

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

Extract from Hansard

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Mr Vincent Catania; Mr Paul Papalia; Mrs Liza Harvey; Ms Libby Mettam; Ms Cassandra Rowe

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