service provider were to lose a service provision to a particular person under the NDIS, there is every likelihood that that same service provider that is providing valuable services will be able to pick up and attract new people to the service. It is building a market. There is no restriction on any service provider to only be a service provider under one system and not under the new system. There will be huge opportunities for service providers and indeed new companies created or expanded to meet the demand of an invigorated market.

Mr R.S. LOVE: Is that the fund that would also ensure that people in regional areas continue to receive some level of service when there may not be a person or provider coming into the area?

Mr R.R. WHITBY: The amount of money the member has pointed out is to help equip service providers to meet the transition. It is accurate to say that those service providers could be located anywhere in the state. Undoubtedly, and it is quite possible that because of their situation in regional Western Australia, they may have a greater call for assistance. That money is available to service providers all over Western Australia, but it is for the service providers to transition.

Mr R.S. LOVE: I will go back to the case of regional areas. If this money is not specifically to support regional areas in trying to adjust to the new system, what money is available in the budget to provide for services to regional areas?

Mr R.R. WHITBY: I refer the member to the director general.

Mr G.J. Searle: I thank the parliamentary secretary. The intention of the fund is to try to help all service providers in Western Australia transition from one management and accounting set of arrangements to another. The reporting requirements for the National Disability Insurance Agency are different from the state system; the way it operates is different from the state system. We are trying to help all service providers make that transition with this sum of money. Obviously, that will take a fair bit of negotiation with the sector, and we are setting up a process with National Disability Services and some other key providers to work through what those transition issues are and how best to address them.

That is regardless of whether they are in Perth or Kununurra. It is on a case-by-case basis and takes into consideration the requirements of the new system and how we can best help people to transition.

[2.40 pm]

Mr R.S. LOVE: I do not think that quite points to where in the budget the money is available to continue those services in the event that a service provider does not operate in an area where a person may currently be receiving a service through a state-sponsored organisation. That is what I am asking.

Mr R.R. WHITBY: I will elaborate for the member. Obviously, we are still developing the process. The WA Country Health Service already provides some of these services in remote and regional areas. In fact, discussions are going on within the sector. The member might want to flesh this out with the Minister for Health when the Health division comes up. We are looking at the possibility of WACHS being a service provider under the National Disability Insurance Scheme. That would be a really positive development. The WA Country Health Service has an extensive network in Western Australia, and its provision of an NDIS service would be another way to serve people with disability in remote regional areas. That is part of the discussion going on now, but it is a challenge. This sort of lateral thinking is one of the things we are doing to meet that challenge.

Mr R.S. LOVE: It is part of the ongoing discussion, but it is not government policy at this time for WACHS to automatically pick up areas that are not being serviced by another provider.

Mr R.R. WHITBY: On page 420 of budget paper No 2, the member will see a list of services in addition to what we have already mentioned. Items 11 to 17 are all services that are funded statewide, including regional services. A lot of the issues and concerns are addressed by those line items.

Mr R.S. LOVE: I already have those items marked with my pen. Am I to assume that those items are for regional areas?

Mr R.R. WHITBY: As I have explained, those items cover regional services and areas.

Mr R.S. LOVE: The minister mentioned before that there has been discussion within government about the role of the WA Country Health Service. How far advanced is that discussion? It would be of tremendous comfort to people if they knew that WACHS would be a provider of last resort in those areas. Is a whole-of-government decision on that issue likely?

Mr R.R. WHITBY: It is a responsibility of the federal National Disability Insurance Scheme to seek out those service providers, but WACHS is certainly one of the possibilities; the federal NDIS would have that conversation. I might seek some input from the director general on how developed those negotiations or discussions are.

Mr G.J. Searle: As late as Monday of this week, I was having discussions with the director general of the Department of Health around what the National Disability Insurance Scheme rollout would mean in regional and remote communities, the role of home and community care and how that transition would be best managed. If the member looks at the budget papers to which the parliamentary secretary referred, he can see that those numbers go down over time. Those figures are based on the current assumptions for the rollout of the National Disability Insurance Agency. We are committed to not withdrawing services from anybody until the NDIA is ready to pick up those people and they have transitioned from our service to its service.

Dr D.J. HONEY: To close the loop on the transition arrangement for patients, from the answers that the parliamentary secretary gave before I understood that clients who did not transfer over to the federal National Disability Insurance Scheme would be picked up by the state system so that they did not lose coverage. What happens in the circumstance that they transition over to the NDIS and subsequently the NDIS changes its eligibility criteria, as foreshadowed for autism clients?

Mr R.R. WHITBY: I make it clear that if someone is currently part of the WA-based National Disability Insurance Scheme, they will transition. There is no argument. If someone is eligible for the state-based system, they will be eligible for the NDIA-administered system. There is no issue there. The member raised the issue of autism and changing criteria. I cannot speak about eligibility for the NDIA on behalf of the federal government. I am not aware of any indication of any change of criteria. Indeed, there is an ongoing process to transition people from the state-based system to the federal system. It is progressing and there is always the odd bounce or issue along the way, but given that we are talking about thousands of people, I think it is fair to say that it is progressing fairly well. There is no indication that there will be any change to criteria. Again, the member referenced a report in the newspaper, but I honestly do not know anything more than what the member read.

Dr D.J. HONEY: Autism was a topical example, but there could be other examples. If the criteria changes, is there a mechanism for the state to pick up those people who were covered by the state scheme but are no longer covered by the national scheme?

Mr R.R. WHITBY: My advice is that the federal NDIS cannot change without jurisdictional agreement. I take it that means that the states have to agree; is that correct?

Ms H. Nys: That is correct.

Mr R.R. WHITBY: I will refer the question to Ms Nys.

Ms H. Nys: The commonwealth National Disability Insurance Agency cannot change legislation without agreement from all jurisdictions, and that would typically be brokered through the Disability Reform Council. There would be a reasonable expectation that should there be a change, there would also be discussions around the financial impost on states and territories.

[2.50 pm]

Dr D.J. HONEY: I am intrigued about whether those changes include the specific categorisation of individual clients.

Ms H. Nys: Do you mean in relation to the number of participants?

Dr D.J. HONEY: No, the category of participants. There is a particular category of participant. Would that require the agreement of all parties; is that part of the agreement?

Ms H. Nys: Yes. That would also have to be negotiated with the parties.

Mr M.J. FOLKARD: I refer to the third dot point under “Significant Issues Impacting the Agency”. How is the state government preparing the disability sector for the significant growth that is expected to occur over the next few years following along the earlier themes?

Mr R.R. WHITBY: As I said earlier, there are currently 26 000 people in Western Australia with a disability accessing supports in WA. According to the bilateral agreement, with the transition to the National Disability Insurance Scheme, it is expected that over 39 000 people will transition to the NDIS in WA by 2020. This is expected to increase demand on the disability sector for services and support. I raised the spectre previously of the vibrant growth in this sector growing jobs in Western Australia. National Disability Services WA undertook the development of the “NDIS: WA Disability Services Sector Industry Plan”, which estimates that funding for a full rollout of the NDIS in WA by 2019–20 would have reached \$1.7 billion. It is estimated that this will generate \$2.7 billion of activity, including \$1.8 billion in income, and 20 144 full-time equivalent direct and indirect jobs in the sector across the state. By comparison, that number currently is around 9 000 to 10 000, so it will literally double the employment in the sector over that time. This should also deliver people with disability more choice in service providers and greater flexibility in relation to the supports they receive. If the member can imagine the enormous growth in this sector, he will see how it will promote innovation in the way services are designed to meet the needs of people with disability. The sector workforce development plan is currently under development and the Department of Communities is engaged in consultations with key government agencies and non-government stakeholders. The clear understanding there is that, to be successful, we need that engagement and cooperation.

The Minister for Disability Services and the Minister for Education are also engaged in working out what training will be involved in helping the NDIS grow these opportunities in Western Australia. It is a rapid process, so, as I said, there will be good opportunities in the sector. Already, the private sector is looking at this with forums and expos of what is on offer. It is a growth sector. I guess it has to be because the whole philosophy of this change is about people with disability making decisions for themselves, choosing service providers and choosing the mix of services that are right for them. It is a very energetic and vibrant market out there. People with businesses who can grasp the opportunity to provide a range of services in a range of places will obviously do well and expand their businesses and employ more Western Australians.

Mr R.S. LOVE: Are there limits to the number of places available under the NDIS? Are the indicative numbers a limit or is that just an indicative growth rate?

Mr R.R. WHITBY: I will seek some further advice, but my understanding is that if people meet the criteria, they meet the criteria. The numbers are expectations of what the demand will be.

Mr G.J. Searle: They are indicative numbers. They are commonwealth numbers based, primarily, on census data. Our expectation is that they will struggle to find that number of people. We think fewer people than that are eligible for the scheme. But due to the way the scheme is structured, if more people are found to be eligible, the scheme will be expanded to include them.

Mr R.S. LOVE: Does that expansion require any renegotiation with the commonwealth or will it automatically happen?

Mr G.J. Searle: It will automatically happen, but there are budgeting requirements on both sides as part of that.

Mr A. KRSTICEVIC: Can the parliamentary secretary please tell me the total budget savings over the forward estimates for the transition of the NDIS from the state to the commonwealth?

Mr R.R. WHITBY: Can the member point to the line item?

Mr A. KRSTICEVIC: It is the National Disability Insurance Scheme on page 95 of budget paper No 3. I am assuming budget savings will come out of this and no doubt there are figures somewhere showing how this will benefit the state.

Mr R.R. WHITBY: I refer the member to Matthew Richardson for a response.

Mr M. Richardson: Perhaps the best way to answer this is to acknowledge that the overall spending on disability services throughout the forward estimates period is increasing. There is more money for disability services in Western Australia than ever before. A large part of that is due to an increase in additional commonwealth funding to bring its spending up to match the level the state has been previously spending. There is a little bit more state money and a lot more commonwealth money. There are some longer-term savings associated with the transition to the NDIS. That is to do with voided or forgone administration expenses. That was to occur under a 10-year model in the six years beyond the forward estimates period. When the NDIS had been fully rolled out across the state, there would have been a large state-run staffing cohort, who would be administering that service across all Western Australia. That will now be done by the commonwealth government, so there is no need for the state to hire those additional staff members. Overall, that expenditure over 10 years will save \$1.3 billion but there is no noticeable reduction in spending by the state over the forward estimates.

Mr A. KRSTICEVIC: Is Mr Richardson saying there is a saving of \$1.3 billion on staffing costs that have not actually been incurred?

Mr M. Richardson: Yes.

Mr A. KRSTICEVIC: There was a plan to do something that would cost \$1.3 billion. In 10 years' time that will not happen, so it will result in a saving that the parliamentary secretary can report here today, saying that we will save all that money because 10 years down the track, we will not have spent that \$1.3 billion, which may have been spent because it is out there in the distant future. Is it really a saving? I know the government is saying that it is a saving, but it may never have happened and it, obviously, will not happen. It is a bit like a forward estimate that never eventuates or a global figure that is out there. How real is that figure; how real is that saving?

Mr R.R. WHITBY: The background to this, of course, is that the previous government opted to have a trial. That would have been the forecast costs of a WA-based NDIS, so we decided to go with the federal model. There were those savings in that we would not need to replicate bureaucracies, because there is a federal structure and we would not need to replicate that at the state level. That is where a lot of those savings come into it. I refer the member to the director general for some further detail.

Mr G.J. Searle: The parliamentary secretary is absolutely right. The amount of administration required at the state level will, basically, disappear over the 10-year time cycle. Some of those requirements will be absorbed within the Department of Communities but the existing infrastructure of the Disability Services Commission will disappear. The need for it will disappear over that period and they are the numbers recorded in the \$1.3 billion.

[3.00 pm]

Mr A. KRSTICEVIC: The parliamentary secretary indicated that funds would be allocated towards other parts of the program and the state administered component, which will obviously be a cost that in some cases has not been put in the budget yet. So, it will not really be a \$1.3 billion saving. There will be costs. We do not know what they will be, so the savings may be a lot less or the future cost to support these people may be more than \$1.3 billion over a 10-year period so the state could get behind because it is an unknown quantity.

Mr R.R. WHITBY: That is a bit of a long bow. We are talking about Treasury advice of a \$1.3 billion saving from not building a whole new bureaucracy to administer a state-based NDIS because there is a federal structure. The member is talking about other costs that may be incurred in the future.

Mr A. KRSTICEVIC: I am talking about other NDIS costs that Treasury has not yet forecast. On the one hand we have a forecast of a cost that will not happen and on the other hand we have a cost that we know will happen but it has not been forecast yet so we do not know what it will be. Therefore, if someone asks what the saving is, we cannot tell them right now because —

Mr R.R. WHITBY: At this point we know that the saving is \$1.3 billion, having opted to move to a federal structure.

Mr A. KRSTICEVIC: But there will also be a cost and we do not know what that figure will be.

Mr R.R. WHITBY: The member is talking about apples and oranges.

Mr A. KRSTICEVIC: It is still money. I am talking about money.

Mr R.R. WHITBY: We would have to build a very elaborate bureaucratic structure to run this compared with what may change in the number of people who might need various services. I do not know that the two can be compared. I am happy to defer to the director general for further detail, but I think it is a very strange comparison to make.

Mr A. KRSTICEVIC: The comparison obviously is the dollars spent on the state component of NDIS, which is ultimately what we are talking about. Whether that is spent on apples and oranges, it is still dollars spent on the apples and oranges of NDIS.

Mr R.R. WHITBY: The problem is that those apples cost a lot more than the oranges.

Mr A. KRSTICEVIC: We hope. But that is okay because there is always Spudshed.

Mr R.S. LOVE: I refer to residential services for people with disability on page 429 of the budget papers. Some costs are outlined for this year and previous years. Is the state a supplier of those services? Under this heading, does it actually own the buildings and provide a place for people with disability or is it simply buying a place from some other provider?

Mr R.R. WHITBY: I am informed that it is both.

Mr R.S. LOVE: It is both. If the state is a supplier, I assume that in some circumstances a fairly significant proportion of the total number of places may be in state buildings. What will the future of provision of residential services for people with disability be? Does the state intend to have an ongoing program of providing those places and increasing the number if need increases in the future or does it hope, as part of the NDIS changes, to depart from the scene as being a supplier?

Mr R.R. WHITBY: The services will continue to be provided by the state as before. I am happy for the director general to provide the detail.

Mr G.J. Searle: The reality of accommodation in the disability sector is increasingly one of providing choice to individuals. The Department of Communities currently provides a number of residential beds. I think it is probably around 200 beds, whereas a few years ago it would have been nearly treble that. There has been a significant reduction. That has been accommodated by people with disability and their families working through the issue of where they want to live and what their best option is. We will continue to provide services. Right now I think it is probably between 150 and 200 beds. I do not think the government intends to increase its supply and compete with the private and not-for-profit sectors, but it will continue to run the service it is running for the foreseeable future.

Dr D.J. HONEY: I refer to the spending changes table on page 416 of budget paper No 2. The hardship utility grant scheme has been cut from \$3.5 million in 2018–19 to \$2.1 million in 2021–22. I am interested in how that reduction will be achieved. Will that also cover water utility bills?

Mr R.R. WHITBY: That does not come under our area of remit this afternoon.

Dr D.J. HONEY: Which area does it come under? I was looking for that and I am happy to seek guidance.

Mr R.R. WHITBY: Although it is part of the Department of Communities, it is not this portfolio area. It is the Minister for Community Services' portfolio.

The appropriation was recommended.

Division 39: Water and Environmental Regulation, Services 4 to 9, Environment, \$83 394 000 —

Ms S.E. Winton, Chair.

Mr R.R. Whitby, Parliamentary Secretary representing the Minister for Environment.

Mr M. Rowe, Director General.

Ms V. Cartwright, Acting Chief Finance Officer.

Ms S. McEvoy, Executive Director, Strategic Policy and Programs.

Mr G.R. Gilbert, Executive Director, Corporate Services.

Mr A.X. Sutton, Executive Director, Environmental Protection Authority Services.

Ms K. Faulkner, Executive Director, Regulatory Services, Environment.

Dr S. Meredith, Senior Policy Adviser.

[Witnesses introduced.]

The CHAIR: I give the call to the member for Cottesloe.

Dr D.J. HONEY: I refer to the first dot point under significant issues on page 552 of budget paper No 2, which relates to the regulatory one-stop shop. When will this program be completed? Do we have some idea of cost to date and the expected total cost?

[3.10 pm]

Mr R.R. WHITBY: Part of the government's keen ambition is to improve the response times and services to industry and people who require applications to be processed. It is about a one-stop shop, which is about streamlining the regulations. We are certainly getting feedback from the sector that there have been issues with a backlog going back a number of years. There were unacceptable time delays that we intend to clear. A lot of effort is being put into improving our responsiveness. One of those efforts involves a one-stop shop, where applicants can go to a website as a single point of entry to lodge their application. Basically, it is to make it quicker and easier for people and to also assist the agency itself to respond in a more timely fashion.

Dr D.J. HONEY: My question was around the cost to date and the total expected cost for that initiative.

Mr R.R. WHITBY: For that detail I would like to refer the member to the director general.

Mr M. Rowe: Thank you, parliamentary secretary. At this stage the costs of the one-stop shop initiative have been borne within existing resources of the department. By the very fact that we now have three former agencies combined into one, we are already seeing good efficiencies in the way we can service people who are coming to us for approvals. We see that in the way that we can now better align the approvals process for part IV for significant proposals that are considered by the Environmental Protection Authority, and for the approvals done under part V of the Environmental Protection Act. Whereas previously proponents would have dealt with three agencies and often needed to meet with three different representatives of those agencies to clarify the scope or the process for approvals, they can now come to us and have all the same people sitting in the room together at once. It is a much more efficient experience for those companies that are dealing with us. The website that the parliamentary secretary referred to is, I guess, the beginning of what we would like to do in terms of a much better online experience for our regulated stakeholders. It allows them to lodge their application to the most appropriate part of the organisation, which will deal with it. If they need more than one of the approvals that we offer, whether that be under part IV or part V of the Environmental Protection Act or the Rights in Water and Irrigation Act, they can send that to a part of the business that will coordinate the approvals with them. In the budget, the government has also approved additional funding to develop the Environment Online system, which builds on Water Online. We will be looking to give our regulated customers a much better service over time. It will be much more transparent to them around where the approvals are at in the system. We are working very closely with industry stakeholders as we shape up that one-stop shop service. It is early days yet, but we have made good progress to try to drive some of the efficiencies that the government was after by bringing those three agencies together. There is more work to come. As of now, the cost has been borne internally in the department in the way that we have resourced it.

Dr D.J. HONEY: I assume that the further cost associated with the portal will be absorbed.

Mr R.R. WHITBY: Director general?

Mr M. Rowe: As outlined, the asset investment program for the establishment of Environment Online is based on an increase to fees and charges for that part of the business for part V. The government has allowed us to retain those fees and charges to both increase the number of staff who will be available to support the approvals process, as well as direct them into the development of that new online system.

Dr D.J. HONEY: Just in terms of the reduction in response time, is there some target or goal for a reduction in approval times?

Mr M. Rowe: It is fair to say that for the last few years we have not met the time frames we have set ourselves. That was largely to do with the resourcing decisions that were made. Going forward, we would like to see the timeliness of those approvals considerably improved. The minister has made it very clear to me that that is what he expects, as has the government. With the addition of those additional resources that we will be able to employ and deploy—the additional funding through the increased fees and charges—together with a much-improved online system, we are hopeful that we will be able, in time, to both clear the backlog of approvals that are beyond time and start to see a much better and more timely response to the approvals coming through our door.

Dr D.J. HONEY: I have a further question, but I think I have the answer to a degree. There is no specific target, so is it an aspiration to improve those times?

Mr R.R. WHITBY: I refer that to the director general.

Mr M. Rowe: The time frames for our approvals are published in the estimates papers against the various timeliness indicators. We also publish our results quarterly. Our hope is that we will get back to those published standards that we hold ourselves to in terms of the time frames that we set.

Mr W.R. MARMION: There are two aspects of the one-stop shop—one is the online aspect, which the parliamentary secretary mentioned, and the other is the physical location of a one-stop shop. Can the parliamentary secretary explain where the physical locations of the one-stop shops are at the moment and where they are likely to be spread across the state?

Mr R.R. WHITBY: I think the machinery-of-government changes, in terms of rationalisation of the agencies, has helped to play a role here, but I am happy for the director general to elaborate.

Mr M. Rowe: It is probably less of a consideration about the availability of a physical location for a one-stop shop, although customer-facing services are very important. The one-stop shop that we are signalling is much more a virtual experience, which people should be experiencing when they engage with the department. The member would be aware that the head office for the department will be shifting to Joondalup later this year, early next year, so clearly our regulated customers will come to see us when they need to. It is my hope that people should be able to walk into any of our regional offices and at least experience clarity on what is expected of proponents. In time,

though, we hope that people increasingly lodge their applications online and have that kind of experience. That in no way suggests for a minute that we would not want to meet with them in person if that is what they need to do to clarify the scope of their proposal, which we obviously do now.

Mr W.R. MARMION: In relation to the online aspect, one of the banes when I was Minister for Mines and Petroleum and Minister for Environment; Water was that there was no online tracking system. I could not get any of the departments to talk to each other. In terms of the online experience of the one-stop shop, will proponents be able to track the approval process?

Mr R.R. WHITBY: Director general?

Mr M. Rowe: At this stage we are looking very much within our own business to try to make it a seamless experience with the approvals that people have to come to us for. For very large proposals we fully appreciate that proponents need to get multiple approvals across government. We have started that dialogue across the relevant approvals agencies, of which there are now fewer than previously. At some level it is an easier conversation to have because we are dealing with fewer agencies. However, I think there is still work to be done on how we scope the whole-of-agency approvals tracking process. The stuff I am talking about is specific to our own agency and its scope of approvals at this stage.

Mr W.R. MARMION: The other aspect of a one-stop shop that was always an issue was the commonwealth approvals. The nirvana was for someone to not only be able to look at state approvals, but also get some advice on commonwealth approvals and do them in parallel rather than waiting until the state approval had been done and to then be told that they needed to do a commonwealth one as well. Will the online experience give some advice about whether commonwealth approvals are required as well?

[3.20 pm]

Mr R.R. WHITBY: Mr Rowe.

Mr M. Rowe: We could certainly look at whether it is possible to give clarity to proponents about whether a commonwealth approval is required through the online process. We are, in fact, looking at the way that the commonwealth engages with proponents for approvals under the Environment Protection and Biodiversity Conservation Act to see how we might mirror some of that work here. We would take that consideration into account when we design our system.

Mr W.R. MARMION: I refer to the first dot point on page 553 of budget paper No 2, volume 2, which states that there is a 75 per cent increase in Environmental Protection Authority approvals for assessment. What sectors are seeing the most significant increases in assessment? The EPA assesses all sorts of proposals from all sorts of sectors; can the parliamentary secretary highlight from which sectors there has been a surge in applications?

Mr R.R. WHITBY: There has been an increased workload and, I guess, a lot of that is to do with mining activity in the Pilbara. We are starting to see a bit of pick-up there. There are new irrigated agricultural projects in the state's north and new mines and resources, such as lithium, which has come on board with tungsten. There are also state government projects, such as Metronet, and Main Roads projects that we expect to come online in the near future. Those are the kinds of areas in which we are seeing the increases.

Mr W.R. MARMION: I refer to "Environmental Impact Assessment Services to the EPA" on page 561. I understand that the number of full-time equivalents in the EPA will decrease from 51 to 48. Can the parliamentary secretary explain how the government will deal with a 75 per cent increase in proposals with a reduced number of staff whilst maintaining an efficient process so that there will be no delays in applications?

Mr R.R. WHITBY: I refer to Mr Anthony Sutton for more detail.

Mr A.X. Sutton: When we look at those figures, we see that it is a reduction of three FTEs. One of the advantages of the new department is that it brings together not only the part V licensing and works approvals side of the department, but also water licensing. Many of the EPA's assessments require input from those particular staff so even though there is a loss of three FTEs, across the agency we are actually picking up greater resources to do a whole assessment for the whole project rather than just components as we have done in the past.

Mr W.R. MARMION: Has there been any reduction in the key performance indicators in the time it takes to process an environmental assessment? Is that recorded and has there been a reduction in the past 12 months?

Mr A.X. Sutton: The KPIs show for the EPA's assessment that time is holding strong. It is about 80 per cent for timeliness of EPA reports. There are other areas we need to improve, and that is a challenge. We are working across the agency with the other groups—Water, in particular, and Environmental Regulation. There is the opportunity to make sure that we address the backlog.

Dr D.J. HONEY: Has there been an increase in purely the number of assessments required or has a change in the requirements for assessments driven the increase?

Mr R.R. WHITBY: My understanding is that it is simply a change in the environment and economy that has brought in those extra applications.

Dr D.J. HONEY: So it is purely the number, not the classification requiring assessment.

Mr R.R. WHITBY: I refer to Mr Sutton to drill down the detail.

Mr A.X. Sutton: It is very much the green shoots of the economy at the moment and the diversity we spoke about before. Assessments used to be dominated by iron ore mines, but they are now very much dominated by irrigated agriculture, lithium and the Metronet project. There is a greater variety of projects coming through, but it is very positive from an economic perspective.

Mrs J.M.C. STOJKOVSKI: I refer to the second dot point under “Significant Issues Impacting the Agency” on page 553 of budget paper No 2, volume 2. Can the parliamentary secretary confirm what actions the McGowan government is taking to manage waste and support recycling in Western Australia? In particular, I am interested in how the government is dealing with the fallout from the Chinese government’s import restriction on recyclable waste.

Mr R.R. WHITBY: The member is absolutely correct to refer to the massive impact of the decision in China. It is not just Western Australia; I think it is felt more significantly in the eastern states. As the member would be aware, the Chinese have decided to stop the importation of some recyclables from around the world and reduce its contamination acceptance right down to half a per cent. The household waste contamination rate in Perth can range between 10 per cent and 18 per cent. I think that is a fair figure. There is a long way to go before we get to the contamination allowances that the Chinese will accept. It is a huge challenge, but, at the same time, it is a fantastic opportunity to make ourselves more sustainable and to see how we can increase recycling in Western Australia.

There is a lot happening in this area. The Waste Authority undertook public consultation towards the end of last year and earlier this year, which finished in March. The key themes around that involve the need for shared responsibility, whether it is local or state government, producers of products that involve a lot of wrapping, and the recycling sector itself. We need to move to what is called a circular economy where more of these recyclables have different stages of life and continue to be of value in the economy, and we need to lift our waste performance. Certainly, the minister has been very proactive in this and has established a waste task force, of which I am the chairman.

We are specifically looking at household kerbside collections and how we can improve the recycling rate out of people’s bins. There are some issues in Western Australia with different councils having different rules for their household collections. I think 14 Western Australian councils have so far opted for the three-bin policy, but other councils have not. People who move around Perth and Western Australia may encounter different rules for recycling because when they move to another suburb, there is a completely different set of rules. It can be quite confusing. There is a real need to have universal standards in Western Australia and to educate the community, and I know there are moves coming up in that regard to let everyone know about what goes in their yellow-lid recycling bin and their green-lid and red-lid bins to improve the recycling rates. This will result in more recyclable materials actually being recycled. There are opportunities for recyclers in Western Australia if we can increase the quality of the recycled product going through and limit the contamination. It will reduce the cost of recycling and increase the opportunities for recycling. The more recycling we have in Western Australia, the more opportunities we have and the scope for more employment and job creation. We were lulled into a false sense of security for many years with China. China has suddenly announced this policy in quite a dramatic way. It represents a big challenge to the community and the rest of the world. There are opportunities. We need to be smart about this and improve our sustainability, reduce our waste and work out more ways to recycle materials that are recyclable.

[3.30 pm]

Mr R.S. LOVE: I take it from that that there is no firm policy to deal with the immediate aftermath of the situation in which some of those yellow bins are basically going to waste. What is the strategy, in the short term at least, to handle the waste flows and to divert some of that into recycling? I heard a lot of motherhood statements but nothing about actual rubber on the ground in terms of fixing this problem.

Mr R.R. WHITBY: There is a fair bit of rubber on the road. The Better Bins policy has real money attached to it—about \$20 million—to encourage councils to take up the three-bin option, which we know increases recycling. This is having an impact in terms of diverting the amount of material going to landfill. A range of very concrete initiatives are happening right now, and that is just one of them.

Mr R.S. LOVE: With respect, that has been going for a long time. What is being done to handle the situation in which our major market for recyclables is no longer accepting them?

Mr R.R. WHITBY: I was not trying to take the member’s gloss away from that policy, but it needs money to encourage its operation and to encourage more councils to take it up. That is money that exists and we are certainly encouraging more councils to be involved. Concrete moves are being made at a federal level. Recently, our federal minister had a meeting with his federal counterparts and a decision was made to dramatically increase the recyclability of packaging in Australia. These are concrete steps and Western Australia is working cooperatively with the rest of the country to try to get some movement in this area. The member would appreciate that we do not control everything that is produced in this country, so we really have to take a national approach and that is in fact happening.

Mr W.R. MARMION: Has the department got a handle on the total volume of recycled waste? With the Chinese government placing a restriction on waste, what is the likely percentage of waste that will have to go elsewhere? Has the department got a handle on that right now or will it happen in the ensuing months, and is that waste going into landfill? It is a simple question, Madam Chair.

Mr R.R. WHITBY: I know that landfill rates have improved and that less is going into landfill. I will get some details for the member from Sarah McEvoy.

Ms S. McEvoy: The proportion of waste that goes overseas is not an enormous amount, but it is still an issue. Western Australia is not facing the same problems occurring in the eastern states because the contracts here are based on a fixed price. Victoria, for example, had a calamitous fall in the amount of recycling because the contracts were renegotiated straightaway. That has resulted in waste not being recycled. That is not the case according to recyclers in Western Australia. Having said that, that does not make it not an issue; it is still an issue. There are other ways to increase recycling. The main waste that is not able to be recycled is plastic waste. A lot of work still needs to be done with construction and demolition waste, glass and other products, such as paper, which still have better local markets. I do not have the exact figures for China, but the overseas amounts of waste from Western Australia were quite small comparatively speaking to other jurisdictions.

Mr W.R. MARMION: I recall going to the recycling Salvos Store in Canning Vale where they were packaging a lot of recycled cardboard that I noted was going to China. What I get from the answer given by the parliamentary secretary is that it is fortuitous that we have contracts in place for that and that will go on. But what happens if China's restriction gets worse, for whatever reason? Do we have a plan B? Obviously, some people are making money out of that, and it might be the not-for-profits. The other issue is that local governments need to dispose of waste and if they cannot do that or sell it, it might end up in landfill, which is something we probably do not want.

Mr R.R. WHITBY: As the member heard from Ms McEvoy, we are not in the dire position that perhaps other states find themselves where a large proportion of their recyclables head to China. Does Ms McEvoy have anything to add to that?

Ms S. McEvoy: The purpose of the waste task force is very much to look for local solutions for recycling. There are really good opportunities and already some players are coming forward with ideas for, particularly, plastics recycling and local products that could be used. There is a good economic opportunity in that regard.

Dr D.J. HONEY: The waste-to-energy project has been around for some time and looks like an excellent solution for organic-derived waste. Is that part of the committee's considerations?

Mr R.R. WHITBY: It is one of the possibilities that we are looking at. The issue is that often another pollution issue arises through emissions and its negative impact on the environment. It is certainly something that is part of the global examination but perhaps I will get Ms McEvoy to elaborate.

Ms S. McEvoy: Waste-to-energy has a place. However, it is at the lower end of the hierarchy for waste. Looking at the circular economy, it does not keep the materials in the economy for as long as possible. Reuse and recycling are preferable to waste-to-energy. A well-functioning waste-to-energy plant has its place, particularly for residual waste that cannot be otherwise recycled. At the moment, there is quite a lot of recycling of organic waste as compost, which is also another use that keeps it in the system for longer.

Dr D.J. HONEY: I was talking about organic-derived waste—that is, all forms of waste that ultimately originated from organic materials. Has the parliamentary secretary had an opportunity to have a discussion with any proponents on those projects and, as a matter of interest, I would like to know whether the committee is informed on this or not?

Mr R.R. WHITBY: Not in my capacity as parliamentary secretary.

Dr D.J. HONEY: In terms of the committee.

Mr R.R. WHITBY: In terms of our committee, no. I am aware of the proposals. Two have come from the Kwinana industry strip, so there are certainly some proponents down there. This is an area in which there would be contact with the Environmental Protection Authority, so perhaps this is something the member can follow up.

[3.40 pm]

Mr W.R. MARMION: I have two yellow bins. My second yellow bin was free. Councils probably get some revenue out of the recycling bins, because if councils did not get any revenue from recycling bins, they would obviously be a cost to them, and ratepayers would be concerned that their rates would go up. Have any local governments come to the Waste Authority to discuss possible future costs?

Mr R.R. WHITBY: I cannot recall a specific council, but our waste task force has Western Australian Local Government Association representation, so the sector is certainly represented through that association. The indication is that they are very keen to be involved.

Mr R.S. LOVE: The parliamentary secretary said that at the moment a smaller amount of waste from Western Australia than from other places is going to the China market. Perhaps a figure was given, but I did not get it. Is it possible to provide, either now or by way of supplementary information, some details on the percentage of various categories of waste, particularly plastics and more hazardous products, being exported?

Mr R.R. WHITBY: Is that from Western Australia previous to this decision and currently?

Mr R.S. LOVE: Previously and under the current circumstances.

Mr R.R. WHITBY: Can the member point to a line item in the budget?

Mr R.S. LOVE: I am talking about what we have been talking about since the question was asked—the Chinese situation. The reference is to page 560 and item 6, “Waste Strategies”, that states —

Waste avoided and the recovery of materials from landfill maximised.

Given that there is now a threat to the export of certain types of waste, what percentage of waste is being exported?

Mr R.R. WHITBY: That is not something that we can easily extract from the budget, but I am certainly prepared to take that on notice and find out that information.

Mr R.S. LOVE: Will the parliamentary secretary provide an answer as supplementary information?

Mr R.R. WHITBY: Sorry, I will provide it as supplementary information.

[Supplementary Information No B15.]

Mr R.S. LOVE: I refer to page 551 and the line item “Establishing and Maintaining Vegetation Offset Account Disbursements” under the subheading “Other” in the spending changes table. Can the parliamentary secretary explain what that money was used for in 2017–18 and why there are no further allocations to that fund?

Mr R.R. WHITBY: Does the member want the breakdown of that number?

Mr R.S. LOVE: I want to know what the money was expended for in 2017–18 and why there are no further allocations.

Mr R.R. WHITBY: I will answer the first part of the member’s question first. The amount was \$3.7 million. The breakdown is: \$2.6 million was for the acquisition of Lot 6 Talbot Road, in Stratton; \$410 000 was for five adjoining parcels of land in Kokeby and Brookton; \$182 994 was for acquisition of a property at Lake Clifton for inclusion within the Yalgorup National Park; and \$219 582 was refunded to Main Roads Western Australia as a result of amendments made to the approved offset for the Mitchell Freeway extension from Burns Beach to Hester Avenue.

Mr R.S. LOVE: Is this money that is taken from developers and other people seeking to, for instance, clear land? Does the department then ask them to provide an offset and presumably to make a cash payment? Will that happen in the future, because there is no budget allocation in the future nor any spending from that fund?

Mr R.R. WHITBY: I guess that it has not been worked out. This fund depends on proponents wanting to clear land, so it is hard to know what may happen in the future. I will refer to the director general. I am sure it does not mean that the process will disappear.

Mr M. Rowe: The process will absolutely continue and it has not changed, but we need to continue to work with Treasury on how that money will be shown into the forward estimates.

Mr R.S. LOVE: Where can I find the amount of money being held in the offset program now, or does it have a zero balance?

Mr R.R. WHITBY: I will refer that to Ms Faulkner.

Ms K. Faulkner: It is a trust account held with the department. The funds relate to all offset funds that are provided as a condition of a clearing permit that has been granted under part V of the Environmental Protection Act. If the member wants a balance, I will need to look through my papers to find it.

Mr R.S. LOVE: Is it in the budget papers?

Mr R.R. WHITBY: It might be. We will try to find that figure for the member.

Mr R.S. LOVE: While the adviser looks for that information, I will ask a question of a more general nature about the offset program. The “Perth and Peel Green Growth Plan for 3.5 million” has a policy setting whereby land will be purchased in various shires, including some in my electorate, as offsets to programs of development in Perth. Is that account also the holding fund for funds from the inaction of the Perth and Peel growth plan?

Mr R.R. WHITBY: I will refer that to the director general.

Mr M. Rowe: For clarity: is the member talking about the “Strategic Assessment of the Perth and Peel Regions”, which is the proposal that the government was contemplating in relation to the future expansion of Perth?

Mr R.S. LOVE: Yes.

Mr M. Rowe: The government has suspended that proposal and is currently reviewing the “Strategic Assessment of the Perth and Peel Regions” at this stage.

Mr R.S. LOVE: Did we find the figure that we were looking for?

Mr R.R. WHITBY: Yes, we have. Ms Cartwright has the information.

Ms V. Cartwright: It is held in our restricted cash under our statement of financial position on page 565. Currently, we have an amount of \$64 million across the whole of restricted cash and \$11 million of that will be for the vegetation offsets.

Mr R.R. WHITBY: We found the reference to the fund in the budget papers, and \$11 million of the \$64 million is for the particular offset fund the member referred to.

Mr R.S. LOVE: Is that a more general fund of which \$11 million is held for the offset program? As of yet, have any target properties been identified for the expenditure of that fund?

Mr R.R. WHITBY: I thank the member. Mr Rowe will answer.

[3.50 pm]

Mr M. Rowe: Again, just to be abundantly clear, the amount of \$11 million or thereabouts is held within restricted cash, so it is a line item within restricted cash within the organisation. Yes, there is a process yet to be done to determine future expenditure of that money over time.

Mr R.S. LOVE: There is a process, but the department has not put any money in the budget to make that process happen?

Mr R.R. WHITBY: There is money in the fund, but, obviously, we have to wait for proponents to come along. We then have to identify suitable offset areas. That is an ongoing process.

Mr R.S. LOVE: My understanding was that that money had already been paid by persons or organisations to provide an offset. Presumably, the department does not need to wait for another person to come along and leave its offset. It needs to find an opportunity to expend that money, otherwise the department is not really holding up its end of the bargain when clearing an area of land to provide an offset for the native species or whatever that money was set aside to do. The money is already there.

Mr R.R. WHITBY: The member is right. Of course, if a proponent has already put together a project, that money is there. New proponents come along all the time and money will be added to that account. What has not necessarily happened straightaway at the same time that the money goes in is the identification of a suitable offset area. I will seek advice, but certainly the money is in there. That will change as time goes on, but with new proponents coming along, if it is required that they deposit more money in other projects, it will happen, but we need to identify suitable areas to apply those funds. I guess it is not something we want to rush out and do quickly; we want to make sure that we are getting good value and a good environmental outcome.

Mr R.S. LOVE: Is there an ongoing process for the identification of that land and are there projects, properties or areas of land that are somewhere down the track towards being purchased; and, if so, why are they not reflected in the budget?

Mr R.R. WHITBY: The advice is that it has to be done through the budget process. I guess we have to wait for that to occur before we can put in the allocations for where that money will be used and allocated to.

Mr R.S. LOVE: When a person or an organisation provides money for an offset, is there no undertaking by the state that that offset would be provided within a reasonable time? I am thinking of the state’s requirements to meet some of its obligations under the commonwealth Environment Protection and Biodiversity Conservation Act for instance. Is there any sort of guideline for how quickly that offset has to be provided?

Mr R.R. WHITBY: I will refer the member to Ms Faulkner. Before I do, I will just say that, as a government, we are very conscious to put these funds towards the use for which they are intended. I now refer the member to Ms Faulkner who may be able to elaborate more.

Ms K. Faulkner: Yes, it is true. When the funds are received, the department is looking to find equivalent environmental values of vegetation at a certain scale. It actively liaises with the Department of Biodiversity, Conservation and Attractions and others to identify potential properties for purchase, but then we need to negotiate the purchase of those. Those negotiations are fairly confidential, of course, because we do not want to drive up or down the price, whichever may be the case, and, in some instances, it may take some time to find suitable properties to purchase. It may require several offsets. If the property is such that it requires a significant sum of money, it may be that several offsets contribute towards the cost of that property.

Mr W.R. MARMION: This is an interesting area and it is fairly important to hear the probity around this. Does the process involve the opportunity for people to put forward farms or parcels of land to the department for purchases and offsets, and is it transparent?

Mr R.R. WHITBY: Does the member mean unsolicited offers of land?

Mr W.R. MARMION: Yes.

Dr D.J. HONEY: He has got a farm.

Mr W.R. MARMION: I would not use the word “offer”, but an opportunity. Say I have a farm with some bush that I am never going to farm, is there a way in which I could just put it on a website, if I want to go online, or some other process by which I could throw it on the table? Then when the department is trying to find something, it can say, “Look at this—fantastic!”, because it is 10 times better value than the land that other government departments, such as LandCorp, are trying to flog to it, and the department would not be sucked in to buying the LandCorp land. A government agency might have a lot of pressure from another minister to tell the department to buy its land versus farmer Smith who has a fantastic crop of trees full of red-tailed black-cockatoos and whose land the department might think is better. How does the process work?

Mr R.R. WHITBY: Ms Faulkner, do we want to buy the member’s farm or not?

Mr W.R. MARMION: Unfortunately, I do not have a farm.

Ms K. Faulkner: It depends on the value of the land. We have an offset register, which is a public register. All offsets that come through those decisions are publicly available. At this stage, there is no reason that we need to purchase properties specifically through the Department of Biodiversity, Conservation and Attractions. We are certainly looking at developing programs to perhaps have a brokerage or something to that effect. There is no reason that individuals themselves cannot approach a clearing permit-holder themselves and negotiate those offsets outside the fund process. There are other opportunities to develop an offset proposal without the need to contribute funds to the offset program.

The CHAIR: We will have a short comfort break.

Meeting suspended from 3.57 to 4.06 pm

The CHAIR: I give the call to the member for Cottesloe.

Dr D.J. HONEY: I refer to page 552 of budget paper No 2, volume 2, “Significant Issues Impacting the Agency”. The second dot point refers to the cost recovery model. I appreciate that this question may require supplementary information. Is it possible to provide a list of the regulatory fees and charges that have increased as part of the budget, including the level of the increase? I would be happy for as much explanation as possible, but then for the provision of supplementary information on the detail if that is not available.

Mr R.R. WHITBY: There is a desire to introduce a cost recovery model. General taxpayers and other businesses have to subsidise some of the fees for industry regulation and applications. This move is based on Ernst & Young’s advice, which concluded that the Department of Environment Regulation is under-recovering about \$7.4 million a year. That money has to be paid by other taxpayers to subsidise applicants who put forward certain projects. The intention is to adjust those fees to move towards a user-pays system and for every cent raised to stay within the department to either employ more staff or implement systems that will improve the response and efficiency of those processes. We have embarked upon that journey.

The budget proposes a 14 per cent increase to industry regulation fees effective from 1 July 2018. This will ensure the full cost recovery of industry regulation, including licensing approvals, permitting and compliance. The increased fees to industry will serve to reduce red tape and enable the department to become more responsive to industry needs. For a lot of businesses, the axiom “time is money” is very true. Delays cost money. Businesses want a result as quickly as possible. I have no doubt that many proponents out there would think that an increase in fees is well worth it if it will speed up the process and have a more efficient outcome.

We intend to consult the sector on vegetation clearing fees. Obviously, massive costs are involved because those fees do not represent the true cost. We are very mindful of working in consultation. We do not have a figure yet for those increases, but they will be worked out in consultation with the industry sector and introduced next year. In general terms, this is about having a more efficient and responsive system and raising more money. If the fees and charges reflect the true cost for the department and government to provide these services, the money can be spent on staff and systems to dramatically improve the department’s response. It is not about raising extra money for consolidated revenue. Every last cent of these funds will stay within the agency to improve its responsiveness. That move will be welcomed by industry, which seeks to get a prompt answer and a more efficient system from government.

Would Mr Rowe, the director general, like to elaborate on this issue?

[4.10 pm]

Mr M. Rowe: We aim to have the specific fee increases gazetted prior to 1 July when they come into effect. I think the member indicated previously that he is open to accepting supplementary information to get a detailed answer. It is quite a long list to read out.

The CHAIR: Can the minister confirm that supplementary information?

Mr R.R. WHITBY: The member is seeking industry regulation fees as at 1 July 2018. They are the ones that have been set.

Dr D.J. HONEY: It is the fees and charges.

[Supplementary Information No B16.]

Dr D.J. HONEY: I heard the explanation, but we heard earlier that, in fact, the number of assessment staff will drop from 51 to 48. I also heard that staff will be combined with staff from the Department of Water and Environmental Regulation and that may make that more efficient. In the dot point I referred to, I read that revenue will be used to employ additional staff in environmental regulation and compliance functions. Given the answer, I am not sure how that helps with the efficiency of delivering the service. In fact, is that money being used to employ additional compliance staff?

Mr R.R. WHITBY: It certainly is. I will refer to Mr Rowe shortly. The earlier issue of the three-staff reduction was due to the amalgamation of agencies.

Dr D.J. HONEY: I understood that

Mr R.R. WHITBY: That allowed our agency to have the resources of a much bigger pool of people. This is a separate issue.

Dr D.J. HONEY: I understood that. The point I was making was that I understood the parliamentary secretary's answer to be that this was part of creating a more efficient service. But, the second or third sentence of the second dot point, which is what I was seeking an explanation on, reads in part —

The revenue will be used to employ additional staff in environmental regulation and compliance functions ...

I was seeking an explanation in particular on whether the department is looking to increase staff in the compliance function, which I took to be enforcement of regulations. I am happy to be educated on that.

Mr R.R. WHITBY: I will defer to Mr Rowe, but it is certainly about getting a quicker response to applications.

Mr M. Rowe: A point of clarification, firstly. The member's earlier reference to the drop to 48 from 52 staff is, effectively, about part IV of the Environmental Protection Act, which is where the activities of the Environmental Protection Authority come into play. The legislation does not allow us to do any cost recovery for Environmental Protection Authority activity. We are talking here about part V of the Environmental Protection Act, which is the other industry regulation activity we do. In relation to how the additional funding will be spent, additional staff will be devoted to the industry regulation activity to deal with the approvals assessment function. Equally, a smaller number of people will be dedicated to enhancing our compliance function because industry expects a level playing field on how industries are regulated. Although they would like to see faster approval times, I am sure they would also like to make sure the people they are competing with are adequately regulated in compliance and enforcement. Relatively speaking, a much smaller number of staff will be dedicated to the compliance function. Nevertheless, we see it as important to be able to dedicate additional resources to improve our compliance capability as well, which is a good outcome for the environment and ensures people are doing the right thing and sticking to their conditions of approval. It also assists industry more generally by ensuring that standards apply equally everywhere.

Dr D.J. HONEY: As I recall, the Department of Environment Regulation, as it was going back a handful of years, had a very substantial increase in its compliance division. Through the parliamentary secretary, what has driven the requirement for even more compliance staff in the department? Have any specific issues arisen? I was not quite sure. I understood the argument about the level playing field; I heard the words. There was, I think, almost a doubling of compliance staff a small handful of years ago; now we are seeing a further increase in compliance staff. I am intrigued about what is driving that.

Mr R.R. WHITBY: I will refer to Mr Rowe, but, as he explained, most of these extra funds will be invested in employing people to increase efficiencies.

Dr D.J. HONEY: I heard that.

Mr M. Rowe: I was not responsible, necessarily, for the former Department of Environment Regulation, but I understand that a large number of vacancies were unfunded in the compliance enforcement area. I do not have the background the member is referring to concerning what might have happened in the past about how that function may have been resourced or necessarily how the resources were increased. But I know there were a large number of vacancies in that area at the time the new Department of Water and Environment Regulation was established on 1 July. We are looking to try to make sure the compliance function is sufficiently well resourced to meet the level of compliance that we think is necessary.

Dr D.J. HONEY: To burrow down into that a little bit, I assume that if they were unfilled positions, they would still be budgeted positions in the department and these are additional positions on top of budget positions. When it was amalgamated, did the government take the numbers as they were and is now looking at the staffing?

Mr M. Rowe: I understand, in fact, that the vacant positions were not funded.

Mr W.R. MARMION: I refer to “Outcomes and Key Effectiveness Indicators” on page 555. One of the indicators refers to the percentage of construction and demolition waste reported as diverted from landfill through recycling compared to the statewide waste strategy target. There is an estimated actual of 77 per cent for 2017–18. The sixth dot point under “Explanation of Significant Movements” indicates that the reason for the jump to 77 per cent is that there has been a stockpiling of construction waste. Can the parliamentary secretary explain what evidence the government has of that? Are any strategies being considered to address this, such as placing a levy on the stockpiling of demolition waste?

[4.20 pm]

Mr R.R. WHITBY: I will refer this to Ms McEvoy.

Ms S. McEvoy: The stockpiling is a result of how the levy regime works. The levy applies to waste disposed of to landfill and accepted for burial. The series of increases that have been in place for the last four or five years or so have resulted in greater stockpiling of construction and demolition material than had been the case. The Department of Water and Environmental Regulation has put out a waste reform paper looking at ways to improve the levy regime to ensure that material that is not either recycled or disposed of to landfill is stored for only a finite time so that the intention of the levy to act as a disincentive to landfilling can persist. The consultation on that finished last year and there was broad support for the idea of improving that regime, and that has been progressed.

Mr W.R. MARMION: What process does the department have in place to identify construction waste that is being stockpiled? Small operators might be able to hide that kind of stuff somewhere.

Ms S. McEvoy: That is primarily a compliance and an enforcement issue, but programs are in place to look at identification of stockpiles in both licensed and unlicensed premises. That includes a whole range of techniques from aerial photography—in a lot of cases material can be identified through that—to regular inspections of licensed premises and receipt of information from people who complain. It goes to that question of a level playing field. Other players being disadvantaged can be a big issue.

Mr W.R. MARMION: Are any processes in place to identify contaminated construction waste or is the responsibility placed on the contractor to identify contaminated construction waste? It would be of more concern if contaminated waste was being stockpiled. Are any processes in place to identify that sort of material?

Mr R.R. WHITBY: To identify contaminated construction waste?

Mr W.R. MARMION: Yes—stockpiled contaminated waste.

Mr R.R. WHITBY: It probably goes back to the earlier point about the need for compliance, but I will let Ms McEvoy explain.

Ms S. McEvoy: The level of contamination is obviously an issue. At high levels, it could trigger the Contaminated Sites Act. If we are talking about lower levels, all people have a duty not to cause pollution or unreasonable emissions, which are offences under the Environmental Protection Act. Licence conditions deal with how to prevent contamination by, for example, having impervious surfaces, monitoring groundwater for contamination, and making sure that testing or treatment of particular materials is done before they can be reused.

Mr W.R. MARMION: As a specific example, my understanding is that at the site of the Forrestfield–Airport Link, there is contaminated soil. Can the parliamentary secretary explain the nature of that contamination, what the volumes might be, and what is being done to address its disposal?

Mr R.R. WHITBY: I think that is probably more relevant to the transport portfolio.

Mr W.R. MARMION: When I was Minister for Environment, I knew the guy who did all this. He was in my hockey team, but I will not mention his name. It was a very small and specialised area. In fact, I think he might have retired from the department and been engaged as a contractor, which is not unusual. It came under the portfolio of the Minister for Environment and it is quite an important area. I think the department handles it very well. My understanding is that once the soil is contaminated, it has to go to Red Hill, which is the disposal site. I am interested to know whether the Department of Water and Environmental Regulation has been involved. I know that the contractor is the Department of Transport, but has the department of environment become involved through its regulatory and compliance nature?

Mr R.R. WHITBY: My advice is there has been some engagement with the agency, but we do not hold data or further information. The member would be better placed going to the transport portfolio.

Mr W.R. MARMION: Can the parliamentary secretary confirm that the department compliance people are involved in that issue so that we have some assurance that it will not be stockpiled somewhere, which is why I asked the question under this part of the budget, and we know that it will be looked at properly?

Mr R.R. WHITBY: I will refer you to Mr Rowe.

Mr M. Rowe: I assume the member is talking about the Forrestfield–Airport Link project. The member would be aware that a lot of that project occurs on commonwealth land, on which state legislation does not apply, so to the extent that there are contamination issues, potentially we will have to engage with the commonwealth on how best to resolve that. It is less about our regulatory function and more about our advisory role. We might be working with the Public Transport Authority and other agencies to engage with the commonwealth on how best to deal with that issue, including the possibility of reusing material where it is safe and appropriate to do so.

Mr R.S. LOVE: The original import of the question was to do with building waste and stockpiling. Does the levy that is imposed on people who deposit waste at a landfill site in the Perth metropolitan area need to be paid by people who do so outside of the Perth metropolitan area?

Mr R.R. WHITBY: My advice is that there is no levy outside the metro area.

Mr R.S. LOVE: My electorate skirts the outside of Perth. Places such as Toodyay and Chittering et cetera are just outside Bullsbrook. A number of proposals are constantly on the go for the depositing of waste material. Even though the material is generated in Perth, is no levy imposed on the deposit of that material just outside Perth?

Mr R.R. WHITBY: I will refer the member to Ms McEvoy in a moment, but I will make another observation about demolition and construction waste. This is another material that the government is very interested in recycling. We are very keen to divert it from stockpiling in the first place. It has applications such as for road base and major infrastructure projects. It is an area we are very keen to pursue, but I will refer the member's issue to Ms McEvoy.

Ms S. McEvoy: The levy applies to both metropolitan waste disposed of within the metropolitan area and metropolitan waste disposed of in regional areas, and to other waste from regional areas disposed of in Perth. The levy is to ensure that metropolitan waste and waste disposed of in the metropolitan area attracts the levy. It would apply to landfill sites in Toodyay if they were accepting metropolitan waste.

Mr R.S. LOVE: Just to be clear, is the same levy applied to waste generated in the metropolitan area regardless of whether it is deposited in a regional area or in the metropolitan area?

[4.30 pm]

Ms S. McEvoy: Yes, that is correct.

Mr R.S. LOVE: By what mechanism is that regulated, and does the department have an understanding of the volume of waste that might be deposited in a regional area?

Ms S. McEvoy: There is an approved method for calculating the amount of waste if there is a mixture of waste from the metropolitan area and non-metropolitan area in instances when a weighbridge is not available. There is quite a lot of detail to that, but it is basically on the size-equivalent volume of the truck that is taking the waste to that area.

Mr R.S. LOVE: What monitoring takes place to ensure that there is no mixing of inappropriate waste, such as hazardous materials or waste of a different classification, with that waste? My understanding is that construction waste of timber et cetera is classified as putrescible waste. How does the department maintain that level of control when the depositing is taking place outside the Perth metropolitan area?

Ms S. McEvoy: The type of landfill is based on a category. Category 63 is inert waste and category 64 is putrescible waste, and so on. It becomes a compliance issue to do checks to make sure that all the waste that is being accepted complies with the type of waste that is allowed to be received at that landfill site.

Mr R.S. LOVE: How is that monitored at a remote site?

Ms S. McEvoy: It is still based on inspections. There is a program of regular inspections of licensed sites. There would still be an inspection of more remote sites.

Mr R.S. LOVE: Is there a regime or policy of inspection that is clear and transparent and has within it some reasonable expectation of the number of visitations and the amount of material that might be deposited and covered before an officer might even see it? Can people be assured that the inspection is thorough?

Ms S. McEvoy: The inspection and compliance program is based across all category types, and not just those related to waste. It looks at the risk from both an environmental point of view and the record of the operator. If someone has had past issues, they are more likely to be inspected more frequently. The program is set in advance to ensure that targets are met around particular issues that need to be inspected. That is part of our key performance indicators as well. The type of inspections that are done and the frequency of those goes to achievement of KPIs.

Mr R.S. LOVE: Is the department looking at any sort of strategy to address the apparently increasing number of applications or instances of people seeking to deposit that waste in areas outside the Perth metropolitan area, given that it has already been stated that there is potentially a stockpile of goods building up within the Perth metropolitan area?

Ms S. McEvoy: This is probably straying a little from my expertise; it is really a compliance and enforcement issue. Well-developed programs that rely on a range of intelligence and compliance techniques do that. We are aware that there have been additional reports of activity. Further investigations are ongoing.

Mr W.R. MARMION: Have there been any prosecutions or are any prosecutions in place of people who decided to illegally take a truckload of construction waste out of the metropolitan area and dump it in a close-by region to avoid paying a levy?

Ms S. McEvoy: I would need to take that on notice.

Mr R.R. WHITBY: That information is not immediately available, but I am prepared to take it on notice.

The CHAIR: Is that supplementary information?

Mr R.R. WHITBY: Yes.

The CHAIR: Can the parliamentary secretary clarify what supplementary information he will be providing?

Mr R.R. WHITBY: It was the details of —

Mr W.R. MARMION: The department might not be able to give details of pending prosecutions—there might be a reason it cannot do that—but I am seeking details of any prosecutions of people who have illegally disposed of construction waste in the last couple of years. I guess that will do.

Mr M. Rowe: Anywhere in Western Australia?

Mr W.R. MARMION: I am specifically interested in anyone who has taken it out of the metropolitan area to the regions.

The CHAIR: Parliamentary secretary, are you happy with that?

Mr R.R. WHITBY: Yes.

[Supplementary Information No B17.]

Mrs L.M. O'MALLEY: I refer to the significant issues impacting the agency on page 552 of budget paper No 2. The fourth dot point refers to the harm that plastic bags cause to the environment, and especially to marine life in our rivers and oceans. This is particularly relevant for the electorate of Bicton, so I was pretty excited to see this announcement. Can the parliamentary secretary please advise what actions are being taken to bring this ban into effect, and what types of bags will be banned?

Mr R.R. WHITBY: I thank the member. This is a major initiative that takes effect on 1 July this year. It means that the supply of lightweight single-use plastic bags will be banned in Western Australia. Incidentally, the ban also takes effect in Queensland on that day. The ban is implemented through new regulations under the Environmental Protection Act. Plastic bags that have a thickness of 35 microns or less will be banned. It will be illegal to supply a banned bag to carry goods. It is interesting to note that degradable, biodegradable and compostable lightweight bags are included in this ban. Although those bags break up, they break up into microplastics, which can be consumed by animals and stay within the natural environment. Biodegradable and compostable bags persist in the environment for long periods. They do not break down in temperatures below 50 degrees Celsius. Those conditions are not found in the environment for prolonged periods, so those bags also stay with us for a long time. Not all plastic bags are included in the ban. The ban will not apply to what are known as barrier bags for meat, fish and fruit and vegetables; bags used for medical waste; thicker department store-style bags; bin liners and bin bags; nappy bags; dog waste bags—we do not want to go without those; and reusable bags. This measure has captured the imagination of the public. In my own electorate, the local CWA cheered when I told it that this initiative was coming about. These women have turned to recycling bits of cloth to make handmade shopping bags, which they are selling; the funds raised will go to help a local women's refuge. That is one example of how recycling can add to the economy and have another positive spin on it. This ban will require a change of habit. A number of stores have already announced that they have adopted this ban. It is a matter of having those reusable, multi-use bags in the car and having them available. It is going back to another time when we did not produce or have a requirement for literally tens and hundreds of millions of those grey bags that we all use. There are ways to avoid using those bags, which have a massive impact on the litter stream. It is good news and it is happening, as I said, in Queensland at the same time. It is a change and an improvement for the environment that has been welcomed by the community; indeed, I think some of the online assessments of the public's response to this has been up around 90 per cent approval. It is something that requires a change of practice, but I think the vast majority of people are embracing it. It will have a really positive outcome for the Western Australian environment.

[4.40 pm]

Mr R.S. LOVE: We were discussing earlier the vegetation offset program. I refer to the first note under "Explanation of Significant Movements" on page 559 of the *Budget Statements*. The final sentence reads —

The increase in income between the 2017–18 Estimated Actual and the 2018–19 Budget Target is due to the inclusion of income under the Vegetation Offset Account and forecast increases in fees and charges ...

Is the money that is flowing through the account from the vegetation offset program simply flowing through to the purchase of property to the restricted savings account or, in fact, is it being expended to provide environmental regulation services?

Mr M. Rowe: The way that the efficiency indicators are generally constructed for performance indicators for services is to require the allocation of the total cost of the agency across all our performance indicators. To that extent, we have to find a home for not only the direct costs associated with employing staff, but also any indirect costs, including budget funds such as the offset account moneys. It has to show up somewhere in our efficiency indicators, and in this case it has been allocated to the most relevant indicator, which is related to the work that we do in vegetation clearing permit applications. In no way does it mean that that money is being used in the process of assessing applications. It is restricted to acquiring properties.

Mr W.R. MARMION: I refer to the last dot point under “Significant Issues Impacting the Agency” on page 553 of budget paper No 2, which states —

The Department will commence work on a water allocation plan for the Fitzroy River to assist in achieving objectives for the Fitzroy River contained in the Government’s Plan for the Kimberley.

I confess that I have a heritage interest in this because my great-grandfather owned Liveringa station.

The CHAIR: Goodness! Farms and hockey; I am learning a lot about you, member for Nedlands!

Mr W.R. MARMION: I also lived in Derby in 1980, and at that time the then Public Works Department tried to divert a lot of fresh water that goes out to sea by spending \$20 million in 1980 dollars on a levee. It got washed out as soon as the water came down and the government lost \$20 million. No-one could see it because it was behind the trees. Can the parliamentary secretary give an indication when the water allocation will be completed? Will it focus on both bore allocations and allocations directly from the river?

Mr R.R. WHITBY: I cannot answer that, and I will not answer that, because, unfortunately, it is the wrong portfolio. It is a question for Minister Kelly. My apologies.

Mr W.R. MARMION: Does it not come under planning for the Department of Water and Environmental Regulation?

Mr R.R. WHITBY: It comes under the department but not the portfolios that are part of this division.

Dr D.J. HONEY: I refer to the spending changes table on page 551 of budget paper No 2. There is an ongoing allocation for the Port Hedland dust task force report. I am intrigued as to what that expenditure is for. I am aware that there has been an ongoing dust study. I am intrigued as to why we need an ongoing spend for that report.

Mr R.R. WHITBY: Obviously, the member is aware of the issues raised in Port Hedland. A task force report made available for public comment in late 2017 invited Port Hedland residents, organisations and interested parties to submit their views. The government is currently considering those submissions as well as the task force report itself. Funding has been included in this budget in anticipation of what may come as a result of the government’s response to that report. Some of the recommendations include certain actions, and the department has wisely allocated some funds depending on the government’s response. That is where we are at the moment.

Mr W.R. MARMION: Having been involved in the initial and follow-up reports under a number of portfolios, including as the then Parliamentary Secretary to the Premier, it is my understanding that a lot of the report refers to where the development boundary might be. Once the government makes a call—by the way, the boundary issue is controversial—it may not cost any money unless the government decides to do amelioration work. Can the parliamentary secretary outline whether that is the case; otherwise, not much money would be required?

Mr R.R. WHITBY: I will refer to the director general. The money allocated is for possible increased monitoring in the future, not planning issues. I am happy to hand over to Mr Rowe.

Mr M. Rowe: As the parliamentary secretary said, should the government response indicate support for the department doing additional work in this space, it will relate to air quality monitoring, as well as looking at risk-based reviews of licensed port premises up there and the implementation of dust management guidelines for bulk handling port premises. To the extent that the government adopts recommendations as part of its response, we will be delivering those actions that this agency is responsible for, as opposed to things that other parts of government might be delivering, with the funding that has been shown in the budget.

Dr D.J. HONEY: Given that there is a relatively finite number of point sources for the majority of the dust, would it not be more likely that there would be a cost-recovery process from the main users of the port area?

Mr R.R. WHITBY: Yes, that is correct, but obviously to establish that, there needs to be expenditure on monitoring as well.

Dr D.J. HONEY: That was the point of my question. I would have thought that rather than the government funding the monitoring, it would have required the users of the port to fund it.

Mr R.R. WHITBY: I am happy to refer to Mr Rowe for further detail.

Mr M. Rowe: Again, assuming the government accepts the recommendations, it would be our intention to look for cost-recovery arrangements with the industries that are effectively causing the impact in the first instance. This money will allow us to get on and undertake the activities up-front and look to recover the costs over time.

Mr W.R. MARMION: Indeed, I have been onsite and I saw one of the monitors, which, from my understanding, was on the BHP side and was being monitored by BHP. I think we could get real-time information on the laptop. BHP may not be funding all the air monitoring, but it was certainly funding the one that was fairly close to the housing area. I wonder whether the parliamentary secretary can confirm whether BHP is funding some of the monitoring.

[4.50 pm]

Mr M. Rowe: It is true to say that at the moment, industry is paying for its own monitoring network. One of the things that may be contemplated is that the Department of Water and Environmental Regulation assumes responsibility for that monitoring, rather than industry, to ensure community confidence in that exercise. Should that proceed, this funding will allow us to build that capability.

Mr R.S. LOVE: I refer again to the subject of offsets on page 561, but this time they are the Pilbara environmental offsets fund disbursements, which are listed as just over \$2.3 million for this coming year and in each of the forward estimates. What is the balance of the account that money comes from, just as we had the balance of the environmental offsets program? Can the parliamentary secretary tell me how transparent that program is in terms of where that money is coming from and where it is intended the money will be spent?

Mr R.R. WHITBY: Sorry; can the member repeat which line item he is talking about?

Mr R.S. LOVE: It is the Pilbara environmental offsets fund disbursements in the table under spending changes on page 561. It is five lines from the bottom.

Dr D.J. HONEY: It is on page 551.

Mr R.S. LOVE: Sorry; it is page 551. I have scribbled over my page number—sorry about that.

Mr R.R. WHITBY: I will refer the member to Mr Sutton for some more detail.

Mr A.X. Sutton: I will provide the detail on the fund that is going to be set up. It has not been established at this point in time and there is no money at this point. Through many ministerial statements over the years, which mainly involved iron ore mining in the Pilbara, there has been a requirement for offsets when there has been a significant residual impact. That figure is approaching \$90 million all up. Once the account is established, we expect \$7 million to go into it over the next year. At the moment, the money is in the budget figures, but a special account will be established for that.

Mr R.S. LOVE: The second part of the question is: for what reason is the money being collected and how is the department deciding where the money will go?

Mr A.X. Sutton: I will make two points. The money is being collected when there is a significant impact on biodiversity values. Primarily, it would involve a threatened species or the clearing of native vegetation. At the moment, the fund has been established with an advisory group to the minister, which will include a broad range of stakeholders from the Pilbara and also government agencies, but in particular representatives from Indigenous communities of the Pilbara area.

Dr D.J. HONEY: For what purposes could the fund be used? Is there any restriction or is it up to the imagination of that group that has been put together?

Mr A.X. Sutton: Over time, a number of ministerial statements have required offsets for biodiversity purposes. We are pooling that money together to get a greater landscape biodiversity outcome in the Pilbara. It might be used for supplementing our national parks and nature reserves, the management of feral animals or weed management and those types of issues that contribute to the improvement of biodiversity in the Pilbara.

Mr W.R. MARMION: As the parliamentary secretary knows, it is tricky when funds like this are set up in terms of where the money goes and having a governance structure in place so that all Western Australians have comfort in knowing that the money has gone to the right place after due consideration of all the options. My first question is: how are the people selected for the advisory board? This is important because the selection of members can be skewed to what a person would like. What processes will be in place once that advisory board—let us say that it is an advisory rather than a constituted board—has been selected? Will it advise the minister and then will the minister make the call, and under what premise would the minister make the call?

Mr R.R. WHITBY: I will seek some additional advice, but it is important to note that these funds stay in the Pilbara. In the past, a piecemeal approach has been taken, so this is a positive development, as Mr Sutton said earlier. A broader landscape impact can be achieved and we can really do some good with the pooling of those resources. I know that there is some significant input from the local community, the Aboriginal community and a range of stakeholders. I believe that the minister has the final say, but I will defer to Mr Sutton for the exact details.

Mr A.X. Sutton: Those arrangements are currently being put in place. The implementation advisory group will advise the minister. As I mentioned before, the group will contain a range of stakeholders. We are also looking at whether there needs to be a governance arrangement as part of that group so that it is clear the money is spent for the intended purposes and in the proper manner.

Mr W.R. MARMION: I will not comment because I was involved in discussions around this and it has been around for at least 10 years. Some of the criticism would be the possibility—I imagine it would not happen—that a director general may have their favourite PhD project in some area of environmental examination that might get favoured treatment. How do we put in place something that does not allow the advisory committee to favour one particular area of research or investigation?

Mr R.R. WHITBY: The department has to have very good, professional directors general like Mr Rowe here.

Mr W.R. MARMION: It would never happen with Mr Rowe.

Mr R.R. WHITBY: No, of course not. Mr Sutton can elaborate.

Mr A.X. Sutton: Again, it is really in the broad reach of that advisory group to make sure that it has local pastoralists and representatives from Indigenous communities on it and people who have a broad stake in the Pilbara region. That would ensure that one person does not dominate in those discussions.

The CHAIR: Member for Cottesloe, do you have a new question?

Dr D.J. HONEY: I do. I thought I would liven things up a bit in the later part of the afternoon. I refer to spending changes on page 551 in budget paper No 2. I am interested in the very top line item in the bottom table, “Scientific Inquiry into Fracking in Western Australia”. When can we expect that report to come out? At the same time as answering that question, I am keen to know what industry and community consultation will occur before the final report is released.

Mr R.R. WHITBY: The member would be aware that there is currently a statewide prohibition on fracking and we have announced a ban on it in the south west and the Perth and Peel areas. The issue remains in the rest of the state. A scientific inquiry will provide independent expert advice to the government with recommendations to determine whether a scientifically robust regulatory regime could result in the moratorium on fracking being lifted outside that south west area. That scientific inquiry will occur over a period of approximately 12 months and is due for completion in the second quarter of 2018–19 or towards the end of this calendar year. Does that answer the member’s question?

Dr D.J. HONEY: It partially does. What is the consultation process that will occur before the final report is released?

[5.00 pm]

Mr R.R. WHITBY: I am happy to refer to Mr Sutton for further information.

Mr A.X. Sutton: There are two elements to that. The first element was a call for public submissions based on some discussion papers, which ran from about November through to March. So far, that has received 9 915 submissions. So, it is very broad. The second element was a series of public meetings, which were held in late February and early March, in Broome, Perth, Dongara, Dandaragan and Fitzroy Crossing. There was a very broad range of stakeholder consultations through those various country meetings as well.

Dr D.J. HONEY: The question was, though, about the consultation for a draft report. I assume that a draft report will come out from that. What is the consultation process for that report or will it be simply a final report coming out?

Mr A.X. Sutton: Because it is actually a scientific inquiry, there will not be a draft report going out, just the final report. The community consultation has occurred and the scientific panel is currently putting the report together. There will not be a draft report.

[Ms M.M. Quirk took the chair.]

Mr R.S. LOVE: I refer to page 564 and the line items under “Royalties for Regions Fund”, which are listed under the subheading “Income from State Government”. Can the parliamentary secretary highlight what projects might be funded in the minister’s service areas 4 to 9 from royalties for regions and whether any of those projects had previously been funded by consolidated revenue? Given the lateness of the hour, I am happy to take that as supplementary information.

Mr R.R. WHITBY: The line item the member referred to is a water-related issue for Mr Kelly as well.

Mr R.S. LOVE: Is it? Do all the line items under the subheading “Income from State Government” refer to water, not to environment?

Mr R.R. WHITBY: To clarify, is the member referring to the line items “Regional Community Services Fund” and “Regional Infrastructure and Headworks Fund” under “Royalties for Regions Fund”, which is under the subheading “Income from State Government”?

Mr R.S. LOVE: Yes.

Mr R.R. WHITBY: They are part of the Water for Food program under Mr Kelly's jurisdiction.

Mr W.R. MARMION: I refer to page 551 and the line item "Keralup Hybrid Nanoclay Nutrient Project" under spending changes. It is a very interesting project, of which I have a fair bit of background knowledge, but maybe other people do not. It is a very important project because it uses Alcoa residue mixed in with the soil in a low-lying area to see whether it could retain —

Mr R.R. WHITBY: I can perhaps save the member's breath. I am very interested in Keralup, too, because it is near my electorate and I think it offers a range of opportunities, but, alas, it is a water issue.

The appropriation was recommended.

**Division 40: Biodiversity, Conservation and Attractions —Services 1 and 3 to 10, Environment,
\$354 644 000 —**

Ms M.M. Quirk, Chair.

Mr R.R. Whitby, Parliamentary Secretary representing the Minister for Environment.

Mr M. Webb, Director General.

Mr P. Dans, Deputy Director General.

Dr M. Byrne, Executive Director, Biodiversity and Conservation Science.

Ms M. Marsh, Acting Executive Director, Corporate and Business Services.

Mr M. Neilson, Manager, Strategy and Reform.

Mr D. Forster, Principal Policy Adviser.

[Witnesses introduced.]

The CHAIR: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or amount in the current division. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall be examined only in relation to their portfolio responsibilities.

The parliamentary secretary may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. I ask the parliamentary secretary to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the parliamentary secretary's cooperation in ensuring that it is delivered to the principal clerk by Friday, 1 June 2018. I caution members that if the parliamentary secretary asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

I give the call to the member for Moore.

Mr R.S. LOVE: I refer to page 569 of the budget papers and the voluntary targeted separation scheme. Can the parliamentary secretary enlighten me on how many persons who have taken up that scheme have been from regional areas and whether that has led to a reduction in total officer numbers in the regions?

Mr R.R. WHITBY: I will refer that inquiry to Morgan Marsh.

Ms M. Marsh: In relation to employees from a regional area, approximately 17 employees have been from a regional location and it has not affected frontline service delivery.

Mr R.S. LOVE: That is pretty good.

Mr W.R. MARMION: My question relates to page 576 of volume 2 of budget paper No 2. I refer to service 5, "Visitor Services and Public Programs Provided in National Parks and Other Lands and Waters". Is the parliamentary secretary or the department aware of the peer review undertaken by the City of Busselton on the management of the Canal Rocks boat ramp into the future; and, if so, has the department received a copy of the report and on what date was that report received?

[5.10 pm]

Mr R.R. WHITBY: I believe the minister has made a comment on this and that some workshops are being conducted at the local level. I will refer the matter to Mr Webb.

Mr M. Webb: To answer the member's question, yes, the report has been received. I do not have the date.

Mr W.R. MARMION: Has the report provided any new information on risks, including wave height and the frequency of safety incidents?

Mr M. Webb: Not that I am aware of.

Mr W.R. MARMION: The concern is that not very many boat ramps are in the locality, and if the Canal Rocks boat ramp is not in existence, it will have a huge impact on tourism and the operation of people who go fishing in that area. I was wondering whether the parliamentary secretary could enlighten the estimates committee about the plans the department might have in providing some sort of boating facilities around the Canal Rocks area. Indeed, if not at Canal Rocks, what would be the closest location for the next boat ramp?

Mr R.R. WHITBY: I am familiar with Canal Rocks and the type of sea conditions there. The member would appreciate that there is a safety issue, and primarily a concern about human life and launching boats into dangerous conditions. I can refer the member to Mr Dans to elaborate more.

Mr P. Dans: The department is certainly aware of the peer review that the City of Busselton enlisted in response to the department engaging MP Rogers and Associates, coastal engineers, to look at safety issues with the Canal Rocks boat ramp. The department engaged MP Rogers because of persistent concerns expressed by the Naturaliste Volunteer Marine Rescue Group and other frequent users of the ramp that it was unsafe. As the member would be aware, that particular review by the coastal engineers identified significant concerns and risks to the state of the boat ramp in that it was noncompliant with the existing Australian standard. The City of Busselton's report did not shed any new information. It questioned whether the findings of the MP Rogers report would have a flow-on effect to other boat ramps south of the twenty-second parallel in Western Australia. In response to the strategic location of the Canal Rocks ramp, the Minister for Environment has taken the decision that the ramp will not be closed for volunteer sea rescue purposes. It will remain open under some sort of permitted or controlled access methodology for volunteer sea rescue purposes. The department is in the process of engaging a completely new independent risk assessment authority to look at the previous two studies undertaken to basically leave no stone unturned and to look at ways that the risks that have been identified by the two studies and the concerns that have been expressed by RiskCover, the state government's self-insurance arm, and the State Solicitor's Office can be addressed, if there is indeed a mechanism whereby they can be satisfactorily addressed. That facilitated risk assessment process, which will involve key stakeholders, is likely to get underway before the end of the current financial year.

Mr W.R. MARMION: I thank Mr Dans for that comprehensive answer, which is a terrific answer I might point out. Mick Rogers was in my engineering class; he is a very good coastal engineer.

The CHAIR: Member, we are a bit limited for time. Can you restrict yourself to the question.

Mr W.R. MARMION: What I get from Mr Dans' answer, which is good, is that the department is exploring the possibility of how it could have the boat ramp there; obviously, that is important for sea rescues. That opens up the possibility of being able to lock it off in some way so that on dangerous days the public cannot use it, but on days when it is flat—sometimes it is flat; I know Canal Rocks too—it would be good for boats. Can the parliamentary secretary confirm that the department is looking for options like that?

Mr R.R. WHITBY: I will just make the observation that at times when the ramp has been locked, people have taken bolt cutters to get access to it, so it is quite problematic. If the member has ever been there on a rough day and seen the steepness of it, the member will know it can be quite treacherous. We are examining other options.

Dr D.J. HONEY: I refer to the bottom of page 576 of budget paper No 2. There is an explanatory note that discusses the cessation of royalties for regions funds for the new Kimberley national park and the great Kimberley marine park. Can the parliamentary secretary explain the cessation of royalties for regions funds for that park?

Mr R.R. WHITBY: Yes, I can. In fact, Mr Dans might be able to do better than I.

Mr P. Dans: I understand that some of the royalties for regions funds that have been allocated to those particular initiatives, which were initiatives of the former government, have not been able to be fully expended due to complications in entering into Indigenous land use agreements with the appropriate traditional owner groups. As a response to that, those funds have been redirected to other initiatives. That is my understanding.

Dr D.J. HONEY: My understanding is that some of those projects were designed to protect important biodiversity locations. Are there other projects to protect those biodiversity locations?

Mr R.R. WHITBY: My understanding is that those projects had a time frame and the project was delivered. But certainly we have two significant election commitments for the environment in that part of the world—that is, the expansion of the Fitzroy River National Park and the Buccaneer Archipelago. There is certainly very much a major environmental push in protecting the environment in that part of the world.

Dr D.J. HONEY: I appreciate that there are initiatives, but are there going to be any ongoing initiatives to protect the regions that were previously covered by this program?

Mr R.R. WHITBY: Yes, as I said. I will let the director general explain further.

Mr M. Webb: The answer is yes. Mr Dans explained that there is some discussion around some of the reallocation of funding away from some projects to newer projects. I am happy to provide that by way of supplementary, if the parliamentary secretary agrees. But I just make the point that it is still a conversation that is currently underway.

Dr D.J. HONEY: I would appreciate that.

The CHAIR: Parliamentary secretary, could you indicate what you will provide by way of supplementary information?

Mr R.R. WHITBY: Through Mr Webb, we will provide more details if possible. I will let Mr Webb explain.

Mr M. Webb: As I understand the question, the member is asking for detail around the cessation of the royalties for regions funding previously allocated to the new Kimberley national park and the great Kimberley marine park.

Dr D.J. HONEY: And what follow-up projects will be for that area.

The CHAIR: The parliamentary secretary has agreed to provide supplementary information on the new Kimberley national park, the cessation of the royalties for regions and any ongoing projects.

Mr R.R. WHITBY: Mr Webb, is that correct?

Mr M. Webb: For the new Kimberley national park and the great Kimberley marine park. There are two issues.

[*Supplementary Information No B18.*]

[5.20 pm]

Mr R.S. LOVE: I want to ask a question about the Aboriginal ranger program referred to in the second dot point on page 570. An amount of \$20 million has been allocated to a five-year program employing Aboriginal people through direct employment or fee-for-service contracts. What steps will be taken to ensure that this becomes a self-sustaining program? The issue I see is that at the end of five years, it will fall off a cliff if there is no ongoing ranger program. Will steps be taken to ensure that this program is developed and involves elements of self-sustaining income so that employment can continue in the future? Does it have any relationship to the various Indigenous land use agreements that are mentioned at the bottom of that same page; and, if so, would that help to sustain that program?

Mr R.R. WHITBY: It is a good question. Part of this ranger program involves upskilling rangers, exposing them to employment skills and increasing their viability in the workforce. Contracts are available for fencing, whereby those skills can be attained through this program so that at the end of that period there are opportunities to provide their services. There is an acknowledgement, if you like, that there are very few employment opportunities in some of these areas, but this is about upskilling people to a level at which they can seek other contracts that are available through the government or the private sector. We are very much aware that this is about giving people who sometimes have never been in employment before job skills so that they are able to seek contracts and employment after the scheme.

Mr R.S. LOVE: Could the parliamentary secretary expand on the development of the program? Are the total number of rangers that may be employed already employed or will more rangers join that program in different areas of the state in the future?

Mr R.R. WHITBY: I will refer that question to Mr Webb for some more details.

Mr M. Webb: This is a \$20 million program and \$8.5 million has been allocated in the first tranche. Part of setting up the program was to have conversations with the Aboriginal groups that will possibly be the recipients of the money to understand the types of projects they would like to undertake. The intention is to look at the way this first tranche is spent, to learn from that, and to have at least one, if not two, additional funding rounds to make sure there is an ongoing commitment to the Aboriginal ranger program across the state.

Mr R.S. LOVE: To be clear, are rangers employed under the program only on land in the control of the department, or is this a wider program?

Mr R.R. WHITBY: It is not confined to that, but I will let Mr Webb explain.

Mr M. Webb: As the parliamentary secretary indicated, it is tenure-blind, so although some work is done on lands managed by the department, equally there will be work done on lands managed or owned by others.

Mrs J.M.C. STOJKOVSKI: I refer to “Significant Issues Impacting the Agency” on page 570 of volume 2 of budget paper No 2. My question relates to the creation of Preston River to Ocean Regional Park. Can the parliamentary secretary provide more details on this plan and explain how the investment will benefit the Bunbury region?

Mr R.R. WHITBY: Certainly. Preston River to Ocean Regional Park has a significant investment of \$10.5 million in the 2018–19 budget to fast-track the creation of a continuous reserve of almost 900 hectares from the south of Bunbury, west of the Preston River to the coast. The new regional park will secure a much-needed regional open space for the greater Bunbury region. The environment is not intended to be simply locked away, but enjoyed by

the community and preserved at the same time. That part of the world has significant biodiversity and cultural values. This money will go towards fencing and gates and the construction of walkways, firebreaks and lookouts so that the public can have access and enjoy this natural facility. The funding will also help to fund the 2 297-hectare Leschenault Regional Park, which will extend along the Collie and Brunswick Rivers and westwards across the Swan coastal plain. This is a great news story for people in Bunbury and Collie. As the member is probably well aware, there has been huge growth in that part of the world and particularly south and north of Bunbury. This is about not only preserving a natural environment and making sure that growth pressures do not infringe on the area, but also locking away a vulnerable natural resource for the people of Bunbury and Collie to enjoy.

Mr W.R. MARMION: Preston River broke its banks in 1964 and flooded a lot of Bunbury, the low-lying area in Rathmines, and as a result the government did a lot of remedial work, including changing where the mouth entry —

The CHAIR: Is there a question, member?

Mr W.R. MARMION: Yes. The Chair cut me off, but I was going to say, the government changed the location of the mouth of the Preston River through remedial works. Will the department change the actual location of the Preston River to create this new park?

Mr R.R. WHITBY: I will find out. Was that one of the member's early engineering jobs?

Mr W.R. MARMION: No, I was only a little boy at the time.

Mr R.R. WHITBY: No. There is no movement.

Mr M.J. FOLKARD: My question relates to the current trends in visitation to national parks in Western Australia, which is referred to on page 570 of budget paper No 2. Can the parliamentary secretary provide us with more details on the trends in camping and related use of our national parks?

Mr R.R. WHITBY: I thank the member for the question.

Mr M.J. FOLKARD: It ties all this together.

Mr R.R. WHITBY: Indeed. There has been a big upsurge in visitation. In 2016–17, it was recorded at 20.73 million visits and visitor satisfaction was ranking at about 92 per cent. There has been a 68 per cent increase in campground bookings since the launch of the online booking system in October 2017 and campground revenue increased by more than 12 per cent from 2015–16 to 2016–17. The member may be well aware of some of these camping locations. Is the member for Burns Beach a keen camper? Even I have been to some of these sites. They include Cape Range National Park; Karijini National Park in the Pilbara; Lane Poole Reserve near Dwellingup, which is very popular; Leeuwin–Naturaliste National Park in the south west; Cape Le Grand National Park on the south coast; and many others.

[5.30 pm]

The significant growth in visitor numbers is quite interesting. There has been about a 23 per cent increase in visitors to national parks in the south coast region around Albany. I guess that reflects some of the growing tourism interest down in Albany. It is important that government continues to connect families to national parks. For example, a couple of weeks ago, I attended a nature play event in Joondalup where they were promoting Cubby Town with the Department of Biodiversity, Conservation and Attractions. The idea was to attract families to Yanchep National Park and, from there, encourage people to take their children to other national parks around the state.

The last point I want to make about our national parks is the place of origin of visitors—13 per cent are interstate visitors and 10 per cent are international visitors. That means about one quarter of all visitors to national parks come from outside Western Australia. I guess it is part of the natural environment tourist message that the Minister for Tourism is promoting. That figure relates to five million visits per annum made to national parks by visitors to Western Australia. That demonstrates how important our parks are as part of the magnet of attractions that draw people to Western Australia and have a spin-off in promoting tourism in Western Australia, which promotes jobs and opportunities for local businesses. Visitation reflects a pretty good story.

Mr W.R. MARMION: I refer to page 577 and table 6, “Conserving Habitats, Species and Ecological Communities”. My question is about Cockburn Sound. Can the department outline what conservation values are important in Cockburn Sound and what monitoring has been done? I understand seagrass is probably the main issue. Can the parliamentary secretary please outline what sort of conservation work is being done on that?

Mr R.R. WHITBY: Will the member take a supplementary on that question?

Mr W.R. MARMION: Sure. The issue will then be those environmental values and the likely impact of any harbour development—it could be an outer harbour, a lithium wharf, or the expansion of the Henderson shipbuilding yard. The issue is: what are the values and what are the likely impacts of future development?

Mr R.R. WHITBY: Perhaps given the fullness of the member's question, I will refer it to Mr Webb.

Mr M. Webb: My understanding is that this activity comes under the auspices of the Department of Water and Environmental Regulation and part of the Cockburn Sound Management Council. I therefore do not believe we have anything other than an advisory role in assisting the work.

Mr W.R. MARMION: I should have asked it of the last mob!

The CHAIR: Parliamentary secretary, there will not be supplementary information.

Mr R.R. WHITBY: There is no supplementary.

Dr D.J. HONEY: I refer to budget paper No 2, table 9, “Prescribed Burning and Fire Management”, and table 10, “Bushfire Suppression” on page 578. The tables show a combined reduction of 59 people for bushfire management and suppression. That seems to conflict, potentially, with the first dot point under “Fire Management” on page 571, which indicates an additional allocation of \$5.5 million for controlled burns. How is that reduction being achieved? Will it reduce the capacity to control bushfires currently and potentially in the future in our national parks and forests?

Mr R.R. WHITBY: We have a pretty good story to tell about prescribed burning but that is a different issue. I refer this to Mr Dans.

Mr P. Dans: It would be fair to say that the figures in the *Budget Statements* are not at all an accurate representation of the number of FTEs involved in the activity. They are, indeed, a pro-rata allocation of the department’s total FTEs across each of the 10 services according to the relative amount of funding allocated to those services. It does not reflect accurately the number of staff involved in those duties on a day-to-day basis. I can let the member know that across the state, the department has in the order of 100 dedicated fire management officers from Kununurra to Esperance and everywhere in between. There are approximately 320 frontline fire fighters who man trucks and are involved in bushfire suppression and undertaking prescribed burning. There are probably another 500 staff who might not specifically have fire management as one of their core duties, but they step up and lend a hand to fire management activities, be it bushfire suppression or prescribed burning, as required. It would be fair to say that there would be something in the order of 800 to 900 individual department employees out of 1 800, so in the order of half, who are involved in our fire management programs throughout any year, be it bushfire suppression or prescribed burning.

Dr D.J. HONEY: Will we see any reduction in the specialists; that is, not general staff, but the frontline and the first 100 staff? I could not quite catch whether it was planning or coordinating staff. Will there be any reduction in that staffing?

Mr P. Dans: I guess, one of our criteria in addressing the requirement to reduce our workforce has been to make sure that we do not compromise the frontline service delivery around the state. As the parliamentary secretary indicated, there were close on 21 million visits. Ensuring our ranger staff numbers are not compromised in our 100 national parks and 20 marine parks around the state is critical. Ensuring our fire management capacity in both prescribed burning and fire suppression is not compromised is critical. That principle has guided our approach to the voluntary targeted separation scheme.

Dr D.J. HONEY: Parliamentary secretary, I did not hear whether there was any actual reduction in the frontline firefighting staff and the 100 FTE nominated in that function.

Mr P. Dans: The answer is no, member.

Mr R.S. LOVE: The prescribed burning last year was a boosted program of prescribed burning under royalties for regions. Has the department sought to continue that boosted program, or has it caught up with the targets first outlined for the royalties for regions program and the prescribed burning task generally?

Mr R.R. WHITBY: The program the member talked about was funded through RforR under the previous government. We continued because we saw that it was a good program to continue. That has been running, but we will review the ongoing demands of prescribed burning.

Mr R.S. LOVE: I do not think that answers the question. I was asking whether the department had achieved all the targets set and whether that puts the department in a position in which it felt we were at the optimum level of prescribed burning so that it does not need to continue to boost.

The CHAIR: I think that was a further question, member, you did not say some of that the first time round.

Mr R.S. LOVE: I did say that. If you want to go through Hansard, you will find those elements were in the question.

Mr R.R. WHITBY: Thank you, member. This is an ongoing process, and we have achieved the targets we set for prescribed burning. I would like to refer you to Mr Webb for some more detail.

[5.40 pm]

Mr M. Webb: I will make a comment then pass on to Mr Dans. The targets for last year and this year remain 200 000 hectares, which represents 45 per cent of the conservation estate at a fuel age of less than six years. In the last two years, that target has been achieved. The aim is to have a further conversation with Treasury about ongoing support for that program. That is an active conversation that we are having right now. For the current program, my recollection is that we are at 42 per cent of the 45 per cent target. I will seek confirmation from Mr Dans on that figure.

Mr P. Dans: As the director general said, last year we achieved 247 000 hectares in the south west. As the parliamentary secretary and the director general said, our notional target is at least 200 000 hectares. As of this morning, we have achieved 216 000 hectares. As the director general said, at the end of the 2016–17 financial year, 41 per cent of the land we manage in the south west had a fuel age of less than six years. It will probably be slightly better than that at the end of this financial year in a little over a month's time. However, after this week's cold front, I expect that our program will be shut down and that that will be the end of it in the south west. As referenced by the parliamentary secretary, it is an ongoing process. After five years, the fuel will not be less than six years old anymore. To get on top of fuel loads and to really limit the incidence and extent of bushfires, you have to consistently maintain at least 200 000 hectares year in, year out. It would be fair to say that Western Australia has not achieved that in the south west for probably two to three decades. In the old Forests Department days, it was achieved consistently or averaged above 200 000 hectares over a full decade. That is what we are aiming to do. To cast back to the start of the member's question, the Minister for Environment is acutely aware of the funding situation as the enhanced prescribed burning program enters its last year on 1 July and will conclude on 30 June 2019. The Department of Primary Industries and Regional Development and the Minister for Regional Development have also been made aware that that program is coming to a close. The issue will be given due consideration in government well in advance of that time.

The CHAIR: Member for Nedlands, did you have a further question?

Mr W.R. MARMION: That comprehensive answer answered my question.

The CHAIR: It was comprehensive, wasn't it?

Mr R.S. LOVE: I refer to "Royalties for Regions Fund" under "Income from State Government" on page 582 of the *Budget Statements*. This can be answered either now or perhaps the parliamentary secretary could supply this as supplementary information. What programs are being funded in service areas 1 and 3 to 10 are being funded by royalties for regions and what components and percentage of them are being funded by royalties for regions?

Mr R.R. WHITBY: The member's request is quite comprehensive. I will refer to Mark Nielson for a response.

Mr M. Neilson: The department is currently receiving royalties for regions funding for 13 projects. They tend to be concentrated in service 5, visitor services, with a component in service 6.

Mr R.S. LOVE: Given the time, I would be very happy to take that as supplementary information if the parliamentary secretary could provide that. I know these other guys have questions.

The CHAIR: Alternatively, member, you can put it on notice.

Mr R.S. LOVE: They have the information there so it is not hard to provide. I am just trying to save a bit of time for everybody.

Mr R.R. WHITBY: Yes, Chair; we will take that as a supplementary.

The CHAIR: All right. For the purposes of Hansard, parliamentary secretary, can you articulate what information will be provided by way of supplementary information.

Mr R.R. WHITBY: Mr Neilson, can you detail what that would involve?

Mr M. Neilson: We will be able to provide information regarding the projects funded by royalties from regions against services 5 and 6. I understand that there is also a request for information regarding programs that have come to an end. We can provide that information as well.

The CHAIR: Is that for all programs or just under services 5 and 6?

Mr M. Neilson: Just for 2018–19—the current programs that are being funded.

Mr R.R. WHITBY: I will clarify it further. We are going to supply additional information on royalties for regions programs under services 5 and 6.

[*Supplementary Information No B19.*]

Mrs L.M. O'MALLEY: I refer to the third dot point under significant issues impacting the agency on page 570 of the *Budget Statements* about the creation of a new Fitzroy River national park. What community consultation has been done in the planning for the reservation of this important regional area?

Mr R.R. WHITBY: It is a significant part of the world. The consultation that is being done will feed into an overall whole-of-government management plan for the Fitzroy catchment to ensure the long-term health of the river and sustainable economic development in the region. In March, the Minister for Environment met with his ministerial colleagues the Minister for Regional Development; Agriculture and Food and the Minister for Aboriginal Affairs and around 80 other people, including traditional owners and representatives from local Aboriginal groups, pastoralists, environmental organisations, government agencies, industry and the wider community. This workshop was the first stage of wide community consultation focusing on the creation of a jointly managed Fitzroy River national park, a land use and economic framework for the Fitzroy River and a water

allocation plan for the entire river system. The Fitzroy River catchment has significant cultural, environmental and economic value. Some of the catchment is within the West Kimberley national heritage place. The area has rich biodiversity and Indigenous historic and aesthetic value. A collaborative cross-government approach will ensure the delivery of the McGowan Labor government's commitment to the Fitzroy River to provide a secure long-term future for the region. The proposed Fitzroy River national park will extend the existing Geikie Gorge National Park along the Fitzroy River to the north and along the Margaret River to the east. The minister has reaffirmed his commitment that he will not let the Fitzroy River or its tributaries be dammed. Determination of the boundaries of the new expanded national park and the preparation of the management plan will require extensive consultation about the impact on stakeholders. That will be considered as part of the process. It is a beautiful part of the world and a significant natural asset.

[5.50 pm]

Dr D.J. HONEY: I refer to page 574 of budget paper No 2, volume 2, and the table "Outcomes and Key Effectiveness Indicators", in particular the outcome for the cumulative removal of jarrah sawlogs. It appears that this year's budget is 764 000 cubic metres, with an estimated actual just shy of 500 000 cubic metres and an increase next year. We achieved only 382 000 cubic metres in 2016-17. What is driving the shortfall, or what stops us from achieving the targeted cumulative removal of sawlogs out of the forest?

Mr R.R. WHITBY: I have been told that it is simply a condition of the market that the demand is not there. It is an issue for the Forest Products Commission, which does not come under this jurisdiction.

Mr W.R. MARMION: I refer to service 5 on page 576, "Visitor Services and Public Programs Provided in National Parks and Other Lands and Waters". My question relates to whale carcasses. Firstly, can the parliamentary secretary confirm whether any whale carcasses are currently on our beaches? Secondly, how many whale carcasses have washed up on our beaches in the last 12 months?

Mr R.R. WHITBY: I thank the member for the question. The member might recall the mass stranding at Hamelin Bay, and another whale beaching that was impractical to remove because of the state of the carcass and the advanced rotting of the carcass.

Mr W.R. MARMION: The questions were: are any whales beached right now, and how many whales washed up on Western Australian beaches in the last 12 months?

Mr R.R. WHITBY: I refer to Mr Webb.

Mr M. Webb: I am aware of only one carcass in the south west, which is the one that the parliamentary secretary referred to. It weighs approximately 20 tonnes and is in an inaccessible place, and it is not safe for anyone to remove it. It is breaking up. Certainly public safety is an important issue for us. A government strategy or policy on whale carcass removal applies in these circumstances. I am not aware—I am not sure whether Mr Dans is either—of the numbers that have been stranded or the number of whale carcasses that have washed up in the last 12 months. With the permission of the parliamentary secretary, we would need to take that as supplementary.

Mr W.R. MARMION: Is it possible to get by way of supplementary information an idea of the number of carcasses that have washed up in the last three years so that we can determine whether there has been an increase? On a point of clarification, does responsibility for the removal of carcasses depend on whether they are in the water or on the beach? Is there a responsibility issue?

Mr R.R. WHITBY: I am aware that there is cooperation across agencies so maybe another agency is involved if one is still out at sea. I refer to Mr Dans.

Mr P. Dans: In answer to the first part of the question, it would be fair to say that over the last two or three decades, there has been a very, very significant increase in the number of humpback whales going up and down the west coast. The current estimate is in the order of 35 000, whereas two or three decades ago, it was a couple of thousand, or less than 5 000. As a result of that very, very significant increase in the population size, more whales are dying and floating ashore dead than was the case two or three decades ago, most certainly. The state government's policy on the removal of whale carcasses is tenure based. If a carcass is in a marine park, a national park or lands managed by the department, we take responsibility for the removal. If a carcass is on lands that are managed by a local government authority, the local government is responsible for the removal and disposal of the carcass. Over the past two or three years, we have provided significant advice to local government by way of DVD briefing material as to how to go about removing a carcass most cost effectively and efficiently so that whale fluids and bits and bobs and the like that attract sharks are not left on the beach. There is quite a clear process and division of responsibilities in place. In very, very remote locations where public visitation is incredibly low, the carcass will be left to degrade and decompose naturally.

Mr W.R. MARMION: When a whale carcass is being removed, are signs put up to advise the public of the carcass and not to use the beaches because the carcass may attract great white sharks?

Mr P. Dans: Absolutely. Local governments in populated areas around the south west of the state right up to Exmouth and even further rapidly deploy signs when a carcass is around. Certainly we do in national parks and reserves that are above the high watermark, and I know that local governments in the south west corner certainly do.

Mr R.S. LOVE: I refer to page 570 and “Significant Issues Impacting the Agency”, in particular the subheading “Joint Management and Visitor Services”. The second dot point on page 571 refers to the Kalbarri skywalk and national park infrastructure project. How much more delay will there be before that project is finished, because it seems to have been going for quite some time?

Mr R.R. WHITBY: The member might be aware that there have been particular issues with this project that have been outside of government control. The contractor, Watpac Construction, has had financial difficulties and that has delayed work. I have been advised that the roadworks are basically done and the only significant work yet to done is on the skywalk lookout and some associated infrastructure. That work has been advertised and contractors can bid on it until it closes this month. We are expecting the whole project to be finished in about one year.

Dr D.J. HONEY: I refer to page 569 of budget paper No 2, volume 2, and the table “Spending Changes”. There has been a saving of more than \$6 million over the estimates period with changes in the fleet. What is the nature of those changes; in particular, do they include a reduction in the fire suppression fleet?

Mr P. Dans: The department has two sets of fleet for fire suppression and fire management activities. We own our heavy fleet, which in the order of 110 to 115 heavy-duty fire trucks that carry about 3 000 litres of water, and 20 pieces of heavy earthmoving equipment, such as front-end loaders, prime movers, bulldozers and low loaders and the like to move them around. The savings do not affect the critical core fire suppression or fire management fleet.

The appropriation was recommended.

Meeting suspended from 6.00 to 7.00 pm

Division 31: Office of the Inspector of Custodial Services, \$3 554 000 —

Ms M.M. Quirk, Chair.

Mr F.M. Logan, Minister for Corrective Services.

Mr A. Harvey, Acting Inspector of Custodial Services.

Mr D. Summers, Manager, Corporate Governance.

Mr T. Palmer, Chief of Staff, Minister for Corrective Services.

Mr B. Winmar, Principal Policy Adviser.

Ms R. Marton, Senior Policy Adviser.

[Witnesses introduced.]

The CHAIR: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee’s consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or amount in the current division. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall be examined only in relation to their portfolio responsibilities.

The minister may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister’s cooperation in ensuring that it is delivered to the principal clerk by Friday, 1 June 2018. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

The member for Dawesville has the call.

Mr Z.R.F. KIRKUP: I refer to page 401 of the *Budget Statements* and the appropriations for the Office of the Inspector of Custodial Services to deliver services. From 2018–19 to 2019–20, it seems there will a reduction in total appropriations. I am keen to understand the reduction and how it came about.

Mr F.M. LOGAN: Is the member asking about total appropriations in the forward estimates?

Mr Z.R.F. KIRKUP: It is from the 2018 budget estimate to the 2019–20 forward estimate.

Mr F.M. LOGAN: I understand the column the member is looking at, but is the member asking about the delivery of services or the total appropriations?

Mr Z.R.F. KIRKUP: Total appropriations.

Mr F.M. LOGAN: That is from \$3.554 million to \$3.539 million. Mr Summers will add a few points about that.

Mr D. Summers: Certainly. The office has had to make some efficiency cuts and what have you. The intention of those cuts has been to do less with less, and so far we have been able to find efficiencies. This is an example of

the decline in our budget. Added to that, the cuts resulting from the voluntary targeted separation scheme will reduce it even further. I can advise that we will be fine cash flow-wise in the coming financial year, but we have sung the same chorus over the last five years and the 2019–20 financial year will be a crunch year for us. If we can no longer find efficiencies, we will have to reduce our outputs in some way.

Mr Z.R.F. KIRKUP: On the same line and matter, Mr Summers said, “We do less with less”. I am keen to understand what that means. Does that mean fewer inspections?

Mr F.M. LOGAN: It could be fewer inspections, but I doubt it. It could be less overall work done in the office. Mr Harvey?

Mr A. Harvey: Yes. One of the things we have been looking at is stopping our hard copy publications and relying on online releases of information. That will cover one full-time equivalent, but the consequence will be that prisoners will no longer be able to read what we have said about our prisons because we cannot provide electronic information to them.

Mr Z.R.F. KIRKUP: To clarify, does the minister expect there to be an overall reduction in the amount of announced and unannounced inspections of prisons?

Mr F.M. LOGAN: I do not think that will happen. The timetable for inspections has already been set for the rest of this year and into next year. I expect those inspections to be done.

Mr Z.R.F. KIRKUP: So there will be no overall net reduction?

Mr F.M. LOGAN: There will be no reduction —

Mr Z.R.F. KIRKUP: Great. Thank you very much, minister.

Mr F.M. LOGAN: — because the timetable for the inspections is set out.

Mr Z.R.F. KIRKUP: Great. Thank you.

Mr P.J. RUNDLE: I refer the minister to page 346.

The CHAIR: I think that might be another division.

Mr P.J. RUNDLE: Sorry.

The CHAIR: It is a different division.

Mr P.J. RUNDLE: Am I in the wrong division?

The CHAIR: We are dealing with division 31.

Mr P.J. RUNDLE: Okay.

Mr Z.R.F. KIRKUP: Division 31 first—Office of the Inspector of Custodial Services.

Mr P.J. RUNDLE: I will come back that then.

Mr Z.R.F. KIRKUP: I refer to page 403 and note the FTEs there stated. I see there has been a reduction —

The CHAIR: Member, can you indicate where on the page you are referring to?

Mr Z.R.F. KIRKUP: The bottom third of the page and the line item in the table “Employees (Full Time Equivalents)” for 2017–18 and 2018–19. I see there is an overall net reduction of one. Can the minister explain what that is and whether it will have an impact on the Office of the Inspector of Custodial Services?

Mr F.M. LOGAN: That is all part of the normal process of trying to get our budget back into order. Those budgetary requirements apply to every single agency across government, including the Office of the Inspector of Custodial Services. It is expected to comply with the directions from Treasury to find efficiencies. In this case it was one particular body. I will pass over to Mr Harvey to find which position that was.

Mr A. Harvey: That was part of the voluntary targeted separation scheme. The coordinator of the independent visitor scheme has accepted a package, and we are looking at either amalgamating that with another position or holding it separate but at a reduced FTE.

Mr Z.R.F. KIRKUP: I appreciate the minister’s preamble at the beginning of that answer on the efficiencies that have to be found in all agencies. Just on that in the same table, can the minister explain why the costs per visit continue to increase if this optimisation or efficiency is such a requirement? I see that the costs on the efficiency indicators on that table continue to increase. I do not understand why that is given, as the minister said, they have to come down.

Mr F.M. LOGAN: I will pass that question over to Mr Summers.

Mr D. Summers: It is just an estimate at this stage. We do not know how the removal of the independent visitor coordinator—a level 4 officer—will impact the rest of the team.

I genuinely suspect that level 6 officers will have to pick up work that would otherwise be done by level 4 officers. I suspect that by getting get rid of an FTE, although we can absorb it, we are just shifting the load onto senior officers. Paying senior officers to do level 4 duties when they are being paid level 6 salaries is inefficient.

[7.10 pm]

Mr Z.R.F. KIRKUP: My apologies for my hearing, did Mr Summers say that the agency would not be able to absorb the loss? Did I hear that correctly?

Mr D. Summers: We can absorb it. We are going to be fine for the next 12 months—not a problem—but the workload needs to be done. Our coordinator is coordinating 40 visitors. That work, whether it is interviewing, recruiting and all that, will be picked up by level 6 senior officers, whose role it is to do inspections and not to coordinate. Therefore, there is an inefficiency at that level, which at this stage I can only anticipate reflects on the efficiency indicator.

Mr F.M. LOGAN: Mr Harvey would like to add to that.

Mr A. Harvey: We cannot confirm what the final consequences will be. There is a commitment to restoring a level 2 position, which we have been temporarily holding vacant while a person has been acting in another position. There will be a review of the structure. I agree with Mr Summers that there may be some consequences in the costing of the level 6s, but it may also go the other way with a level 2.

Mr P.J. RUNDLE: I refer to page 403, under the heading “Inspection and Review of Custodial Services”, the first line, total cost of service, three-quarters of the way down the page. Can the minister provide a rate of return of detention for juveniles in regional Western Australia on a region-by-region breakdown?

The CHAIR: I am not sure this is the right division in which to ask that question.

Mr F.M. LOGAN: That is not for this division.

The CHAIR: We are dealing with the Office of the Inspector of Custodial Services. I think that question relates to other areas of the minister’s portfolio.

Mr F.M. LOGAN: The member can ask that same question under the Corrective Services portfolio.

Mr P.J. RUNDLE: Does the minister feel it is more related to that?

Mr F.M. LOGAN: Yes.

The CHAIR: It is not related at all to the Office of the Inspector of Custodial Services.

Mr P.J. RUNDLE: It is about juvenile detention centres, so that is why I felt it was related to this division.

The CHAIR: Look at note 1 on page 403.

Mr P.J. RUNDLE: That is fine. I am happy to refer to that.

The CHAIR: Try again.

Mr P.J. RUNDLE: I refer to note 1. Will the minister provide a completion rate of community-based orders for juveniles in regional Western Australia?

The CHAIR: Member, I am sorry. I have to stop you there.

Mr P.J. RUNDLE: Does the Chair still feel my question is not relevant?

The CHAIR: This division deals with inspections. The member needs to wait another until division. Member for Kalgoorlie?

Mr K.M. O’DONNELL: Again, I refer to the average cost per liaison visit under services and key efficiency indicators on page 403. The budget is \$10 000. What does a liaison visit entail to cost \$10 000?

Mr F.M. LOGAN: Mr Harvey will explain.

Mr A. Harvey: We inspect roughly six prisons or detention centres each year. In addition, we undertake a number of liaison visits. We try to aim for between four and six visits—four for the regionals, six for the major metropolitan prisons. Each of those liaison visits, which is a continuous form of inspection, results in a report being provided to the inspector. As part of our indicators, that is the number of reports. We are aiming for about 100.

Mr D. Summers: The target is 90, but we achieve about 100.

Mr A. Harvey: That is what those reports are.

Mr Z.R.F. KIRKUP: My last question; I appreciate the minister’s indulgence: I refer to the significant issues impacting the agency on page 402. I note that the first dot point, as Mr Summer alluded to, certainly in the previous budgets paper I have read—indeed of the past government’s budgets—it is almost a replication of what has been stated previously. Given the significant issues impacting the agency and the projected record prison estate, I am

keen to understand any concerns the minister might have given the overall reduction in FTE in the agency, which is the smallest budget that I have seen for this agency going back many, many years. In light of those issues, does that give the minister any cause for concern about the resources and the ability of the Office of the Inspector of Custodial Services to do its job? I note that it does a good job with the resources it has, but does that present any concerns for the minister and the government?

Mr F.M. LOGAN: No, it does not. Obviously, we would not be in this position had it not been for the previous government, who put us in this position in terms of the budget. As I indicated, every agency is facing this problem. The Office of the Inspector of Custodial Services is no different. If we are talking about job losses and about people taking voluntary retirement or voluntary redundancy packages, we are talking about one person in the office. On top of savings from the VTSS, which was done on a pro rata basis across all agencies—it is not as though this agency was singled out—the agency has been able to achieve streamlining of corporate services by abolishing and incorporating the business services officer position; streamlining its administrative processes; outsourcing its telephony services; decentralising its travel and accommodation bookings and guest pick-ups to staff; self-service of stationery orders, urgent mail and equipment, loan and logging—I am surprised the member did not ask a question on notice about that—and processing duties placed on other administrative team items. Along with that, I point out that when the member looks at the increase in the net cost of service on page 403 when compared with the 2018 target compared to the 2017–18 budget, I refer the member to the fact that the appropriation and total cost of service is going down by \$15 000 between the coming financial year and the out year. But the office has been able to achieve those savings through the means I have just outlined to the member without a reduction in the number of inspections.

Mr Z.R.F. KIRKUP: I appreciate the minister’s response. Should we anticipate a 5.2 per cent reduction in FTE across the other agencies that we will deal with tonight? This may be only one person, but it represents a significant impact on the workforce.

Mr F.M. LOGAN: I told the member once before that it was done on a pro rata basis and not on a percentage basis in the way the member has outlined.

The appropriation was recommended.

[7.20 pm]

Division 27: Fire and Emergency Services, \$68 812 000 —

Ms M.M. Quirk, Chair.

Mr F.M. Logan, Minister for Emergency Services.

Mr D. Klemm, Commissioner.

Mr L. Bailey, Deputy Commissioner, Operations.

Mr M. Cronstedt, Deputy Commissioner, Strategy and Emergency Management.

Mr J. Tillman, Acting Executive Director, Rural Fire Division.

Mr R. Burnell, Acting Executive Director, Corporate Services.

Ms G. Camarda, Director, Business Services; Chief Finance Officer.

Ms M. Onorato-Sartari, Senior Policy Adviser.

Mr T. Palmer, Chief of Staff, Minister for Emergency Services.

[Witnesses introduced.]

The CHAIR: Member for Roe.

Mr P.J. RUNDLE: I refer the minister to page 365 and the first dot point under “Significant Issues Impacting the Agency”. I want to ask about the perceived improvements that the division structure will bring about. How will the department and, more specifically, the division mitigate the issue of head command posts being removed from on-the-ground emergency response, as we saw in the Esperance fires in 2015?

Mr F.M. LOGAN: I take it that the member is talking about the creation of the rural fire division out of the machinery-of-government restructure of the Department of Fire and Emergency Services. Is he talking about how the divisional structure will impact on incident control units?

Mr P.J. RUNDLE: That is right. How will the communication levels improve so we do not see a breakdown of communication, as we did on that particular occasion?

Mr F.M. LOGAN: I will hand the Esperance issue over to the commissioner and whoever else from operations to add some comments about that in a second. As I have already explained to the member and to the other National Party members who were at the briefing in the National Party room, the rural fire division is made up of a number of components, some of which already exist in the department—for example, the office of bushfire risk

management—and some new parts of that division, being the bushfire centre of excellence and other parts. They basically relate to management and policy on how we keep our rural and regional communities safe, how we can use bushfire risk management planning and the office of bushfire risk management in planning to keep our community safe, and how we address the issue of mitigation money that flows from that division in order to undertake mitigation to keep our community safe. As I explained over and over again to a handful of people who do not seem to want to learn—the member is not one of them and nor are the Nationals—operations do not come under the rural fire division. We already have operations in place. In the majority of cases, operations in level 1 and level 2 rural and regional fires are undertaken in the first instance, as the member knows himself, by bush fire brigades, and that is coordinated by the shires themselves. When it gets to level 3 bushfires and there are major incidents, the responsibility then flows on to the commissioner as the HMA and the Department of Fire and Emergency Services takes charge. That has no relationship to the divisional structure itself because the operations part and division of the Department of Fire and Emergency Services is not changing. The relationship between local government and the department remains exactly as it is at the moment but we want it to become closer and we want to have a far more integrated approach between the department and local government. As I have indicated, the rural fire division would have no immediate direct impact on the operations of the application of resources, which is the crux of the member's question; that is, in Esperance, why was the application of resources not applied in a timely manner and why was there a communication breakdown, as claimed in one of the reports that was undertaken on the Esperance fire? I will hand over to my colleagues to comment on the Esperance fire itself and the application of resources and communications.

Mr D. Klemm: I will talk just briefly about what I think the member is referring to, which is the management of the incident continuing through its levels—level 1, level 2, and level 3 being the worst—with local volunteers being in charge. The minister referred to the rural fire division not necessarily impacting that immediately. The benefit of the centre of excellence, once it is up and running, is about developing that capability within volunteers in a place in which they feel they are valued. That could be volunteers teaching volunteers in a centre of excellence. It does not necessarily need to be in the physical building of the centre of excellence. That decentralised training model can exist anywhere throughout the state. It is very much about the high-level training that develops the capability in volunteers across the state, whether they are volunteer bush fire brigade volunteers or whoever they happen to be. When an incident is declared level 3, it becomes the responsibility of the Fire and Emergency Services Commissioner to appoint an incident controller. That incident controller does not have to be from DFES. Certainly during the Waroona and Yarloop fires, an officer from the Department of Parks and Wildlife at the time was appointed as the incident controller for significant periods, as were some DFES staff. I see a time in the future, through the development of capability in the centre of excellence with volunteers and others, when we will be in a place to be able to appoint a local volunteer to do that.

Mr F.M. LOGAN: As you know, Mr Tillman will be taking over as head of the —

Mr P.J. RUNDLE: I am happy enough with that.

Mr F.M. LOGAN: Just dealing with that issue that the member raised, and using Esperance as an example, as the member knows, that fire started in the middle of unallocated crown land. For the first time ever as a government we have made available \$35 million to undertake mitigation, particularly improvements on unallocated crown land. The problem with Esperance, as the member knows, is that within that unallocated crown land the access roads and the firebreaks had not been looked after for 10 years or more. Hopefully with this money that we are talking about, which will come through the rural fire division—to go to the very point of how it is going to help—those breaks and those access roads will be cleared, so something like the Esperance fire will not happen again, or it can be dealt with in a timely manner. Communications at that point do not come into it, even though in the Esperance report, the issue of communications was highlighted. If we look at every report going back years and years, communication has always been a point of contention.

Mr P.J. RUNDLE: I have a further question. Will the government be making any legislative change when it drafts the new emergency services act to quarantine the division's budget to dealing with —

The CHAIR: With respect, member, that is not a further question on that subject; it is a different question.

Mr P.J. RUNDLE: It is about the rural fire division.

The CHAIR: You may complete the question. I am sorry I interrupted you but the first three-quarters of the question had nothing to do with the previous question.

Mr P.J. RUNDLE: Will the government be making any legislative change when it drafts the new emergency services act to quarantine the division's budget to dealing with rural and regional fire issues?

[7.30 pm]

Mr F.M. LOGAN: I do not see why that would need to be part of the emergency services act. We did not have time to do it this time around, but in next year's budget papers we will have a clear line item highlighting the rural fire division with its component parts under it. That goes to the very point that the member is looking for—it does not need to be done via an act; it can be done via the budget papers.

Mr P.J. RUNDLE: Will the bushfire centre of excellence be located in a regional area?

Mr F.M. LOGAN: Is the member trying to get a head start on ABC radio? For the bushfire centre of excellence, a number of options will be put to me as the minister. I have asked the Fire and Emergency Services Commissioner and the team at the Department of Fire and Emergency Services to go away and look at the options. Remember, if the member looks at the budget papers here now, we have only \$500 000 to undertake the planning for the bushfire centre of excellence in the forthcoming financial year. Hang in there, member—you will get to know where it is when it is finally decided. We have not even got the first dollar out of Treasury yet to start the planning. When that flows from 1 July, that will allow the commissioner and his team—particularly John, because it is John’s role—to start work on developing an options paper about how big it should be, what it should contain in terms of its physical size and the structures of the bushfire centre of excellence in how that relates to the regions. I have spoken to the member about that before. Murray Carter, who is the executive officer of the rural fire division, explained to the member the other day that he expects—I am sure John would repeat this—a significant amount of work for the bushfire centre of excellence will be done in the regions as it is. People are jumping at shadows expecting an \$18 million building to rise out of the ground somewhere. That will not be the case. It will not happen like that. It is a set amount of money to build capacity across all of the regions of Western Australia including ultimately a centre for both training and research and development. I am expecting that options paper to be brought back to me once the \$500 000 starts flowing from 1 July. The full amount will not be flowing until next financial year. I am sure the member will be able to ask the same question when we do the budget estimates next year. Mr Tillman, would you like to add your views about the bushfire centre of excellence?

Mr J. Tillman: Yes, sure. Regarding the centre of excellence, the minister talked about the fact we have a very good model now of decentralised training right across the state. That delivers hundreds of courses across the various services, particularly bushfire and prescribed fire. It works very well. The role of the centre of excellence will be to support the development of the training resource packages and to support the regions in delivery. Some very specialised training will be delivered at the centre of excellence. We need to scope that out and think about how that will operate. In all reality, we will not be able to achieve the volume of training that needs to be delivered unless we continue to support that decentralised model of training delivery out in the regions. As an example, if we are teaching about prescribed fire, or planned fire, we need to be doing that out in the regions so we are training practitioners in the fuels that are relevant to the area they work in. There is no point taking people from Bremer Bay to teach them how to burn karri fuels in Margaret River when their primary fuels are coastal mallee heath, for example. Obviously we need to think about how that will work, but I think the model we have now of decentralised delivery of training, using volunteers and staff supporting local governments, working with the Parks and Wildlife Service, is very good. We need to build on that in this ultimate goal of building rural fire capability.

Mr P.J. RUNDLE: I look forward to it.

Ms E. HAMILTON: The Whitfords Volunteer Sea Rescue Group provides vital services in my electorate. I refer the minister to “Spending Changes” on page 364 in volume 2 of budget paper No 2. I refer to the line item “Equalisation of Volunteer Marine Rescue Services”. I ask the minister to explain what additional benefits this will bring to our community.

Mr F.M. LOGAN: I thank the member for her question. Ocean Reef volunteer marine rescue service is in the member’s electorate. I believe the member for Bunbury also has a very active VMRS in his electorate. There is one in Mandurah for sure. The member for Roe has a very active VMRS in Esperance, one in Bremer Bay and one in —

Mr P.J. RUNDLE: Katanning.

Mr F.M. LOGAN: It is along the south coast there; I cannot remember. He has another one in his electorate. It is not Ravensthorpe.

We announced \$19.5 million worth of funding to the VMRS over and above what it receives currently for its whole replacement program. The member for Roe needs to talk to his VMRSs. They are so happy that they are nearly doing cartwheels! As the member for Joondalup knows, they were ignored over the last eight years, particularly the Ocean Reef VMRS. What was Whitfords VMRS is now Ocean Reef. Cockburn and Fremantle were out on their own, separate from the other volunteer marine rescues for a long time. They were very “feisty”—I think that is probably the best word to describe them—in their relationship with the Department of Fire and Emergency Services and, before that, with WA police. I think they eventually agreed to come under the banner of the Department of Fire and Emergency Services, like all the other VMRS units had done across Western Australia. When they came under the banner of the Department of Fire and Emergency Services, they thought their access to equipment would improve. Unfortunately, it did not, and I cannot explain why. I am certainly not going to put my departmental people who are sitting around me on the spot by asking them to explain why. I certainly cannot understand why, under the eight years of the Liberal–National administration, this issue was not addressed. It was relatively straightforward. If the emergency services levy were put up to raise cash flow to give to these VMRS units, then the problem would have been resolved. It literally had been ignored, as the member for Joondalup

knows. She lobbied me, as did the member for Bunbury, to increase the level of funding to those units so they could do things such as replace their radios and some transportation equipment for the boats they pull around on their trailers. At one point it even came down to battery replacements, flares and things like that, which is all fairly standard stuff for volunteer marine rescue organisations. To be able to make that change, increase the emergency services levy and then push that cash through to people who do such a great job on behalf of all of us, is a pleasure for me as a minister and something that I found relatively straightforward to address.

If we think about what the volunteer marine rescue services do, I have heard that some people have asked, “Why are we paying VMRS out of emergency services levy funding because I have not got a boat?” “No—but you do go fishing, you do swim, and some people surf, dive, kitesurf and windsurf. Quite often, they get into trouble and they do not even own a boat.” As we have seen with that very, very unfortunate incident recently, it could be as simple as someone falling off The Gap in Albany. It was a terrible incident. A poor young man fell off The Gap just by taking a photograph. He did not own a boat. The VMRS was there. It had to undertake the gruesome task of recovering a dead body out of the ocean, and do it on behalf of all of us. They had to recover the body of a very young person and deal with it. They had to deal with all the trauma that comes with it, for nothing, as volunteers on behalf of the community. I am very, very pleased to be able to provide that funding through the department to the volunteer marine rescue people. They do a great job on behalf of all of us.

<053> I/C

[7.40 pm]

Mr M. HUGHES: The minister is familiar with the electorate of Kalamunda and the hills environment and is very knowledgeable about the bushfire-prone nature of the topography up there. I refer the minister to page 365 of budget paper No 2 and the first dot point under “Significant Issues Impacting the Agency” with regard to the mitigation of bushfire risk. Would the minister please explain the progress made to date with mitigation and what this will mean for Western Australian communities, including mine?

Mr F.M. LOGAN: I thank the member. The member for Kalamunda occupies a seat that has seen some significant bushfires and significant property losses. A significant number of houses were lost in the Pickering Brook fires.

Mr M. HUGHES: Stoneville and Parkerville.

Mr F.M. LOGAN: Stoneville and Parkerville; the list goes on. People talk about bushfires in rural and regional Western Australia, but forget that the hills in the outer suburbs of Perth have suffered probably as much as, or more than, anybody else, particularly property losses—thank goodness not so much with loss of life, but definitely with loss of property, and probably more than most other regions. My experience of talking to people in Esperance, particularly Mr Sanderson, the Scaddan bushfire brigade and the Shire of Esperance, really brought home to me, along with the Ferguson report, the reasons why we needed to put more money into bushfire mitigation. It was an obvious decision, but not one that has always been welcomed. As the member knows, various parts of the community have not welcomed bushfire mitigation and there also has been pushback from various quarters about whether we should use emergency services levy funding for bushfire mitigation. Residents in the hills are paying level 1 as opposed to some of the regions that pay anywhere up to level 4 and level 5 as their outlay for emergency services. That is why mitigation is critically important.

Through the bushfire risk mitigation planning action fund we have made \$50 million available to shire councils. The City of Kalamunda is working on a bushfire risk management plan at the moment. If the member has not seen that plan and how it works, I urge him to go along to the council to talk about it and see how it actually works. It is a spatial mapping tool that identifies the highest possible bushfire risks in the member’s local shire area—which is probably most of it!—and comes up with a strategy for using mitigation action funding to minimise the risks and undertake mitigation, whether by prescribed burning, mechanical clearing or whatever other form of mitigation they choose. That is underway at the moment and I certainly urge the member to go and have a look at it and possibly even do a story on that area.

As I pointed out to the member for Roe, the other \$34.6 million that we have made available is the first of its kind. Various shires and regional members have been calling for a long time for some coordination of bushfire mitigation across government agencies and on crown land—Esperance is a classic example of unallocated crown land—to be undertaken and for somebody to take the lead on it, because everyone has been buck-passing. As the member for Roe knows, farmers in his area ring the shire about unallocated crown land and are told that it is not its responsibility; it is the responsibility of the Department of Planning, Lands and Heritage. The Department of Planning, Lands and Heritage says, “I think that area belongs to the shire or the Department of Fire and Emergency Services or the Department of Parks and Wildlife.” Everyone is pointing their finger at each other; now we have a coordinated body that will take responsibility for that through the Department of Fire and Emergency Services and the rural fire division, and money is allocated—record funding of \$50 million—for mitigation. It is a great and historic step forward and hopefully it will help Kalamunda and the areas surrounding it, which have suffered greatly from bushfires over the years. I hope it undertakes mitigation that will keep properties in and around those areas safe.

Mr Z.R.F. KIRKUP: I refer to page 365, “Significant Issues Impacting the Agency”, and the third dot point under “Machinery of Government” about the Office of Emergency Management being moved into the Department of Fire and Emergency Services. I am keen to understand what that integration now looks like in DFES’s overall responsibility. I have a couple of questions, noting the issues about recovery, but I would like to gain a bit of an understanding—it could be a bit of a dixer—and a bit of an overview of what that integration looks like. I am keen to understand the FTEs and the like dedicated to that role.

Mr F.M. LOGAN: I will deal with the inclusion of the Office of Emergency Management in the department. The Office of Emergency Management, as the member knows, was set up to take on a couple of responsibilities. One was to do risk management planning for and on behalf of the state and also various levels of government, both state and local. Secondly, it was to assist in the area of recovery, particularly for WANDRRA funding, which is obviously supplemented in a significant way by the NDRRA funding —

The CHAIR: Minister, for the purposes of Hansard, could you expand those, please?

Mr F.M. LOGAN: Yes. NDRRA funding is the national recovery funding available, and WANDRRA is the Western Australian equivalent of disaster recovery funding. It is their responsibility to be the coordinator between the commonwealth, the state and Treasury, on behalf of the department, to allow that funding to flow. Of course, there have been issues with that, and I am sure the member will probably come to those in a second.

The Office of Emergency Management, although separate from the department, has always been funded and supported by the department as an administrative arm. The changes to the Department of Fire and Emergency Services under the machinery of government are significant—more significant than simply the establishment of the rural fire division. We have gone from a fire response agency, whereby people ring 000 and a fire unit will turn out, whether it is a red or a white truck or whoever turns out, depending on where people live in Western Australia, to an agency that has holistic responsibility for all emergency services across Western Australia. That covers everything from a response to a terrorist attack through to bushfires, and everything in between, including fires, floods, earthquakes, building collapses, HAZMAT incidents and road crashes—all the incidents for which we as a community would expect a body to be prepared to come to and carry out rescues, and put recovery plans into place afterwards. That is what we are expecting from the Department of Fire and Emergency Services now, similar to what is happening in the UK. We have moved significantly. I do not think people have really appreciated the changes we have made, because we have been quiet in the way we have gone about them. That means a reduction in the structure of the department from six divisions to four and a reduction in the number of senior management positions as part of the normal government commitment to reducing our overall executive numbers. There is also the voluntary targeted separation scheme, the total number of which is 37 for fire and emergency services. Those are the changes that have taken place. Given the fact that recovery is now a responsibility of the Department of Fire and Emergency Services, the Office of Emergency Management, and Mr Cronstedt, who is here and who headed OEM, is now the executive director of the division of strategy and emergency management. The role Mr Cronstedt plays is no different from what he played in OEM; that is, he continues to undertake disaster management and risk planning, at a state government level; an international level, in which we have responsibilities as well in East Asia; and a local government level.

[7.50 pm]

Mr M. Cronstedt: The work of the Office of Emergency Management being subsumed into the Department of Fire and Emergency Services means that the department, as the minister has said, gets a much broader remit across prevention, preparedness, response and recovery, and it takes a whole-of-government risk management approach to minimising the impact on communities. It continues to serve the State Emergency Management Committee, which is the peak body that looks after all emergency management, administers the Emergency Management Act and approves the policies and plans that underpin all the hazards that the minister described. That work will continue and the chair of the State Emergency Management Committee is obviously well respected and has links to the commissioner, such that there is now a service level agreement that underpins the services that DFES will provide to the State Emergency Management Committee through my office and others, and that work will continue apace, as it has. That is also supported, of course, through commonwealth funding through the national partnership agreement, which allows us to fund projects that the SEMC wishes to pursue across risk management, planning and helping local government, and specific grants to local governments and many others to pursue community protection initiatives.

Mr Z.R.F. KIRKUP: As part of the answer, some reductions were touched on not only through VTSS, but as a result of incorporation of OEM. Are the reductions outside of VTSS a result of this incorporation?

Mr F.M. LOGAN: No, the VTSS applies across the whole of the Department of Fire and Emergency Services, and I correct the record, the number for VTSS is 39 in total, not 37, which includes OEM.

Mr Z.R.F. KIRKUP: Just to clarify, as a result of OEM being subsumed into DFES, no-one has been lost from OEM unless it has been through VTSS?

Mr F.M. LOGAN: No, there was a proportion that applied to OEM.

Mr M. Cronstedt: There are a couple of positions that comprise part of the 39, but the services continue.

Mr Z.R.F. KIRKUP: Just to clarify an operational matter, I know there is probably a new name for it now, but on the same point, does that mean that Westplan is now entirely generated through DFES for all matters as a result?

Mr F.M. LOGAN: Yes, Westplan involves a number of agencies, not just the Department of Fire and Emergency Services.

Mr Z.R.F. KIRKUP: Out of interest, does that mean that DFES leads in generating that? As the minister quite rightly points out, a lot of hazard management authorities are involved in that. I think OEM was the previous author and holder of custody.

Mr F.M. LOGAN: That is right; OEM is still the lead author of Westplan, but it involves a number of agencies, as the member knows.

Mr M. Cronstedt: DFES is now essentially the administrative arm that supports and drives the agenda, but the SEMC is a body of its own that can decide the parameters and what it approves and does not. They are the custodians of plans and they give agencies such as DFES, police and others responsibility for plans. When things need doing, plans need writing or policies need writing, there is a bunch of public servants within DFES who will do that work.

Mr D. Klemm: Can I just add to that, if I can? There is a range of prescribed hazards in the state of Western Australia and, fortunately, DFES is not responsible for all of them. For the ones we are responsible for, the Westplans that the member is talking about occur through the State Emergency Management Committee; however, it is our responsibility to drive the review, the updating and the changes that are required to Westplans on a regular basis. It is our responsibility to do that, just the same as it is and will continue to be for police for those hazards that they are responsible for, albeit that it all leads to the State Emergency Management Committee.

Mr Z.R.F. KIRKUP: I was getting confused; my apologies. I was trying to understand how, say, a Westplan for a terrorist act would feed into this structure, but WAPOL would still have the responsibility fed up through SEMC.

Mr F.M. LOGAN: Correct, yes.

Mr Z.R.F. KIRKUP: In estimates yesterday, I think the Premier spoke about the new subcommittee of cabinet devoted to emergency management. I appreciate that it may not be the minister's remit to talk about, but if it is, how does that integrate into the SEMC structure? The minister mentioned the United Kingdom before; is it sort of like an executive government oversight? Is it operational in that respect?

Mr F.M. LOGAN: I think the Premier told the member yesterday that the first meeting had not been held yet.

Mr Z.R.F. KIRKUP: No, I did not know that.

Mr F.M. LOGAN: That is yet to happen, so given it is basically a subcommittee of cabinet, we will discuss that and the information on how it operates will come out later after the first meeting.

The CHAIR: Minister, can I counsel you that if we could keep the answers a bit shorter, we will get through more questions.

Mr D.T. PUNCH: In my electorate of Bunbury, bushfire mitigation is an important issue and recent fires have highlighted the need to work together to protect our communities. I refer the minister to the first dot point under "Significant Issues Impacting the Agency" on page 365 of the *Budget Statements*. Can the minister explain how the rural fire division will work? How will it better support our communities? Particularly, how much will the rural fire division cost? What are the benefits to the community? Could the minister also outline what volunteer management support officers and volunteer liaison officers are?

Mr F.M. LOGAN: I thank the member for Bunbury. I know he shares a very strong interest in this. In fact, he was on to me only today about mitigation in an area that I have to take up with the commissioner later on regarding a tricky issue near Bunbury Regional Prison. Not only that, I know that the member for Bunbury has questioned the City of Bunbury about its bushfire risk mitigation planning.

Mr D.T. PUNCH: And had two extensive community meetings.

Mr F.M. LOGAN: And he has had two extensive community meetings on the issue. This is something that is very real to the member for Bunbury and something for which he has been pushing for a long time, as it affects the residents of Bunbury. Everywhere from Dalyellup through to Australind is surrounded by various areas of bush. Just by Australind, by Eaton, recently, this year, there was a significant fire that frightened the residents of Eaton senseless in the belief that the houses were going to go up. It certainly looked like they were going to go off at one stage, looking at the TV footage.

As I indicated to the member for Roe, the rural fire division is now a completely new division of the Department of Fire and Emergency Services. It is funded to the tune of \$80 million a year, which is a record in terms of the amount of money that has gone into rural and regional fire management for Western Australia. It is

really built around a number of things that the department does now, but there will be further improvements, and significant improvements, when we have the bushfire centre of excellence in operation. As I indicated earlier, the critical thing is the bushfire risk mitigation planning, which is one of the reasons that the member asked the City of Bunbury what it had done in this area. I will not repeat what the member told me about what it has done in the area. It is doing its own planning, but hopefully it has got a little bit further down the track. At the end of the day, the mitigation action fund, which is \$15 million worth of emergency services levy money, effectively, is available to the City of Bunbury once it undertakes that planning and it has been endorsed by the Office of Bushfire Risk Management.

[8.00 pm]

Mr D.T. PUNCH: I hope they do it sooner rather than later.

Mr F.M. LOGAN: Exactly. There has been a fire pretty close to Bunbury and it was very close to Eaton. Had that area been identified as a high-risk bushfire planning area and had the planning been completed and endorsed by the Office of Bushfire Risk Management, they would have been able to access the funding, reduce the fuel load and keep the people in Eaton safer than they are now. It is real for the member, and that is how it is supposed to work. That is how those components of the rural fire division are expected to work. The volunteers who turned out on that day came from all over Bunbury. I think the first responders were the Eaton–Australind Volunteer Fire and Rescue Service, which is not very far from the fire. They were immediately followed by the career fire service from Bunbury, and various other VFRS and bush fire brigades from in and around Bunbury followed.

Mr D.T. PUNCH: All of who did an excellent job, I might add.

Mr F.M. LOGAN: They did, yes. They got a significant fire, which the member knows, eventually under control and saved all those houses in and around Eaton. As part of the restructuring of the department and under the machinery-of-government changes with the introduction of the rural fire division, we will also ensure that there is better communication between the department and the volunteers regardless of where they come from. A ministerial advisory body has been established—we have not had the first meeting yet, but we will—so representatives of all the associations, whether they be BFB, VFRS, SES or whoever, can come along and meet with myself and the commissioner once or twice a year to deal with some of the issues they see as critically important to the overall future of their associations and their bodies. Below that, things called volunteer advisory committees have been in place, but one of them, for example, has never met. They were established in a fairly dysfunctional way. We want to reorganise them, either as voluntary advisory committees or as a different form of consultative group. Again, that will be organised by both the RFD and the two new volunteer liaison officers who will be employed by the commissioner, through his office. At the ground level, there will be an additional regional-based volunteer support officer for each of the regions for the Department of Fire and Emergency Services to provide assistance to the brigades, particularly regarding administration. Their administration levels have been going up over the years as they take on more responsibilities. Those support officers will be there to help them with administration and provide face-to-face contact and feedback to the commissioner.

The CHAIR: That was six minutes, minister. I give the call to the member for Kalgoorlie.

Mr K.M. O'DONNELL: My question should be quick. I refer to page 364 and the table “Spending Changes”, in particular the “Are You Bushfire Ready?” campaign under “Other”. I see that nothing has been budgeted for the upcoming year and beyond. Was the campaign a failure; and is the department looking at a different style of campaign for the future?

Mr F.M. LOGAN: I thank the member for the question. That \$100 000 is simply an amount of income that we received from, in this case, the Department of the Premier and Cabinet to support that campaign. There was a view about how the “Are You Bushfire Ready?” campaign was funded under the previous government. As the member for Dawesville knows—he was probably involved in it —

Mr Z.R.F. KIRKUP: It was a good campaign.

Mr F.M. LOGAN: — the previous government was advised that the “Are You Bushfire Ready?” campaign could not be funded out of Emergency Services. I am pretty sure that is the advice the previous government received. As a result, the previous minister in your administration, member for Dawesville, had to go around with a hat and collect money from various organisations to run its campaign. I think Western Power was the biggest contributor with \$1 million. There was also funding from other sources. That was the situation we initially found ourselves in, with the same advice. Hence, after I went around with a hat, the only money I got was \$100 000! We added more to that; it was not just \$100 000. We managed to top it up and run the campaign that members saw in the last bushfire period. It was slightly different. We did not have the money that the previous government did to be able to run a very slick TV advertising campaign with various cricketers on it. Also, the feedback we got was that it was not coming through well. So we approached it in a completely different way. We used a lot of social media to push the campaign, and as members drive around they will see big signs on the side of the road, whether they are going down south or towards Esperance or Kalgoorlie. That is to try to approach it in a different way, keep the

costs as low as we can, and reach out to people in a slightly different way. We did radio ads and social media ads but no TV ads. However, the feedback we have had so far is that it has been just as good as the previous campaign. After taking further legal advice about what we can spend our money on, we found that the advice that the former government received was wrong and the advice we received in government was right—the money can be expended out of the emergency services levy. It is about keeping people safe and giving people advice on what to do should they be faced with a bushfire that is likely to injure them or wipe out their property. That money is part of the overall budget for the department and we will be planning a new strategy very soon.

Mr D. Klemm: We concentrated on “fire chat” as an approach last year and we launched that at the Argyle Irishtown Volunteer Bush Fire Brigade with a gentleman there whose house had survived a fire that went straight over the top of his house. That was based on the work he had done around his house. We found that the fire chat approach, with a strategy of home owners having a chat with their neighbours and family about making a plan, was very effective. We will be looking to expand on that for the coming bushfire season.

Mr P.J. RUNDLE: I refer to page 364 and the table “Spending Changes”, in particular the line item “Comprehensive Crew Cab Protection”. Can the minister give me a bit of detail on what that line item will go towards? The minister may recall the context in which I asked the same question last year regarding my electorate and the member for Collie–Preston’s electorate. We have two very good quality fire appliance companies, and I wonder how that is shaping up. Is there an opportunity under the government’s Local Projects, Local Jobs —

The CHAIR: Member, there are about three questions there. You will have the opportunity to ask further questions so maybe you can restrict it to one and then ask further questions.

Mr P.J. RUNDLE: Okay; not a problem.

[8.10 pm]

Mr F.M. LOGAN: In dealing with all of those, the crew cab protection, as the member knows, came out of the Black Cat Creek fire inquiry’s recommendations on what we should do to vehicles to keep the crew as safe as we possibly can when there is a burnover. As the member knows, crew cab protection has been completed on 93 per cent of all appliances that are used in rural and regional Western Australia to attack bushfires, which is a fantastic outcome. A further \$8.7 million has been allocated for the next financial year for crew cab protection in the remaining 261 bush fire appliances; the remaining ones are located in the north of Western Australia. They had not been planned to be converted; we will now ensure that they get crew cab protection. As the member knows, crew cab protection involves burnover blankets, radiant heat shields, underbody and external water deluge spray systems, critical component heat lagging and shielding, an in-cab breathing system, and of course the automatic vehicle location system to identify where those vehicles are. Work has been completed on all vehicles and they have been fitted with the AVL tracking system.

The member’s sub-question related to future fire appliances and the role of the two companies that tendered for work from the department in the next range of contracts. Obviously, I cannot speak about those contracts. I am not allowed to. I do not know much about them as such, apart from updates I get from the commissioner. Can the commissioner carefully answer that question?

Mr D. Klemm: I will. The Department of Fire and Emergency Services is currently in the final stages of negotiating with the preferred providers. We expect that to be finalised in the next two to three weeks. A light fleet tender will go out shortly, and I cannot discuss that one. In terms of the interim heavy fleet, some component parts of that will have to be retendered. That will occur after the negotiations have finished with the preferred providers from the first tender.

Mr P.J. RUNDLE: I appreciate the answer.

Mr F.M. LOGAN: I think that is about as much as we can say on the tendering process.

Mr M. HUGHES: I refer the minister to the dot point about the computer-aided dispatch system on page 371, under the heading “Asset Investment Program”. Can the minister explain the key components of the replacement program, and when can the Western Australian community expect to benefit from it?

Mr F.M. LOGAN: I thank the member, who is on top of and very interested in all these things. The government has committed \$18.025 million to replace the current computer-aided dispatch system and \$4.78 million to replace the current mobile data terminals, both of which have reached the end of their lives. The department has been pushing for the upgrade of this technology for a significant period. I believe Mr Burnell is a specialist in this area, so here is his chance to shine.

Mr R. Burnell: I joined the agency a little over two years ago, and it became absolutely evident to me that that was the most critical system the agency has to support its response capability. We were having significant issues maintaining the operability of it, and also the mobile data terminals were old technology that was no longer supported by vendors. We conducted a worldwide search to see whether we could get some replacement parts and equipment, and they were no longer available. We were certainly well and truly exposed from a risk perspective.

We saw an opportunity to leverage off some work being undertaken by the Western Australian police service. It was going through an upgrade of its computer-aided dispatch system, and we saw that as a primary opportunity. Rather than having to go off on our own accord and spend money to replace a dispatch system being used by another government department, we were able to collaborate with it. That resulted in a significant overall cost reduction for the state because we have been able to leverage off the expertise and experience of the existing police CAD team. We incorporated some police people into the project; they were out-posted to the DFES project. We have been working in cohorts with them for 18 months now. We have a planned launch date of 8 August, when the project team is on track to have that system go live.

The process has allowed us to re-evaluate the way we operate within the communications centre. Our existing system, which is now almost 20 years old, forces people to work in a particular way that takes a certain amount of time before we can dispatch an appliance to a 000 emergency response call. The new technology enables us to split the tasking of the work so that we can send off an appliance in response to an issue while the call taker is still taking further details. That means we will be able to offer a better service to the community.

We are also working on the replacement of the mobile data terminals. The old service was almost just a little paging service—very simplified. When we think about a response mechanism when travelling to, say, a property that might be a multistorey building, there are so many questions around the local hazards, the site plan and where chemicals are stored on the site—all sorts of issues. At the moment, fire response teams have to rely on their local knowledge, and if we start calling in response vehicles from outside that area, they may well not have that local knowledge. They also rely on a lot of paper-based material sitting in the vehicles. The new mobile data terminals will be focused on giving all responders as much information as we can get. That will help them prepare as they are travelling to the location, and that means they should be able to operate far more effectively than they are currently able to.

Mr M. HUGHES: So, it is a significant improvement in terms of community safety?

Mr R. Burnell: Absolutely.

Mr M. HUGHES: Efficiency and reliability.

Mr R. Burnell: Yes; absolutely.

Mr F.M. LOGAN: As the member for Kalamunda has seen, within 18 months —

Mr Z.R.F. KIRKUP: Well done.

Mr F.M. LOGAN: — we have improved the out-of-date communications systems, addressed the issue of a rural fire division and mitigation and that of marine services. That is all within 18 months, member for Dawesville. I just do not know what the former government was doing over those last eight years; I think it must have been asleep.

Mr Z.R.F. KIRKUP: I have a further question on that item that was so brilliantly raised by the member for Kalamunda. With the current paging system, most on-call volunteers get those pagers. I could be wrong. Is that right? Do critical volunteers get pagers under the existing system or the old system?

Mr F.M. LOGAN: No.

Mr Z.R.F. KIRKUP: Certainly they all operate pagers that —

Mr D. Klemm: A pager that they hook on their belt?

Mr Z.R.F. KIRKUP: Yes.

Mr D. Klemm: No.

Mr F.M. LOGAN: It has all changed now. Mr Burnell will answer.

Mr R. Burnell: During the mobilisation process, the response agency and individuals rely on all sorts of communication mechanisms; pagers are one. For example, if the mobile service network was not operating in a way that allows people to get access over the internet, paging is delivered over a different infrastructure. It forms part of our mobilisation mechanism that we still have to rely on when we cannot get access over, for example, a network service.

Mr Z.R.F. KIRKUP: I could be wrong, but I think pagers might exist in Mandurah or the southern districts. They still operate on a pager basis for some —

Mr F.M. LOGAN: The member is right; I think pagers are still around. Volunteers are still using pagers, as the member pointed out.

Mr Z.R.F. KIRKUP: That is right.

Mr F.M. LOGAN: But I think the majority now use mobile phones.

Mr Z.R.F. KIRKUP: As part of this change that has happened so well in the past 18 months, are there any concerns from volunteers? I suppose it is no longer an issue as most people maintain their own mobile phones so they have network connectivity, whereas with the old system, pagers were given regardless of whether people maintained a mobile telephone. Have any issues like that been encountered during the changeover rollover, whereby people have been reluctant to give up their pagers or anything like that because they do not have mobile phones?

[8.20 pm]

Mr F.M. LOGAN: Now that the member has mentioned it, one volunteer fire brigade asked me whether pagers were going to be replaced completely. Mr Burnell, some volunteers still use pagers, but they have their mobile phones as well.

Mr Z.R.F. KIRKUP: So they operate in parallel.

Mr F.M. LOGAN: Yes. I cannot remember which brigade it was, but its members liked pagers. They work and people carry them on their overalls or wherever.

Ms E. HAMILTON: Many local residents in the Joondalup electorate are volunteers with the emergency services. I refer the minister to frontline services on page 369 of budget paper No 2. Can the minister provide an update on presumptive rights legislation and volunteer insurance consolidation?

Mr F.M. LOGAN: I will refer the matter of presumptive legislation to the commissioner. It has been rolled out and a number of claims have been lodged. Some have been accepted and some are pending. As the member would know, the hardest working person on presumptive legislation is none other than the Chair of our committee.

The CHAIR: I have a question to ask the minister about that shortly.

Mr F.M. LOGAN: She actually introduced the first presumptive legislation bill into the house only to have it not dealt with. An identical bill was brought in one year later by the then government.

Mr Z.R.F. KIRKUP: It varied slightly, I think.

Mr F.M. LOGAN: It is unfortunate that happened because the legislation could have been in place a year earlier had the wisdom and direction of the current Chair of this committee been acknowledged. As Madam Chair would know, a lot of fear and innuendo about presumptive legislation was talked about, which I am very pleased to indicate to this committee did not come to pass. Commissioner, would you enlighten us on how that legislation has been rolled out?

Mr D. Klemm: Since the time presumptive legislation was introduced for career firefighters in 2013, 17 claims have been lodged, of which 14 have been accepted, one has been declined and two are pending. Those claims were from eight retired personnel and nine serving personnel. As members would know, presumptive legislation deals with 12 prescribed cancers. Of the most common types of cancers that made up those 17 claims, 63 per cent were prostate cancer, 25 per cent was cancer in multiple sites and 12 per cent was bladder cancer. Since the presumptive legislation was extended to volunteers in September 2017, three claims have been lodged and accepted. Two were from retired volunteers, one of whom has passed away, and one from an active volunteer. The estimated cost of those claims from volunteers is \$1.29 million, with an average estimated cost per claim of \$430 000. Clearly, there have been some benefits for career and volunteer firefighters when they have needed it most.

The CHAIR: I have a further question on that, if I may. Has the minister received any representations about extending the presumptive legislation to post-traumatic stress disorder; and, if so, where is that heading, if at all?

Mr F.M. LOGAN: Yes, I have. Obviously, I have received representations, particularly from the United Firefighters Union of Australia, which has raised with me on a number of occasions the impact that PTSD is having on its members as a result of the work they do and whether presumptive legislation could be extended to cover PTSD as, I think, it does in one jurisdiction elsewhere in the world. I have raised that matter with my colleague the member for Cannington, the Minister for Commerce, who is responsible for this matter, particularly for not only WorkSafe but also RiskCover, and the likely costs to RiskCover that would result from the legislation being amended. That is where it sits at the moment, awaiting a response from the minister.

There are some issues relating to extending the legislation to cover PTSD. Would the commissioner be willing to express his views on that?

Mr D. Klemm: From DFES's point of view, I do not necessarily feel that we are sitting on a vast number of claims for PTSD that have not been recognised or approved. In terms of the need to have presumptive legislation for PTSD, I am not saying one way or another, but there is not a massive number of claims that are saying, "You do not have PTSD so we are not going to recognise it." Also I think it is important to acknowledge a range of other occupations in the emergency services space could have rightful claims on the requirement for presumptive legislation for PTSD. Although I certainly support it, I think nurses, police officers and ambulance officers would have rightful claims to it as well.

Mr P.J. RUNDLE: I refer to page 373, and the income from state government line item, "Royalties for Regions Fund". What projects are being funded from royalties for regions?

Mr F.M. LOGAN: Off the top of my head, I can advise the member for Roe that the mitigation action funding, as we talked about, is still a royalties for regions payment. The regional workers incentive allowance payments are funded from royalties for regions. The volunteer fuel card is still funded from royalties for regions. Up until 2017–18, but not in the forward estimates, \$4.3 million from royalties for regions was contributed to fire crew protection. The south west helicopter is funded out of royalties for regions in the forthcoming budget, 2018–19, by \$4.6 million. I told the member about the vehicles in the north of the state that need fire crew protection. They will be funded out of royalties for regions. The estimated actual is \$4.2 million and it was budgeted at just over \$5 million.

Mr P.J. RUNDLE: What work has been done or is being done to identify other projects that could be funded by royalties for regions?

Mr D. Klemm: We should take some tips?

Mr F.M. LOGAN: Yes, does the member for Roe have any suggestions about what we could be funding out of royalties for regions? He is getting a fair bit at the moment. Nothing has really sprung to mind. We have actually reduced our take on royalties for regions funding only for the purposes of ensuring that that pool of money gets identified for the regions. Where funding could be sought for from the emergency services levy, it should come out of that. It is a different pool of money. It is being spent, for example, on the mitigation action fund.

[8.30 pm]

Mr P.J. RUNDLE: Has the minister been specifically asked to identify projects or programs in his department that could be funded by RforR?

Mr F.M. LOGAN: No, not unless the member has any ideas on how we should supplement the budget of the department. I am sure the commissioner would be more than willing to talk to him about that later. We are trying to ensure that the money that is spent on keeping communities safe, regardless of where, but let us say in the regions from the member's perspective, comes from the right pool of income. For example, of the mitigation funding we talked about for the crown estate, most is probably going to be spent in the regions, though not all of it; I am sure the peri-urban fringe will receive its fair share as well. That funding is from the emergency services levy. Why is that? Because it is the government's land. We should take responsibility for it, as we are required to do under bushfire risk mitigation planning. The tenure lies with the Crown, so therefore the Crown should spend its money on it. In the past, under a previous administration, it would have gone straight to royalties for regions. Is that the appropriate source of funding for the Crown? Possibly not. I am sure the former member for Pilbara would have probably said no. We have extracted that money as part of the increase in the emergency services levy. The member can see how we are trying to approach it. We are not relying on royalties for regions for everything simply because it happens to be in the regions. It depends on the issue and the subject and whether it should be paid for out of the emergency services levy, which is more appropriate.

Mr D.T. PUNCH: The RAC south west emergency rescue helicopter is providing a vital service for communities in the south west and is a matter of great community interest. I refer to the line item "Continuation of South West Emergency Rescue Helicopter" under the spending changes on page 364. I ask the minister to explain the funding source changes that have taken place.

Mr F.M. LOGAN: That is a good follow-on from the member for Roe's question. The Liberal Party and the National Party said quite a number of things about the future funding of the south west helicopter and whipped themselves into a state of hysteria over the future of the south west helicopter, as the member knows.

Mr Z.R.F. KIRKUP: He was a part of it.

Mr F.M. LOGAN: The member was doing a grand job lobbying for his own airport and for his own service. He did so in a very sensible way as opposed to perhaps someone else who might be in the upper house who got himself into all sorts of trouble talking about the south west helicopter and what would happen to it. In significant competition, the National Party bought into the argument as well to show how relevant it was to the regions in this fight over the funding of the south west helicopter. As I kept on saying, "Don't panic; it's okay." Obviously, I could not say too much prior to the budget but I did try to indicate to people that the south west helicopter service is going to continue and to stop panicking. Consequently, it will. It is a critical piece of infrastructure for the south west. The last time I was down there with the member for Bunbury, they literally had to go as we were talking to them. They had a callout and within a few minutes, they were up in the air on their way to Caves Road, Margaret River, where unfortunately a young man had come off his motorbike and was whisked away to hospital.

In terms of total funding, it goes to the point that the member for Roe was making. We have approved \$27.9 million for the ongoing funding of the helicopter to continue with the service. In the future, it will be funded. It has been funded in the past out of royalties for regions and the road trauma trust fund and for good reason—because a significant proportion of its work is done for people involved in road crashes—and now the emergency services levy. In the past it was on a 50–50 basis, including in this financial year coming. It will still be funded out of royalties for regions and the road trauma trust fund on a 50–50 basis. In the following financial year, it will be

funded out of the emergency services levy and the road trauma trust fund as well. This goes to the point I was making earlier to the member for Roe. Is it appropriate that the helicopter, given that it does emergency services work, be funded out of royalties for regions? When the member's colleagues were in government last time, they believed it was. I am not 100 per cent sure what they were told about how that funding should have been undertaken but having gone back and taken further legal advice on how we can spend the emergency services levy, we were very clear on the point that because of the work it does, the helicopter can be funded out of the emergency services levy, as it should be, because of the nature of its work. Simply because it is in the regions and it works mostly in regional Western Australia, outside Bunbury, but all outside Bunbury, does that necessarily mean it has to be funded out of royalties for regions or should it be funded out of its proper source, which is the emergency services levy and the road trauma trust account? That is what we have done.

Mr P.J. RUNDLE: I refer to the voluntary targeted separation scheme, three lines from the top of page 365. How many of these redundancies in DFES were for positions based in regional Western Australia?

Mr F.M. LOGAN: I will pass that on to the commissioner.

Mr D. Klemm: It would be difficult for me to give the member an accurate answer. It was done by expression of interest.

Mr P.J. RUNDLE: I have a couple of questions. I am happy to take it as supplementary information.

Mr F.M. LOGAN: Just put it on notice and we will answer it.

Mr P.J. RUNDLE: The next one is a further question. What process is in place to ensure that the function of each redundant staff member is undertaken?

Mr F.M. LOGAN: Again, that is an operational matter. As a person under the voluntary targeted separation scheme picks up their redundancy and leaves, obviously the commissioner takes on their responsibility. That workload continues.

Mr D. Klemm: Before the end of the calendar year, DFES is proposing to do a functional review of the various tasks and duties that we undertake across our whole organisation. Clearly, with the Office of Emergency Management coming in and the establishment of the rural fire division, and the VTSS, we want to make sure that everything that we are doing is something that we need to be doing and will continue doing. Through that process, we will seek to make sure that we have the right people in the right places and the right positions.

[8.40 pm]

Mr P.J. RUNDLE: Will the minister provide by way of supplementary information —

The CHAIR: Member, it is supplementary if you have asked the question, so maybe ask the question first and see whether that information is provided.

Mr P.J. RUNDLE: I will ask the question. Will the minister provide the position, the location and the level of each position made redundant?

Mr F.M. LOGAN: We will provide that to the member by way of supplementary information.

The CHAIR: Can the minister repeat what he will be providing?

Mr F.M. LOGAN: We will provide to the member for Roe by way of supplementary information—just regions?

Mr P.J. RUNDLE: The position, the location and the level of each position made redundant.

Mr F.M. LOGAN: I will provide the position, the location and the pay level under the voluntary targeted separation scheme.

The CHAIR: The member just said “level” rather than “pay level”. Does he want the classification?

Mr Z.R.F. KIRKUP: I do not think he means physical building level.

Mr P.J. RUNDLE: No.

The CHAIR: No—classification; not pay.

Mr P.J. RUNDLE: Classification, yes.

Mr F.M. LOGAN: Yes, that is probably better.

[*Supplementary Information No B20.*]

The CHAIR: I give the call to the member for Kalamunda.

Mr Z.R.F. KIRKUP: Government members have gone way beyond the 80–20.

Mr M. HUGHES: I know that the member for Dawesville is very interested in my contributions to Parliament. I have a broad interest in government policy across the state. I am interested in emergency management delivery across the

state. I refer the minister to the heading “Works in Progress” on page 371 and the item “CFRS Vincent Fire Station”. Can the minister provide an update regarding this station and the benefits it will provide to the community?

Mr Z.R.F. KIRKUP: That fire station is very close to Kalamunda!

Mr M. HUGHES: It is in this state.

Mr Z.R.F. KIRKUP: Well done, member for Kalamunda.

Mr F.M. LOGAN: It is a good question, actually. It goes to the point of emergency services for the city of Perth and ultimately for Western Australia. Perth is the capital city of Western Australia. It has the most critical infrastructure, probably more so for the purpose of prevention of loss of life than any other place in Western Australia, and up until now it has been serviced by only one fire station, which is Perth fire station. The member for Dawesville’s committee has been looking at the area of terrorism and its aftermaths, and it would be well advised to take on board why that new station has been opened. It goes to some of the issues that I believe the member’s committee has raised publicly when it asked questions of both the State Emergency Management Committee and the department itself. The number of people who live in Perth is approaching two million, and the CBD is now serviced by rail, roads, tunnels, the airport and various other pieces of infrastructure. Being serviced by one fire station, should there be a significant event such as a terrorist attack in one form or another, we would be drawing services from as far away as Kalamunda.

Mr Z.R.F. KIRKUP: Really—will we be drawing services from Kalamunda?

Mr F.M. LOGAN: Yes. We will be drawing services away from Midland; that is for sure. That would service Kalamunda. We would be drawing services away from Armadale, which would be serving Kalamunda and probably, depending on the scale of the event, we would draw in volunteer services from those areas as well, particularly the volunteer fire and rescue service people who have the skills and capacity to respond to those events. The answer is yes, as far away as Kalamunda and probably further. The very fact that we have two fire stations in place now of the scale that they are, which is significantly larger than normal fire stations, I think is a good thing. It is an \$18.95 million investment by the state. It was warmly supported on Twitter by my predecessor, apparently.

The CHAIR: Minister, we are descending from the question asked. I do not think there are any further questions on this division, so I will put the question. Then I will vacate the chair for five minutes. We will return at 8.50 pm.

The appropriation was recommended.

Meeting suspended from 8.45 to 8.50 pm

Division 26: Justice — Services 7 and 8, Corrective Services, \$945 432 000 —

Ms M.M. Quirk, Chair.

Mr F.M. Logan, Minister for Corrective Services.

Dr A. Tomison, Director General.

Mr A. Hassall, Commissioner of Corrective Services.

Mr S.L. Maines, Deputy Commissioner, Adult and Youth Justice Services.

Ms A. Kalders, Assistant Deputy Commissioner, Adult and Youth Justice Services.

Mr A.D. Kerr, Director, Financial Management.

Mr G.J. Italiano, Acting Executive Director, Corporate Services.

Mr B. Winmar, Principal Policy Adviser.

Ms R. Marton, Senior Policy Adviser.

Mr T. Palmer, Chief of Staff, Minister for Corrective Services.

[Witnesses introduced.]

The CHAIR: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee’s consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or amount in the current division. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall be examined only in relation to their portfolio responsibilities.

The minister may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister’s cooperation in ensuring that it is delivered to the principal clerk by Friday, 1 June 2018. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

Mr Z.R.F. KIRKUP: I refer to item 7 on the table at the top of page 349, “Adult Corrective Services”, under the “Service Summary” heading. As we start the evening, I am keen to understand where we are at with respect to the prison muster at the moment.

Mr F.M. LOGAN: The prison muster at the moment, as of this morning, is 6 894 adults held in custody.

Mr Z.R.F. KIRKUP: Sorry, could the minister repeat that?

Mr F.M. LOGAN: There are 6 894 adults held in custody, of which 6 153 are male and 741 are female, and today there were 14 discharges.

Mr Z.R.F. KIRKUP: As part of the budget process, I imagine the minister or the agency would forecast the expected muster over the forward estimates as part of the service summary. I am keen to understand if it is true that we will reach capacity for our prisons by September–October.

Mr F.M. LOGAN: I will hand over to Mr Hassall for the forward projections of numbers. It is an issue that concerned the previous Liberal–National government in terms of dealing with an increasing prison muster, and obviously we have inherited that issue and it remains a major concern to Treasury and, obviously, Dr Tomison, in respect of where we go. The highest adult prison population that has been achieved so far across the department was on 8 April this year, when there was a total adult prison population of 6 957, so very close to 7 000—a figure that was predicted by Treasury in its modelling. Going beyond the Treasury modelling of 7 000, which I think was predicted to have been achieved already—we have not quite got there—I think Treasury’s modelling, under both the previous government and this one, was that we would have already reached that number over the last 12 months. That has not occurred, but nevertheless the projected path is still a four per cent per year increase, and that forward estimation has not changed over the last four to five years. However, as the member will be aware, last year, as a result of the late budget that was handed down in September, we were provided with extra funding for 212 beds, which are now virtually completed. That has provided us with some respite in terms of the numbers going forward. As the member knows, that involved doubling up, in many cases, across the existing prison facilities, for those areas that had not been doubled up already. That has provided us with some respite but, as the member knows, we made significant commitments over the forward estimates to expand the existing prison footprint. That will deliver in total 884 extra beds over the forward estimates. That is virtually a new prison. As the member will remember, the current Leader of the Opposition, as Treasurer under the previous administration, promised that a new prison would be built and took that position to the election and even indicated during the election that funding was available to build that new prison. This is the second time I have raised this matter in this place with the member; I am still looking for that funding, and it is not there. No matter how many times I ask Mr Kerr and Mr Italiano to turn over those stones and find where money is, it is just not there. That being the case, we took the alternative and innovative path of using the existing prison footprint to expand our prison bed resources. That does two things. It is firstly an efficient use of existing infrastructure, and secondly, as the member would well know from his previous occupation, by building within the existing prison footprint we avoid the guessing game from suburbs and towns out there as to whether they are going to have a new prison plonked down next to where they live, with all the associated concern and worry. I think what we have done is a good approach. It meets the demand that even the previous administration saw was coming. Does Mr Hassall have any further update in terms of what he has seen?

Mr A. Hassall: Of the 212 beds there were eight that came on stream at Karnet Prison Farm last October; 29 came on stream at Roebourne Regional Prison this June; and 37 planned for Bunbury Regional Prison to come on stream, at unit 5. We have some additional increases: 50 beds at Acacia Prison in June this year; 40 beds at Hakea Prison planned for September; 48 beds for Wooroloo Prison Farm in August; 160 beds at Bunbury over the next two years; and 512 at Casuarina Prison.

[9.00 pm]

Mr Z.R.F. KIRKUP: If we could just look at the next year, from, say, today, on a four per cent escalation estimate we should have around 7 200 prisoners. If we were to achieve the escalation projection in that year, would we presently have enough cells and beds to deal with that?

Mr F.M. LOGAN: Yes—not cells, beds. We would certainly have enough beds to deal with the 7 200 prisoners as those 160 beds come on in Bunbury. As the member knows, we are expecting the 512-bed expansion in Casuarina Prison to be completed by at least 2019–20. That will give us well over 8 000 beds.

Mr Z.R.F. KIRKUP: That is a significant increase in infrastructure. What do the ancillary support mechanisms that go into that, such as car parks and things like that and other facilities that exist in various prisons, look like? Is there additional funding?

Mr F.M. LOGAN: Yes; that is a very good question. I know I might seem parochial—I am not having a go at the member personally—but we had the previous, I think, \$600 million expansion under the previous Minister for Corrective Services. If the member remembers, there was an expansion at Hakea Prison; that is currently Melaleuca. There was an expansion at Albany Regional Prison and Eastern Goldfields Regional Prison. Eastern Goldfields Regional Prison is a wonderful prison and its facilities and capacity are perfectly sound.

However, the additional facilities and services that were put into place did not have investment in infrastructure at the same time. Consequently, and this is the point I am making, infrastructure at prisons such as Casuarina, Wooroloo and others was not upgraded to deal with the extra number of beds. I will give Casuarina as an example. It is a \$96.3 million expansion, with 512 beds, as the member knows. There will also be upgrades to the facility's utility services—water, power, waste and gas—additional programs, and education and video link facilities. There will also be a replacement kitchen, because Casuarina is simply struggling now. It would really have been under the pump, had we not done this. There will be expanded room for social and official visits, official storage for reception and expansion of the outpatient and medical centre. Virtually the same is happening in Bunbury at the same time to deal with the 160 secure beds for Bunbury Regional Prison. It is really unfortunate to see that some prisons have been struggling. They have extra beds, but they have not had the facilities installed, the infrastructure, to assist with the increased numbers that have arrived in those prisons.

Mr Z.R.F. KIRKUP: I have a question about infrastructure. I am sorry for my lack of clarity. Has there also been an increase in other ancillary support mechanisms, such as psychiatrists, psychologists and things like that, as a result of the extra investment or is that not occurring?

Mr F.M. LOGAN: There are certainly changes to the medical facilities and those support services as well.

Mr A. Hassall: The way we are funded for the prison population is that we get increased funding for a whole range of services—nurses; doctors; psychologists, if needed; and prison officers. That funding will come as the accommodation comes on stream. We will go around and have a look at what the need is and we will create those positions.

Mr Z.R.F. KIRKUP: I guess, in essence, there would be a cost per prisoner per day and built into that would be the support services and the like, and as the estate grows, so will those services, so we are not seeing any net reductions over this time of psychologists and psychiatrists and support services like that.

Mr F.M. LOGAN: No. There is no net reduction in the number of employed psychiatrists, psychologists and other ancillary medical staff. The only issue I would point out, to be quite honest and blunt with the member, is access to them. If we are increasing prisoner numbers at the rate we have been over the last five years, prisoners still get access to those services, but the waiting time increases; that is the unfortunate thing about it. Even when we have managed to increase the number of medical staff, I think the member will find that there is not a correlation with the increase in the number of prisoners. It just means that people have to wait longer, and that is being perfectly blunt with the member.

[Mr R.S. Love took the chair.]

Mr P.J. RUNDLE: I have a further question from that of the member for Dawesville about the prison population. Have community supervision orders had an impact on numbers one way or the other?

Mr F.M. LOGAN: I know that the answer to that is no, unfortunately. This comes back to some of the comments I made when I first became Minister for Corrective Services. Western Australia is one of the worst jurisdictions in Australia when it comes to putting people who have been sentenced to a particular punishment by the courts on to correctional service orders, as opposed to being incarcerated. For example, Victoria has a significantly higher number of people on CSOs, as the member called them, compared with Western Australia. That, along with the prison remand numbers, so people being incarcerated while they wait for their trial as opposed to being bailed, is really the core of why our prison numbers have been increasing at the rate they have been. That is the issue. Had the judiciary taken an alternative path—this is no criticism of the judiciary at all—in its sentencing by applying community service orders or bailing people rather than remanding them in prison, our prison numbers would not be as they are today.

Mr P.J. RUNDLE: I refer to the third dot point under significant issues impacting the agency on page 346 of the *Budget Statements*. I note the significant increase in the prison population and the expected upgrades in a number of prisons. Can the minister outline the nature of the upgrades, including increases in double bunking, which I gather the minister was opposed to when in opposition?

Mr F.M. LOGAN: I thank the member for the question. I do not think the member will find that in opposition the Labor Party was opposed to double bunking. He will see from what others had stated in *Hansard*—not me personally, because corrective services was not my shadow portfolio—that they were critical of the increase in prison numbers in comparison with the design numbers of the prisons. There are various ways to measure the number of people in prison. There are various ways to measure the number of beds in a prison, whether it is by design or the physical numbers that are there. I remember Hon Paul Papalia attacking the government over that differential in numbers. However, he acknowledged that double bunking just had to be applied, because there was no other way of dealing with things. We cannot magically wave a new prison into existence, so double bunking was simply a fact of life and a reality, and it remains so. Most cells across Western Australia now have double bunks—even minimum-security prisons such as Karnet, Wooroloo and even Pardelup, which are prison farms, as the member would know. Double bunks simply deal with the population, which the previous government dealt with and the current government is dealing with.

[9.10 pm]

Regarding the changes and infrastructure investments that have been made to deal with that population, at Casuarina Prison, as I indicated, a further 512 beds will be added to the prison in four standalone units that will be built at the back of the existing prison, but within the internal fence infrastructure, so there will be no additional cost to expand the prison's infrastructure since it will be built within the prison's footprint. As the member knows, one will be the first male alcohol and drug diversion facility built in Australia for prisoners. Bunbury Regional Prison will have a further 160 beds added to its capacity. Again, that will be within the prison fence line and will use existing prison infrastructure—for example, the gatehouse—and various other elements of the prison. There will be two two-storey units. About \$2.5 million will be expended on Broome Regional Prison simply to upgrade its facilities, which were left in an appalling state. It was shocking that prisoners were kept in those facilities. It was critically needed in order to bring some humanity to that prison and also for the occupational health and safety of the staff who work there. That work is well underway now and will be completed before the end of this year. A series of different upgrades will be made to Hakea Prison to try to deal with the significant increase in the remand population. Remember that Hakea is a remand prison.

Mr P.J. RUNDLE: Regarding the status of regional work camps, are they being fully utilised at the moment?

Mr F.M. LOGAN: Yes. I can provide today's numbers on work camps. Again going back, the member of the moment, the member for Dawesville, might be able to provide the house with some advice on this because I certainly cannot say why the previous administration closed the work camps. It is beyond me. When I went to Warburton and spoke to the good townfolk there, they begged me to open the work camp. I think the previous government said the people did not want it to open. That is not what they told me. They were absolutely enthused that we were opening the work camp because it will provide much-needed services in Warburton. The member for Kalgoorlie would know this. It will also provide work for prisoners around the town of Warburton. Similarly in Wyndham, when I arrived there, member for Dawesville, I found two lonely prison officers and four very lonely prisoners who were sick to death of talking to each other. They were sick to death of all talking to each other and were begging for more prisoners and staff to come to the prison so they would have someone else to talk to for a change. Again, I do not know why they were closed.

We have tripled the numbers since the figures came out in 2016. I was up in Dowerin, which is a great work camp, only recently. For the member's information, I am looking to try to double the size of Dowerin work camp at the request of the two shires up there—Dowerin and Goomalling. They want the work camp expanded because of the great work they will do in the shires. I am looking for a cheap way, with no extra money from Treasury, to somehow double the size of that work camp. At Dowerin, the capacity is 100 per cent. Roebourne is at 84 per cent capacity; it had nobody in it when I went there. It was closed when I originally took up the ministerial role. Walpole is 83.3 per cent full. Warburton is 29.2 per cent full and that is primarily because of the distances involved and the type of people we can put in that community. We have to be very careful about who we put there because it is such an isolated and small community. Wyndham work camp is now 40 per cent full. That is an overall utilisation of 61.2 per cent for the work camps.

Mr K.M. O'DONNELL: I refer to significant issues impacting the agency on page 346. The sixth dot point refers to dedicated alcohol and other drug rehabilitation prisons. As with the Casuarina Prison expansion that is mentioned, can this be rolled out to Eastern Goldfields Regional Prison? It is brand-new and a great facility. Can we hop on board the train?

Mr F.M. LOGAN: I thank the member for Kalgoorlie. I noticed that he has raised his enthusiasm for an alcohol and drug facility within the EGRP with the local media up there as well.

Mr K.M. O'DONNELL: Yes.

Mr F.M. LOGAN: We are not planning to do that at the moment and there are AOD treatment programs available for people to take up in Eastern Goldfields Regional Prison. From research and also from our experience visiting Victoria and New South Wales, the advice we got from both prison staff and governments was that if we are going to set up an alcohol and drug facility, we should not make it simply a program within the existing prison system if we are really trying to achieve significant change. We should make it a standalone facility that is isolated from the mainstream prison population because of the interaction between the two and the commitment that can be given by the prisoners if they are isolated; I do not mean completely isolated, but if they are away from the mainstream prison and within their own therapeutic community. That is what we will be doing in both Casuarina Prison and Wandoo Reintegration Facility for males and females. Their argument, which we are yet to see, is that the outcomes will be better if we do that. I think the best way of answering the member's question is probably to say it will be one step at a time. Let us see how we go with these two facilities. They are the first of their kind in Australia. Let us see how we go with the male and female facilities and what results we get from them.

Regarding existing programs and any expansion of those programs at the EGRP, I will refer to the commissioner.

Mr A. Hassall: As the member would know, last year the director general signed off on the new rehabilitation programs. I would have to take the question on notice to tell the member the exact amount, but I am pretty confident that extra resources were put into the EGRP. I can certainly get back to the member with that amount. As the minister correctly said, we have methadone maintenance and treatment programs throughout prisons in the state.

Ms E. HAMILTON: I have spoken in the house about the issue of methamphetamine in the community. Regarding the sixth dot point on page 346, I am keen to get an update on the women's facility.

[9.20 pm]

Mr F.M. LOGAN: I can inform the member that the work being done on the Wandoo Reintegration Facility is proceeding very well indeed. On 1 May the department took back into its own operations Wandoo prison from the previous contract that had been running with Serco, which had expired, and there was an end-date for its occupation of Wandoo. That was on 1 May. It is now back in the hands of the Department of Justice. Under the contract signed, Serco had to ensure that the facility handed over was fit for purpose and in a state acceptable to the department. In addition, work had to be done to transform it into a drug rehabilitation prison alongside Serco still operating the facility, so it had to allow access to Department of Justice staff and contractors. That has been undertaken and continues to proceed. We expect the first prisoners to come to Wandoo in the first week of July this year.

I will pass over to the commissioner in a second, but work has been undertaken and is almost finalised on the model of therapeutic care for the prisoners and the programs that will be in place, and how those programs will be undertaken in prison and after prisoners leave. The biggest problem is, as the member for Kalgoorlie knows being a policeman, that they can get all the help they like in prison but when they get out they tend to go straight back to the same pub where their previous dealer was and it all starts again. They need support once they leave the prison. We are trying to integrate programs within the prison so that for people who suffer these addictions there is a seamless level of assistance both while they are in the prison and once they leave. That model has been finalised. The staffing levels have been identified in terms of the numbers and types of staffing that will be required to run that facility. Anything further?

Mr A. Hassall: Just to build on what the minister said, the capital works program is well underway and will be completed. There was a little slippage in the gate work there, but that will not hinder the opening of the prison. The treatment regime has all been locked in and we are working with a not-for-profit on that—three phases, 12 steps. We have had a look at what happens across the country in that space, and I am fairly confident we have the best services available.

We have had a workstream looking at staff. We brought most of the Serco staff back in, and we had to retrain them on how the Department of Justice works and operates. That work is going really well. We have signed off on the training program. We have had a bit of a marketing campaign with women already in the prison system—so Bandyup and places like that. We have had really good interest. So far about 80 women have expressed interest in participating in the program, which is good because these types of programs really work with people who want to participate. We have had a very high level of interest expressed so far. That does not mean to say they will all get a place, but the interest is certainly there from Bandyup.

Mr F.M. LOGAN: When it opens, member for Joondalup, you are more than welcome to go along and have a look.

Mr M. HUGHES: I will stick with the issue of drugs for a moment and refer to the fifth dot point on page 346. Can the minister update the committee on the actions taken to reduce the supply of drugs and other contraband into our custodial service?

Mr F.M. LOGAN: I thank the member for his question on that. That issue, as the member knows, has been the subject of a fair amount of debate in Western Australia, particularly the views of the Corruption and Crime Commission and its advice about particular staff at Acacia. The Auditor General's report into contraband and drugs in prison was given to the department, and I am very pleased to say that significant work has been done by the department in that space. We cannot talk about all the things here tonight, because obviously a lot of it goes to security within the prisons and we do not want to publicly advise people of what the department is doing to stop the supply of drugs. but the member can think about it in this way. We are approaching it in a twofold way. That relates to the previous question from the member for Joondalup. We are looking at stopping the supply of contraband in prisons—particularly drugs and alcohol, but also phones and any other forms of electronic devices—as best we possibly can through various strategies, while at the same time stopping demand within prisons. Obviously, if we reduce the demand for drugs that will have an impact on the supply of drugs. Bunbury Regional Prison, for example, as the member for Bunbury knows, has done a great job in this area, led by Superintendent Kerry Bishop and her team in Bunbury. I think we will relatively soon release the results of that successful drug reduction and minimisation strategy that was put into place in Bunbury. That has had an overflow effect, by the way, into the City of Bunbury and the work the local member is doing there to tackle the methamphetamine addiction and demand for methamphetamine. The prison is trying to reduce the demand by putting prisoners on a regime whereby they voluntarily commit and take action, and will be penalised if found with drugs or under the influence of drugs. Reducing that demand has had a significant effect. We would like to see that program rolled out across the entire prison system. That is one way of approaching it.

The other approach to dealing with this issue is reducing supply. A number of methods can be used to identify the use of drugs and who are using drugs. One method is monitoring the wastewater sewerage outlets of the prison to

see exactly which units are using drugs or could be under the influence of drugs through the passing of the drugs into the wastewater of the sewerage systems. Another method, of course, is expanding the use of dogs and various detection equipment, which is underway at the moment—even more so at Wandoo because we want that as a completely drug-free prison, otherwise we lose the whole reason for its existence. Dogs are a remarkable tool in the contraband strategy, but there are other forms of technology that have been rolled out and are being used at the moment. There has been intelligence gathering, with which Mr Maines has been heavily involved, working alongside the Western Australia Police Force and the CCC to identify the likely culprits involved in contraband smuggling and the likely people who could be influenced in terms of contraband smuggling within the prison system, and then taking action against either prison officers or staff or people coming into prisons. I think in the area of people coming into prison we will see further change, and I am hoping for legislative change that the member for Dawesville will support to tighten up that area to ensure we have safe and secure prisons going into the future, particularly given the number of people who come into our prisons on a regular basis who may well be a clear source of the smuggling of contraband.

[9.30 pm]

Mr M. HUGHES: I asked that question in the context of the recent Corruption and Crime Commission report, in terms of the prisoners out and the relationship between them.

Mr F.M. LOGAN: That was the question the —

Mr Z.R.F. KIRKUP: Is the conversation going to continue between government members, Chair?

The CHAIR: I am conscious of the time, and it has been quite a lengthy answer thus far, minister. Do you think you have said enough?

Mr F.M. LOGAN: Unless Mr Maines wants to add something to that.

Mr S.L. Maines: I could add to this.

Mr Z.R.F. KIRKUP: I have additional questions to this and then a new question.

The CHAIR: You are down for a question.

Mr Z.R.F. KIRKUP: I appreciate the member for Kalamunda's exceptional question once again. But further to the minister's detailed response, I am keen to understand whether the process of random drug and alcohol testing of prison officers has been maintained during the entire time the government has been in office?

Mr F.M. LOGAN: The regime of testing prison officers has been not only maintained, but also expanded to cover not only prison officers. I will pass over to the commissioner to give members some clear detail on that.

Mr A. Hassall: As the minister has said, our approach to drug supply reduction is threefold: supply reduction, demand reduction and harm minimisation. On the supply reduction side, we have had two operations running for a number of months. Operation Contra commenced last year and we did 223 000 searches across the state. That involved staff, prisoners and visitors. Then it morphed into Operation Horace in January this year, which was a more intelligence-led approach to how we do searches. I have some figures on unannounced searches if the member would like them. There were 223 staff searches; 262 staff property searches; dog searches of 290 staff; staff vehicle searches, two; 140 staff breath tests; 54 staff drug tests; and 10 targeted staff tests. That occurs when we have had intelligence. Of all those, there were three positive breath tests and two allegation letters were sent to staff. On the prisoner front, we did 142 strip searches; 277 —

Mr Z.R.F. KIRKUP: Could the commissioner clarify the time frame?

Mr A. Hassall: This is from 12 January. There were 277 who participated in drug searches—they were tested by dogs—46 cell searches, and 72 drug tests on prisoners. That is over and above what we would normally do anyway. The unannounced operations were at Casuarina Prison on 5 and 7 April, Hakea Prison on 11 April, Albany Regional Prison on 17 and 18 April, Pardelup Prison Farm on 19 April, Acacia Prison on 4 May, Karnet Prison Farm on 15 May, Hakea again on 16 May, and there is another operation tonight.

Mr Z.R.F. KIRKUP: I refer to page 354 and adult corrective services. I am keen to understand the cost of services provided. Is community supervision and the like incorporated within the cost of services, specifically those offenders in the community with ankle bracelets and the like? Is that encompassed in that part of the budget papers? I want to make sure that I am in the right area.

Mr F.M. LOGAN: It does.

Mr Z.R.F. KIRKUP: Further to that, I note that on 4 and 21 May in Queensland, the Northern Territory and South Australia, offenders in the community who wear bracelets lost communication from a Telstra outage. I am keen to understand whether that occurred in our jurisdiction as well.

Mr F.M. LOGAN: That is an interesting question, because I think a number of people were thinking about what had happened as a result of that Telstra blackout and its impact on not only fire and emergency services but also

corrective services and GPS tracking systems. We have not been affected by that in Western Australia. But in terms of planning for a possible problem, given the fact that we have had two major outages from Telstra within the last few months —

Mr Z.R.F. KIRKUP: There have been two in the last month.

Mr F.M. LOGAN: Mr Hassall might have an idea of how to deal with this.

Mr A. Hassall: We have a business continuity plan and for more detailed input into that, I will hand over to Ms Kalders.

Ms A. Kalders: A very detailed business community plan will kick in should there be any outage of the system. The beauty of our system is that even if there is an outage, the data is retained, so when the system comes back online, we are able to verify whether the offenders were compliant or whether there was any incidence of noncompliance. That gives us the surety of being able to know what is happening during those periods of outages. We have steps to ensure that we also, during those outages, can use other methods to ascertain where people are and what they are doing.

Mr Z.R.F. KIRKUP: Just to confirm, during those Telstra blackouts, for want of a better word, there was no lack of communication with those devices at all?

Mr F.M. LOGAN: There was no impact at all in this case.

Ms A. Kalders: There was an impact, and when the system goes down—it was such a short period—we start off our business continuity plan. But it came back up, I think, within a very short time. That data was all retained and we were able to verify where everyone was.

Mr Z.R.F. KIRKUP: Maybe the minister wants to clarify the situation. If there has been an outage or has not been an outage, what was the outage point in time? As you appreciate, minister, those things are monitored in real time typically. Did we lose that capability?

Mr F.M. LOGAN: I will find out further for you, member for Dawesville. I will ask Ms Kalders to explain the actual time that was lost.

Ms A. Kalders: We have a time line that I can go through. I do not want to provide too much information about the operations of the electronic monitoring system so offenders do not understand —

Mr Z.R.F. KIRKUP: I do not want Ms Kalders to say anything that would compromise the system at all. I appreciate that.

Ms A. Kalders: There was a first indication at about 8.35 that something was not quite right. By 9.19 we had a sense that there was definitely a problem with our system and we kicked in our BC processes at that point. By 9.49 that was resolved.

Mr Z.R.F. KIRKUP: Can I get an understanding of the quantum of the bracelets or devices that we did not have contact with? How many did we lose contact with?

Mr F.M. LOGAN: We have two types of bracelets in Western Australia. They are not all GPS.

Ms A. Kalders: As of today, we have 81 offenders on electronic monitoring. Some of those are on GPS and some are on radio frequency.

Mr F.M. LOGAN: Can Ms Kalders remind us how many are on GPS.

Ms A. Kalders: The number on GPS is 25 and the rest are on radio frequency.

Mr Z.R.F. KIRKUP: I am conscious of any operational concerns, so if there are any issues in relation to operational concern, I am happy for us to not go down that path. For those offenders on radio frequency devices—I note the answer before, minister, in relation to still logging that data—how specific is that data in an absence of real-time communication?

Mr F.M. LOGAN: This is for those on radio frequency or GPS?

Mr Z.R.F. KIRKUP: I imagine that GPS would be logged within the device, but what about those not on GPS—those on radio frequency devices?

Mr F.M. LOGAN: Would radio frequency devices have been affected? No, they would not have been affected. That is the point we are making. There are 91 who are on bracelets and 25 on GPS. They were the only people who would have been affected. The radio frequency devices use a radio frequency, so they would not have been affected by Telstra outages. Of those 25, immediately, that information would have been stored and if there had been a problem, we would know about it by now.

[9.40 pm]

Mr Z.R.F. KIRKUP: I appreciate that that was the case. Just to clarify, did we lose contact with anyone on the radio frequency devices?

Mr F.M. LOGAN: No.

Mr Z.R.F. KIRKUP: I am not sure that that information is correct.

The CHAIR: Minister, could you clarify that?

Ms A. Kalders: I would need to clarify that. My sense is that the connecting information was still available for us to verify those radio frequencies.

Mr F.M. LOGAN: We can find out.

Mr Z.R.F. KIRKUP: I appreciate that.

Mr F.M. LOGAN: If the member can put that question on notice, because he is very good at putting questions on notice, we will provide him with that information.

Mr Z.R.F. KIRKUP: I appreciate that. Thank you very much.

Mr D.T. PUNCH: I refer to the first two dot points relating to the asset investment program on page 356, which indicate funding for the expansion of Casuarina Prison and Bunbury Regional Prison. I am keen to know whether the minister can update us on whether those expansions will be included in the WA industry participation strategy pilot.

Mr F.M. LOGAN: I thank the member for Bunbury. As he knows, legislation relating to the Western Australian industry participation strategy passed both houses earlier this year and is now in force as a way of ensuring that taxpayers' money that is spent on infrastructure, basically delivering services for taxpayers in Western Australia, is spent in Western Australia as best as we possibly can, certainly through local content. That is what it is about. It is effectively a local content bill and a job creation bill. The first of many WAIPS plans for Western Australia is in Bunbury. As the member well knows—we have talked about that already—it is all in place. The \$23.7 million 160-bed expansion of Bunbury Regional Prison aims to provide jobs and services to the people of Bunbury and the businesses of Bunbury and ensure that that money is fed into the economy of Bunbury as best we can. Building Management and Works, as the project management contractor for the prison expansion program, has an obligation now that the Western Australian participation plan legislation is in force. I will give the example of the bridge to the stadium —

The CHAIR: Minister, I think we are getting a bit off the topic here and it is getting late.

Mr F.M. LOGAN: The bridge to the stadium is an example of what could have been done and was not done under the previous administration. The WAIPS legislation is aimed at ensuring that we get the biggest bang we possibly can out of the taxpayer dollar, particularly for the regions. Bunbury is a major city in Western Australia, along with Albany—I have to include Albany, otherwise there will be trouble between the member and the Speaker!—so it is important to ensure that Bunbury's economy benefits from the expansion of the prison. That plan is in place. BMW is bound to implement the obligations of that plan. Casuarina is also part of the Western Australian industry participation planning as well. Bunbury will be the first cab off the rank. I am hoping to see a significant amount of money invested in Bunbury businesses and job creation as soon as those contracts are let.

Mr D.T. PUNCH: I refer to the royalties for regions fund, halfway down page 358. What projects are being funded from royalties for regions?

Mr F.M. LOGAN: The money that the member identified on page 358 has a total of just \$9 million in the current financial period and \$9.5 million in the future financial period. Some of the benefits are received by regional youth justice services for its work in the Kimberley. As the member knows, \$21.5 million was allocated under the previous government to the work of regional youth justice services in the Kimberley. That money was running out as of July this year and we have been successful in ensuring that funding is retained and continued into the out years to 2021–22. The minister would be aware of the regional workers incentives scheme payments that have been in place for some time and paid for out of royalties for regions. That scheme is part of the current and future budget as of July and the out years. We also see the continuation of the Enhanced Driver Training and Education Program for regional and remote communities. I am pretty sure that was put in place by the Nationals as part of the coalition. That money continues on until at least 2019–20 at just over \$1 million a year. The community safety network is currently in place and will remain in place until 2021–22 at approximately \$220 000 in the current year and future out years. A radio network system that is co-jointly used by the Western Australia Police Force is also funded out of royalty for regions.

Mr P.J. RUNDLE: What work has and is being done to identify other projects in the minister's department that could be funded by royalties for regions?

Mr F.M. LOGAN: Another question on how we spend royalties for regions money. I will pass over to Dr Tomison, as a man who likes to spend money! No, he is the director general and the appropriate person to respond to that question.

Dr A. Tomison: I do like to spend money, but not at the moment. Previously, the Department of the Attorney General and also the Department of Corrective Services have done quite well out of royalties for regions money, as the member would be aware, including funding for courthouse builds in the Kimberley and other places. We also have the royalties for regions money now that we desperately need for the youth justice system, as Minister Logan has said. One of the areas the minister is keen for us to pursue in the regional areas around the Kimberley and Pilbara

in particular, is the locating of prisoners or offenders close to home when they have committed offences and are sentenced, rather than bring them down to Perth. That costs a lot of money and is quite distressing for some individuals who are obviously closely allied to home, particularly young Aboriginal offenders. The minister is having us look at various sites up north where we may create small facilities to alleviate those traumas and reduce the cost of transporting people backwards and forwards for little gain, particularly for those with short sentences. That can be difficult to achieve just because of the numbers involved. Once we have enough people there quite regularly at a particular site, we essentially have to staff it and put in place services when in fact the demand may not be there. We are looking very carefully at what we can do. The minister has asked us to explore a number of sites and, as part of that, royalties for region may play into it and we may be able to access or apply for that funding. That is probably the main thing that we are looking at at the moment. The minister also mentioned, as part of his summary, the enhanced driver training program, which is more on the Attorney General's side of the equation but is still really important. Many of our prisoners who come into jail or into our system as community corrections offenders often do not have a driver's licence, which is a real hindrance for them when trying to get employment and travel around legally without getting themselves into further trouble. We have had quite a lot of success in these enhanced driver training programs running in Broome, Kalgoorlie and Roebourne. We are going to try to expand that where possible. There is quite a large market to reduce Aboriginal offending by being proactive in assisting them with the key things they need, including not only identification documents, but also driver training, particularly given that the number of hours that a person has to drive to get their licence has doubled. We may make an application for royalties for regions funding for that as well.

[9.50 pm]

Mr F.M. LOGAN: By the way, that also includes, where we can, assisting Kalgoorlie because of the issues in Kalgoorlie that are well known to us, member for Kalgoorlie. It comes down to the numbers of particularly juveniles who come out of Kalgoorlie and the desert lands to ensure that we do everything we possibly can to keep them on country.

Mr Z.R.F. KIRKUP: That is a really good program—good work. I would like to go again to the number of FTEs and the cost of services under “Adult Corrective Services” on page 354. I am keen to understand where those reductions will be taking place if that is possible, please.

Mr F.M. LOGAN: In the total number of employees? I presume the member is asking about VTSS.

Mr Z.R.F. KIRKUP: Whether they are VTSS or whether there are others.

Mr F.M. LOGAN: Some will be included in there as VTSS.

The CHAIR: With these acronyms, I think it is best if the minister outlines what that is.

Mr F.M. LOGAN: VTSS is the voluntary targeted separation scheme, or voluntary redundancies.

Dr A. Tomison: In terms of the drop in the number of full-time equivalent staff, a decrease of 20 FTE from the 2017–18 budget to the 2017–18 estimated actual relates to the voluntary targeted separation scheme. Eighteen staff left the department under that scheme, and also the senior executive service reduction led to two staff resigning from the department. The decrease of 82 FTE from the 2017–18 budget to the 2018–19 budget relates again to the VTS scheme, with 51 staff; the SES reduction, four staff; and the agency expenditure review initiatives, 27 staff.

Mr Z.R.F. KIRKUP: It is pretty obvious where the SES staff would be from. In relation to the majority of those other reductions, were they officers on the ground or were they part of the corporate executive structure? Moreover, is there a breakdown at all that the minister would be willing to provide via supplementary information?

Mr F.M. LOGAN: I do not think that would be helpful because it is not over yet. That is the thing. Basically, in answer to the member's question, I have asked the department to ensure that we minimise any impact on frontline staff for obvious reasons. In fact we will be employing more frontline staff. I know the VTSS numbers are here, as just outlined by Dr Tomison, but of course the member would be aware that we have to take on more frontline staff because we are opening more beds. We are increasing prison bed numbers by over 800 over the next three years. We will be taking on a significant number of frontline officers to deal with that. I am not completely au fait with exactly who has gone and who has not, because I have obviously been looking at the numbers in terms of the finances, as I am expected to do. Dr Tomison, can you outline a bit more?

Dr A. Tomison: The department is taking quite a lot of time, as I am sure most departments have, to try to get this right. We are aware that losing staff can potentially place an impost on the department. We spent months doing this. I think some individuals would have liked us to have reached decisions earlier than we were able to. The primary consideration was the impact on the department—that is what it had to be. We have been trying to avoid losing frontline staff wherever we can. Sometimes we can let frontline staff go because of restructures caused by the machinery-of-government changes or other service restructures we are doing to enhance our business. Sometimes we have seen some members from operational areas go—in courts, for example—or occasionally from places such as community corrections. Generally speaking, we have been trying to focus on backroom functions—administration and other areas—where there are capacities that we can pick up through the use of existing staff. We have been very clear. The minister and the government have been very clear with us that we have to stick to

our new cap once we have our final figure in place. We have strategies in place to ensure we do that but at the same time we can generate staff in the key areas we need to do our business. A lot of work has gone into getting the right people in terms of what the department needs and giving them options. We have done the best we can with that, I guess.

Mr F.M. LOGAN: I assure the member, going to the heart of his question—via further information I have just been handed—that there is no impact at all on uniformed officers nor Banksia Hill employees.

Mr Z.R.F. KIRKUP: I appreciate that assurance. On that same theme, would there be an impact on proactive investigations that might occur internally or any impact on professional standards or whatever the iteration would be in this instance?

Mr F.M. LOGAN: Not to my knowledge.

Dr A. Tomison: As part of our response to Corruption and Crime Commission reports, the Office of the Auditor General and other things, we are looking at improving our intelligence investigations capabilities and ensuring that they are the best fit, if you like, for the Department of Justice as it now stands. As part of that, if the member looks back over the preceding years, he will see that there has been a drop in the number of staff in some of the investigatory areas, in the Corrective Services space, at least. At the moment, we are doing a review to look at where those structures should sit and how they should be staffed—the sorts of people we need to do the job effectively. Those sorts of thing are having impacts, but the voluntary targeted separation scheme elements have all been relatively minor impacts on our services.

Mr Z.R.F. KIRKUP: The second part of the question was about—I am not sure what the proper term is in this instance—the professional standards or anyone who walks in and makes a complaint or an allegation against officers. In that case, has the integrity of that area remained the same?

Mr A. Hassall: There are two areas in the department. There is an intelligence area that primarily does intelligence collection, collation and analytics, and then there is an investigations area that does staff screening, investigations and misconduct prevention. As part of machinery-of-government changes, those areas have been merged together. There will be some slight changes in functions, because some of those functions might go to a corporate area. There has been no reduction in staff, with the exception of one in the intelligence area, since the machinery-of-government changes or as a result of VTSS. We have put extra resources in. We have put a deputy commissioner in charge of that area on the back of some the reports that we have had and we have streamlined some of the processes, so we will see a much quicker turnaround in investigations.

Mr Z.R.F. KIRKUP: The minister spoke about another area; has there been a reduction in that area as well?

Mr F.M. LOGAN: Which area was that?

Mr Z.R.F. KIRKUP: The minister referred to a misconduct section and an intelligence section.

Mr A. Hassall: There are two areas. There is an intelligence directorate and there is an investigations directorate.

Mr Z.R.F. KIRKUP: Overall, in that case, there has been a reduction of only one staff member across that entire area.

Mr A. Hassall: As a result of VTSS. There has actually been an increase in the investigations area. We are in the process of taking on some extra investigators.

Mr K.M. O'DONNELL: I refer to page 346 and Legal Aid cost and demand forecasts.

Mr F.M. LOGAN: Sorry, member, that line item is for the Attorney General tomorrow.

Mr K.M. O'DONNELL: Sorry, my mistake. I said it would be quick.

Mr P.J. RUNDLE: I refer to page 346 and the third dot point on the increase in the adult prison population. Can the minister give me his thoughts on how the high prison population is impacting staff morale?

Mr F.M. LOGAN: It is not exactly a budget item. I get regular feedback from my prison visits when I talk to staff directly. I talk to staff representative organisations, whether that is the Western Australian Prison Officers' Union or the Civil Service Association, which represents other staff members within the Department of Justice and at Banksia Hill Juvenile Detention Centre. I can tell the member that the morale in Banksia Hill is significantly higher than it was before May 2017 and in the years before that. I know that personally, having spoken to staff out there. Morale is much, much higher because people feel safe. They come to work and they feel safe; whereas, before—the member can look at the Inspector of Custodial Services' report that states this—staff were coming to work and they did not feel safe in Banksia Hill. In that area, I know that morale is significantly higher than it was. In the general prison area, my personal feedback from staff is good. It will be interesting to hear what the commissioner says because I know he probably shares my view on this.

The CHAIR: Thank you, minister. I think that is a good note to finish the evening on.

The appropriation was recommended.

Committee adjourned at 10.00 pm
