

Mr Matt Birney; Mr John Kobelke; Chairman; Mr John Hyde; Mr John D'Orazio; Mr Jeremy Edwards; Mr Rod Sweetman

Division 25: Gascoyne Development Commission, \$2 786 000 -

Ms Guise, Chairman.

Hon John Kobelke, Minister for Consumer and Employment Protection; Training; Leader of the House.

Mr K. Antonio, Acting Chief Executive Officer, Gascoyne Development Commission.

Mr BIRNEY: Minister, can I once again refer you to your priority and assurance dividend on page 427 which shows a saving of some \$167 000 to the Gascoyne Development Commission budget? I ask the minister to outline the nature of that \$167 000 saving.

Mr KOBELKE: Again I will repeat very briefly - before I turn to Mr Antonio to give us some details - that while there was a percentage figure given to all agencies to find savings, the matter was then for ministers to work through and come back to the Expenditure Review Committee in terms of how they could be delivered, so it is not just a wild figure. There is for the agencies obviously some stringency in meeting those particular cuts, but I will turn now to Mr Antonio to actually give us some details as to whether they are specifically designated and we can have some detail of the process by which those particular priority assurance dividend savings will be found. Over to you, please, Mr Antonio.

Mr ANTONIO: Thank you, Minister. In February of this year the board of the Gascoyne Development Commission went through a strategic planning exercise where they looked at our priorities as a whole. As a result of that process, there was a realignment of priorities under the key output areas. The efficiency dividends were taken across the board. All projects were reviewed and where possible savings were made on those projects. Basically a process of looking at all our areas of expenditure and identifying any savings that could be made in those areas was undertaken. It was basically throughout our budget items and particularly looking for areas that would not impact on the key outputs and the strategic direction that the board had set for 2001 to 2003.

Mr BIRNEY: Supplementary, Madam Chair.

The CHAIRMAN: Supplementary, member for Kalgoorlie.

Mr BIRNEY: Minister, whilst I accept that some of those savings that total \$167 000 would be somewhat minuscule and perhaps irrelevant in the process of this debate, I wonder would the minister can detail some of the more significant of those savings that will be achieved with that \$167 000 priority assurance dividend?

Mr KOBELKE: I will come back to Mr Antonio in a minute, but, as I understood the answer that he has assisted us with so far, it is that it is really pruning back on a whole range of areas and there was not any one specific large project which has been cancelled or cutbacks in staff. So I would ask Mr Antonio to confirm that for me, please.

Mr ANTONIO: Minister, the one project that has had the largest impact, would be the Aboriginal Culture and Heritage Centre. Certainly the minister worked hard to reinstate those funds. The commission and particularly the project officer involved with that project have embarked upon a number of strategies in order to ensure that the outcomes that are sought to be achieved through the construction of that centre are not affected. We have doubled our efforts in terms of looking to attract external funding, including federal funding. We have been successful within the last month obtaining funding for a business planner and a person to conduct a feasibility study on the components of that centre

That process is continuing with a number of grant applications and certainly that would be the one project that the cuts have had the most significance on. Through an anomaly, we believe, in terms of the way Treasury classify that project. The asset at the end of the day is not the property of the State Government, rather than being considered a capital item, it is considered an operating item and therefore through that anomaly the efficiency dividend was applied to that project as well.

Mr KOBELKE: Thank you for that. If I could just clarify, if members are not aware, with the work of the Expenditure Review Committee in actually finding the savings required for the priority assurance dividend, there were issues such as this where the argument could be made that the issue was actually capital expenditure. The assurance and priority dividend does not apply to capital, it only applies to recurrent, but where you have agencies who actually are the conduit for the funds to actually set up such a centre, it is considered recurrent. Mr Antonio has alluded to the fact that there was a very strong argument put up by the minister that those particular funds should not have been taken into account. In most instances ministers found areas in their portfolios where they thought the definitional issues meant that money should not be subject to that, so they were taken on a case-by-case basis and, as we have in this budget here now, the funding for that particular project has been considered as part of the recurrent funding and therefore subject to the dividend.

[9.50 am]

Mr Matt Birney; Mr John Kobelke; Chairman; Mr John Hyde; Mr John D'Orazio; Mr Jeremy Edwards; Mr Rod Sweetman

Mr HYDE: Just as a supplementary, Minister, if we look at the overall figure, we still have a 17 per cent increase in funding to this development commission, so even with the small nips and tucks and waste that everybody should be able to find, surely with a 17 per cent increase in funding we would actually end up with an increase in services and projects through the commission.

Mr KOBELKE: I thank the member for the question or the point of view as he put there. It does give me the opportunity to simplify it a little bit.

Mr D'ORAZIO: It highlights it, just in case.

Mr KOBELKE: As I have already indicated, a key component in the development of this budget was meeting our election commitments. If election commitments in a particular area, in this case the Gascoyne Development Area, meant there was extra funding to go in, they were still asked to find the savings, but then the additional funding which is required to meet election commitments or particular projects which were given a high priority, and there were very few of those outside the actual election commitments, would mean a net increase to the budget, even though savings were asked to be found from what was the existing and ongoing level of work of that particular agency.

Mr EDWARDS: Minister, page 426 under "Significant Issues and Trends", dot point 1, and it also ties in with page 433 under "Major Initiatives for 2001-02". Could I ask through you the financial implications for the commission and are there other partners involved in this particular project?

Mr KOBELKE: To get that clear, we are talking about the branding of the region?

Mr EDWARDS: Yes. It is in relation to Australia's outback coast, where the outback meets the reef, which is developing a tourism marketing plan and what I am specifically asking is, what financial implication. I cannot see anything in here.

The CHAIRMAN: Page 426, the first dot point under "Significant Issues and Trends".

Mr KOBELKE: The Member for Ningaloo can speak in much depth on the issues that relate to this. The Leader of the Opposition is not here, but just by way of comment -

Mr SWEETMAN: I thought I was getting a promotion.

Mr KOBELKE: I think the member is obviously very proud of the fact that his area is unique in many ways and that he has some fantastic parts of the Australian environment within Shark Bay and a whole range of other areas. If I start naming them, I will miss out some very ones, but there is a whole range of environmental areas there which are of serious significance as well, and clearly what the commission is trying to do is run a strategy which will optimise the benefits that can be obtained from those particular natural assets and also to look to the very important aspect of preservation of the environment with respect to those particular assets. So by way of introduction, I would ask if Mr Antonio would be able to comment on the question that was asked, please.

Mr ANTONIO: I certainly have great pleasure in answering that question, particularly if we are referring to the pristine natural assets of the Gascoyne and you are welcome to come and sample those assets at any time. The commission is involved in a project in conjunction with the shires throughout the Gascoyne to promote the Gascoyne as the outback coast. This is primarily a marketing initiative, focusing primarily on inbound tourists to Australia. Obviously with the events of recent weeks there is a reassessment of our strategy there. This is a joint initiative involving three shires contributing an equal amount of money over a two-year period, \$100 000 from each of the shires, the Shire of Shark Bay, Shire of Carnarvon and Shire of Exmouth, and the primary focus of this promotion is to capture inbound tourists and to establish the outback coast, where the outback meets the coast, as the attraction, the icon, the known entity for the Gascoyne. It is certainly an exciting project and one that has the support of the coastal shires in the Gascoyne.

Mr D'ORAZIO: Page 429, Minister, the third dot point, "Major Achievements for 2000-01: completed air service study for the region". The first question is, does the study identify any specific things that need to be done? Secondly, is there an ongoing program being established to implement that but, more importantly from my point of view, are there local operators in that Gascoyne region that are operating internal charters in the region? Rather than having everything focus from Perth and having charters emanating, are there operators who are actually establishing business, operating charters in that region, interregion? I was up at Geraldton and I was intrigued how some operators operating out of Geraldton are going into various locations, Kalbarri and also the Abrolhos. Is there that trend in this region and how effective is it?

Mr KOBELKE: I will try and assist, but let us get the questions clear. You are asking about the study which is mentioned there?

Mr D'ORAZIO: Yes.

Mr Matt Birney; Mr John Kobelke; Chairman; Mr John Hyde; Mr John D'Orazio; Mr Jeremy Edwards; Mr Rod Sweetman

Mr KOBELKE: The second part was?

Mr D'ORAZIO: Whether there is an ongoing program to improve services.

Mr KOBELKE: Based on a study, and thirdly?

Mr D'ORAZIO: Thirdly, are there internal operators within the region who are operating interregion rather than operating out of Perth or regional centres?

Mr KOBELKE: Can you assist us there please, Mr Antonio?

Mr ANTONIO: Yes, I certainly can. The primary focus of the study was on the ability of people to get to the Gascoyne. Certainly the issue of transport within the Gascoyne was a consideration. However, both through the community consultation phase and through the conducting of the study by the consultant, it became evidence that that is not as critical an issue for people in the Gascoyne. There are charter operators that operate within the Gascoyne, charters operate out of each of our three major towns - Shark Bay-Denham, Carnarvon and Exmouth. However, as I say, the focus of the study and the primary concern for the Gascoyne and its growing tourism industry is the ability of people to travel to the Gascoyne.

The study and the consultant's report was received a couple of months ago. Following the receipt of that report, the Gascoyne Development Commission called a workshop of operators through the region, particularly tourism operators but also travel agents, chambers of commerce and people related to the aviation industry within the area. The report was presented at that workshop and then a process of working through the report and its recommendations as such was undertaken. The operators in the region, I suppose it is not harsh to say, were concerned that the recommendations in the report were not visionary or looking to build an improved service to the Gascoyne. Certainly the focus of the operators in this region and that of the Gascoyne Development Commission is, how in the long term can we build a sustainable, quality airline service to our region that supports our tourism industry, that allows us to grow and allows us to bring people to the superb natural assets that this region has.

That is certainly the direction we have been taking. Obviously with the events of recent weeks this has been an evolving saga on a daily basis, as the minister would know. They may even be sick of us calling on a daily basis, the minister's office and also department of transport, Qantas and Skywest, looking for how this scenario will pan out and how we can then get back to the table with operators coming into the region to map out an improved service for the future of the Gascoyne.

[10.00 am]

Mr D'ORAZIO: Thanks.

Mr SWEETMAN: Minister, page 433, major achievements for 2000 and 2001 and particularly dot point 2 under that, "Regional promotion through Skywest Destinations brochure with features on local business and events, and continued support of the Gascoyne Business Expo." Certainly these have been major initiatives, along with a lot of other initiatives, support of the local chamber of commerce, main street committee and the like. I just want to know whether you will continue with these projects this year.

Mr KOBELKE: The situation under that dot point obviously indicates how things can change quite radically because these papers we are working off were only printed a few weeks ago and of course the whole face of aviation in Australia has changed drastically since then. The reference to *Skywest Destinations* is one which we hope can be taken up after the current problems but that is obviously a fairly fluid situation and, as Mr Antonio has already indicated, it is something that the Gascoyne Development Commission sees as a fairly key issue and they are obviously making every effort to communicate that need to a whole range of players so that Skywest and/or alternatives can be up and operating that service and therefore be able to go on with the promotional side which is mentioned under the dot point you raised. I think you were broadening that out to perhaps questions into other areas. I have commented on what arises immediately from the dot point but I am happy to go further if you are asking another part -

Mr SWEETMAN: Included in that achievement is basically the support of events and continued support of the Gascoyne Business Expo which is not linked to the *Destinations* magazine.

Mr KOBELKE: Sure, but what we are seeing there is two elements; you want to support the Gascoyne Business Expo to make sure it is a success and then use that as a bit of a marketing tool to get people to come in and to recognise what is available in the Gascoyne. So they are the two points you are making, are they? I am happy to get a comment from Mr Antonio if that is the point you are making.

Mr SWEETMAN: I am just trying to work it back into the same question I asked about the Kimberley, Minister, so let us dispense with the southerly end. What I am trying to ask you is whether the development commission is going to make adjustments to the social development programs as a consequence of the priority dividend.

Mr Matt Birney; Mr John Kobelke; Chairman; Mr John Hyde; Mr John D'Orazio; Mr Jeremy Edwards; Mr Rod Sweetman

Mr KOBELKE: You are not really dealing with that dot point. The question, which is an appropriate one for this division, I think really comes back to page 427 to the priority assurance dividend which we have commented on already. What the member is seeking, Mr Antonio, if you can assist us - is whether any major community programs are going to be affected in any major way due to the priority assurance dividend.

Mr HYDE: Minister, could I ask, though, is the member really asking what are the extra activities that are being funded from the overall budget increase of 17 per cent?

Mr KOBELKE: I just come back to Mr Antonio. I know the member is very much aware what a great job the Gallop Government is doing for his particular area but he is looking to see whether there is perhaps a bit of a dark side.

Mr SWEETMAN: I think a Freudian slip is more accurate.

Mr D'ORAZIO: Come on, Mr Member for Ningaloo, it is not that bad!

Mr KOBELKE: Perhaps if we can return to the question. Mr Antonio, is there any comment that you can help us with there?

Mr ANTONIO: Certainly, yes. I will reply to both. The increase in funding that is referred to is not in fact an increase in funding. It is simply the carry-over of funds for capital works, in particular the Aboriginal Cultural and Heritage Centre and the fact that unexpended funds from the previous year are carried over for the construction phase of that project. That is simply as a result of the distribution of those funds for that project over a four-year period; the fact that that carry forward must take place in order for sufficient funds to be in the pool available for the construction phase. I will now move on to the other two questions. Certainly the regional promotion will continue. There will obviously have to be a reassessment of where regional promotions funds are best spent and whether the *Destinations* brochure continues to be one of our key focus.

In reference to the questions relating to the changes in expenditure, particularly social programs, that was as a result of the strategic planning exercise in February where the board were looking at the direction they had taken in recent years and whether that direction was relevant for the coming three or four years, what should their key priorities be for those coming years. The board of the Gascoyne Development Commission considered that the key areas for coming years should be business development, infrastructure development, tourism development and support, communication improvement, promotion of the region. They also wished to have a role in youth support, Aboriginal cultural development and population retention. There certainly has been a shift in focus and some of that shift is away from being direct funders of community programs and events. The commission believes that the support of chambers of commerce, etc, had to be an evolving process.

As the member for Ningaloo would recognise, the commission played a very proactive role in the reformation of the three chambers of commerce and provided financial assistance. That was always under the understanding that that would be phased out of a period of time and that those chambers would eventually stand on their own. We still do provide a level of support. The Carnarvon Chamber of Commerce operates from our building here at a subsidised rate. We still provide executive support to the Shark Bay Chamber of Commerce as they are in the first year of their support and we provide some support to the Exmouth Chamber of Commerce. However, that support is on a reducing basis. The Gascoyne Business Expo is seen as an event that if run well by the chambers of commerce can be a revenue generating event for them. Certainly the commission will continue to attend that event and have stalls at that event and be a strong supporter of the Gascoyne Business Expo.

Mr BIRNEY: Minister, I am just a little confused and I would like to clear up the issue of this increase in budget for the Gascoyne Development Commission. I note that it has gone, as the member for Perth says, from \$1.77 million last year to \$2.76 million this year. I was interested in the comment that your CEO just made where he said that in fact that increase was attributed to a carry over in capital works. I further note, Minister, at the bottom there under capital -

Mr KOBELKE: I do not think he was alluding to carry over of capital works for that figure, which is the global figure. He was relating to more specific minor parts of the budget.

Mr BIRNEY: Perhaps I could rephrase the question. Perhaps I could ask you why there is a million dollar increase in your operating budget for the Gascoyne Development Commission. Are there any specific projects that million dollar increase relates to, and how will that be expended.

Mr HYDE: What line item, what page?

Mr BIRNEY: Page 426, basically line item number 1, and I refer to the increase from \$1.7 million to \$2.7 million.

Mr Matt Birney; Mr John Kobelke; Chairman; Mr John Hyde; Mr John D'Orazio; Mr Jeremy Edwards; Mr Rod Sweetman

Mr KOBELKE: There are specific projects and I will turn to Mr Antonio to get the details as to why there is that increase in the budget. Your help with that, please, Mr Antonio.

Mr ANTONIO: Yes, Minister. As previously explained, the Aboriginal Cultural and Heritage Centre is not considered a capital item, hence the reference before to the efficiency dividend. The funds for that project were distributed over a four-year period. Those funds are carried forward as the construction phase has not yet commenced. That is basically the key component in terms of that change in budget.

[10.10 am]

Mr BIRNEY: Just supplementary, Madam Chair: Minister, would I be correct in assuming that in the previous budget there was some \$620 000 allocated as a capital expenditure item? Would I be correct in assuming that that \$620 000 was in fact for the Aboriginal Cultural and Heritage Centre?

Mr KOBELKE: Could you confirm or clarify that, please, Mr Antonio?

Mr ANTONIO: No, that is incorrect. That was for the Carnarvon storm surge barrier.

Mr KOBELKE: I think there is about a million dollars there for the storm surge barrier as well.

Mr SWEETMAN: Two capital works that had the deduction.

Mr KOBELKE: I do not know if that was recorded but the member for Ningaloo has indicated it is two capital works.

Mr SWEETMAN: Subject to the dividend.

The CHAIRMAN: Members, the question is in respect to division 25, appropriation be recommended. Do you have any further questions? No. Members, we will just take a moment while the equipment is removed. Members, we are going to confirm the disconnection and we will move on to divisions 19 and 21, which we have agreed to deal with together.