

BUSSELTON MARGARET RIVER AIRPORT EXPANSION

Motion

MR D.T. REDMAN (Warren–Blackwood) [4.00 pm]: I move —

That this house condemns the McGowan government for risking job opportunities in the south west tourism and small business sectors by actively opposing the development of a new terminal building at the Busselton Margaret River Airport.

In the next 15 or 20 minutes, I want to outline that not only is the government absent in the space of supporting the Busselton Margaret River Airport, but also there is enough evidence in the information that I have received under the Freedom of Information Act to demonstrate that it actually has its foot on the hose and is making every endeavour to put barriers in the way of progressing tourism opportunities and, by extension, jobs in the south west.

We know that when the government commits to projects, particularly royalties for regions projects in regional Western Australia, there is a financial assistance agreement. Essentially, that financial assistance agreement is a contract between the state and the various project providers who are party to delivering particular projects funded by the government in Western Australia. In this case, I have the financial assistance agreement between the state of Western Australia and the City of Busselton that was signed on 23 June 2015. It has a whole range of deliverables—little time frames of when government funds will be paid, when milestones should be reached and the like. Clearly, this was a commitment from the previous government that we would fund the entire Busselton Margaret River Airport project—not only the tarmac upgrade to be able to take the planes from the eastern states, but also the upgrade to the terminal to make sure that we match the facility and vision that the south west has for extending tourism to bring in people from the eastern states on those planes. I want members to park that. We have that financial assistance agreement in place.

I know that financial assistance agreements have a range of clauses that give “outs” to the government. We know that the government has utilised those in this case. It did not do it for the Carnegie project down in Albany; that is a discussion for another day. But there is a range of clauses that sit largely in favour of the provider of the funding—in this case, the state government.

When the Labor Party first came to government, it had a funding review of all the royalties for regions projects around the state. That funding review cast across everything, including the Busselton Margaret River Airport project, and I can understand why. It makes sense to put a bit of rigour over what is happening. The minister held a review and made the decision that the government would support the project to its end, with the exception of funding the terminal upgrade. However, there are some real mixed messages. When the next financial assistance agreement was put in place as recently as 22 January 2018, there was a change. There was a request for approval to vary the financial assistance agreement that was already in place. That variation was in January 2018. It still included the terminal; in fact, it set a deadline—a milestone—of 13 April 2019 for the completion of the terminal and the car park construction. As recently as the start of 2018, there is a commitment in the agreement that the government requested to change with the City of Busselton to complete the terminal. The City of Busselton is saying, “Beauty—that’s still in the mix; we can progress and keep doing our business.” We know what happened after that: the City of Busselton let the contract to Pindan to build the terminal, but three days later the minister sent a letter saying, “We’d like you to pull it.” They are mixed messages. That is not supporting the construction of a terminal or the government’s messages it gave, particularly in the variations to the financial assistance agreement that it laid out. We know what happened then. The minister pulled the contract and changes had to be made. A cancellation fee is attached to that that may be realised at some stage. The amount of \$120 000 or \$130 000 could be lost due to the minister’s call, irrespective of the messages the minister was sending.

On 20 February 2018, a letter was sent to the City of Busselton saying, basically, that the government would be happy to fund the upgrade of the terminal provided the city could commit an airline to sign up. I will quote from a briefing note of 22 May from the South West Development Commission to the minister, which I got from the minister’s office. At page 2 of the briefing note, it states —

The Minister, in her letter to the City of 20 February 2018, committed to fund the terminal if the City was successful in securing a sufficient number of scheduled interstate services. Should a written commitment from Jetstar confirming —

There is a bit blanked out, given it was received through FOI. It continues —

be forthcoming, it is reasonable for the City to expect the funding for the terminal would be released.

The briefing note says that if the City of Busselton gets the airline, the terminal will be committed. Then there was some commentary from the respective ministers who were interested in this outcome. I will quote a couple of those from a WAtoday article of October 2018. The first one is from Minister Papalia, the Minister for Tourism, who is in the house at the moment, and I quote —

Extract from Hansard

[ASSEMBLY — Wednesday, 13 November 2019]

p8868a-8877a

Mr Terry Redman; Mr Paul Papalia; Ms Libby Mettam; Mr Zak Kirkup

“Facilitating improved regional aviation access across all parts of Western Australia is a key part of the two-year action plan, and we continue to work extensively in this space,” Mr Papalia told *WAtoday*.

The exception is that the only project not in the two-year plan was the Busselton Margaret River Airport. Once again, this initiative, driven and supported in the changes to the financial assistance agreement, did not show up in the minister’s two-year plan. It is absent. We know there were a few awkward moments during a couple of launches, particularly the Taste Great Southern launch when someone called out, “What about the Busselton airport?” The minister did not know where to go with that comment.

Mr P. Papalia interjected.

Mr D.T. REDMAN: It is not a part of the government’s rhetoric to support this project for whatever reason. In the same article are a couple of quotes from Hon Alannah MacTiernan —

“Funding of around \$12 million for the new terminal component is pending until we have an agreement with an airline to provide a service to the airport.

That is again on the public record. The minister goes on in the same article to say —

“Our government is working hard to secure an airline through the South West Development Commission and Tourism WA, however we will not apologise for holding off on spending taxpayer dollars on the new terminal without an airline secured.”

Again, we are working hard through the South West Development Commission and Tourism WA. I want members to park that point: working hard through the South West Development Commission to secure that outcome. Then another change was layered into the financial assistance agreement. Let us pull the agreement, which the City of Busselton thought at the start of 2018 had allowed it to move through to build a terminal provided certain milestones were met. That change happened on 8 February 2019. Some special conditions were rolled into the financial assistance agreement. I quote from paragraph 5.16 headed “Construction of the terminal” —

The Recipient shall not commence the construction of the terminal unless the Department is provided with evidence demonstrating either of the following:

There are two points. One is about whether the city could secure the pilot training academy. That did not occur, so we know that is not one of the issues that could have been the driver. The second one, which is important, states —

That the City has entered into an agreement with a commercial airline to provide interstate commercial RPT services to the Busselton Margaret River Airport, and that the construction of a new terminal is a requirement for the airline to operate from the Busselton Margaret River Airport.

The government changed the original financial assistance agreement to include that this can be done. Less than a month later, it pulled the rug from under the City of Busselton. It has now said publicly that it will not upgrade the terminal unless an airline is secured. Now it has changed the financial assistance agreement again to roll in the fact that it is a requirement for the airline to operate. So is it going to be a requirement? I do not know. I would have thought that every airline would like a new terminal, and given that they do a lot of operations out of the city of Perth, it probably is not hard to convince them that maybe this terminal is not needed. Again, another change has occurred. That was at the start of February 2019. Not that long after that, on 7 May 2019, there was a letter from the City of Busselton to Alannah MacTiernan basically requesting funding to secure the project. The airline has been secured now, and there will be three flights a week for three years, which seems like a reasonable outcome. It basically requested that the government come to the party on that. It is interesting that the minister has now layered in some commentary that an airline needs to be secured. Clearly, it has done that, because a three-year contract has been signed. There may be some requirements about the nature of that service. Under the heading “Current Status” in the briefing note of 22 May 2019 from the South West Development Commission to the minister, which I got through FOI, it states —

A three times weekly service is considered a reasonable commitment from Jetstar given it is for a new route to a new port. Jetstar’s proposed commitment for a three year period indicates the potential in the route over the medium term.

The South West Development Commission considers a three-year commitment to be a medium-term commitment, not a short-term or fly-by-night commitment —

Advice from Tourism WA’s aviation section supports this.

Even the Minister for Tourism’s own agency has advised the South West Development Commission to say that this commitment is more than reasonable to secure an outcome. We still have the issue that the Minister for Regional Development is not prepared to fund the project. Under the heading “Risks/Sensitivities” in the briefing note of 22 May 2019, one of the dot points states —

Extract from Hansard

[ASSEMBLY — Wednesday, 13 November 2019]

p8868a-8877a

Mr Terry Redman; Mr Paul Papalia; Ms Libby Mettam; Mr Zak Kirkup

The City of Busselton has advised that negotiations may go beyond 30 June 2019, however are confident that they will be able to meet the Minister's requirements as per the letter ... of 20 February ...

There is a letter from the minister saying that this is what she needs to have done before the city gets its terminal, and the City of Busselton is confident that it can do it—namely, because it got the response from the South West Development Commission, endorsed by Tourism WA, that it is a reasonable step. The recommendation in that briefing note—this is significant—from the South West Development Commission to the minister is —

Approves terminal funding subject to a commitment from Jetstar in writing for a minimum year round, three times weekly service for a period of three years.

The Minister for Regional Development's own agency, the South West Development Commission, recommended, on the back of commitments she gave in letters to the City of Busselton, that it is reasonable that this service meets the threshold that she set to secure funding for the upgrade of the terminal. That is what is laid out. We still do not have the funding for the terminal. What has happened? There are two things here. This is where I get to the foot-on-the-hose part of the argument. I have just made the point that every decision-making process has led to the South West Development Commission recommending that this should happen based on history and based on the threshold endorsed by the minister's own agencies. We also have two changes to the financial assistance agreement, raising the bar every time there has been a change to the threshold that the City of Busselton is expected to meet to get the terminal. In two cases, the government is putting the foot on the hose to securing an upgrade to the terminal to secure a unique service flying from the east coast into the tourism mecca of Western Australia—that is, the south west.

That is not all. It is like the steak knives; there is more. What was interesting in all this material that I got was that there were some emails that flashed around between the South West Development Commission and the minister's office, one of which was sent on 14 June 2019. It states —

Hi Cole,

That is Cole Thurley, the Minister for Regional Development's chief of staff —

See attached, as discussed.

Cheers

I do not know who that email was from. It says that there is an attachment to the email. I know that there was an attachment because on 16 June, two days later, there was an email from Cole Thurley, the chief of staff, to the minister with the subject line "Jetstar CoB" with an attachment dated 14 June. I know that the attachment that I am about to explain to members went from the South West Development Commission to the Minister for Regional Development's chief of staff and then to the minister. I do not know who is the author of that, but I can guess, and I will have a guess in a moment. But I want to go to the point that that makes. This is a memo. We have to bear in mind that the South West Development Commission has just written a briefing note approving the building of the terminal based on what has happened and based on all the thresholds that the City of Busselton has been able to meet. The memo states —

Hi Cole

Then there is the heading "Busselton Margaret River Airport". It does not have "briefing note" on it. It is document 19a in the FOI material that I got. It has a bunch of dot points and states —

- The City of Busselton (the City) have an expectation that the Minister will approve the construction of a new terminal once they complete negotiations with Jetstar and a formal letter is received.
- The deal is expected to be:

Then something is blanked out —

- Jetstar will evidently operate 3 services per week, year-round, for 3 years
- We are yet to see if anything else is involved e.g.
 - If load factors are below a certain level, can Jetstar cancel the flight?
 - If passenger loads are low, can they modify the services etc?

I understand that there are probably other things laid into this —

- MEL–BSN is a new route to an untried WA port and there are inherent risks associated with this. There is a view that the City has brought the service and —

Something has been blanked out —

We need to be careful not to add to this by funding the terminal too early.

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The next dot point is the crux of this —

- I am of the view that the service needs to operate as a trial, for at least 1 year, so that it's performance can be properly assessed based on actual data.

It goes on to refer to the funding stuff that sits there. The second last dot point says —

- If the Minister adopted the position of supporting this as a trial —

We must bear in mind that the government now has the idea of a trial being laid into the discussion. This is no longer a project or an initiative to get planes to come in and do their bit; it is now being teased out as potentially a trial at the request of someone from the South West Development Commission. It continues —

(not dissimilar to Kununurra) before committing to a terminal, it would be worth setting up a chat with —

Someone's name is blanked out, and I can only imagine that that someone is probably someone who sits in Jetstar — but I'm happy to sow the seeds ahead of that!

Whoever this is is happy to sow the seeds for someone to call this a trial. The last dot point says —

- I will let you know Jetstar's latest position as soon as I can.

This came from the development commission after the briefing note that said that the building of the terminal should be supported. What is significant about this? It came from the development commission. Who is in the development commission? I can only imagine it is someone from the board. The chair of the board has a history in the aviation sector. He is probably one of a few people who would be able to ring Jetstar and have a direct conversation with it. I know that the chair of the board has a history with the minister. It looks to me as though another blocker—another foot on the hose—is being laid into the argument: "Let's start calling it a trial." Let us start securing a position whereby an airline is starting with a substandard terminal that has the risk of a whole heap of things going wrong, which I will go through in a moment, and therefore put in turmoil the opportunity to have significant flights going into the tourism mecca of this state—the south west. I find that incredible.

We have a scenario in which there has been consistent change to the assistance agreement and the layering of the standards that the City of Busselton has to meet to get the terminal built. The minister is saying that if it gets an airline, she will fund the terminal. She has reneged on that because she has now lifted the bar again. An agency in her portfolio is saying that it thinks she should fund it, and it is supported by Tourism WA, which is in the Minister for Tourism's portfolio. Someone else in that agency—they are unnamed in this material, but it is probably not hard to guess where it has come from—is suggesting that we should call it a trial and again stretch it out a little further.

If I were a conspiracy theorist, I would suggest that the government does not want this project to succeed. It says that it backs it out there, but then layers all this stuff in the bureaucracy so that it does not proceed. I remember seeing something else in some of the other documents that have come through about other airlines considering the option of using or securing the service and they are concerned about it affecting or taking traffic away from Perth. I wonder whether that sits under it. I wonder whether the success of a regional-focused airline coming from the eastern states would have an impact on the city of Perth and, therefore, this government as city-centric as it is, does not want it to succeed because it would go against its constituency that sits here in metropolitan Perth. There is enough in these FOI applications for us to be a little concerned about the government putting barriers in the road of an opportunity that is second to none in the south west of the state.

I am sure that the Minister for Tourism knows this. I know there were incentives for the first 10 days of sales with cheap flights, down to \$90. That did not go on ad infinitum. That went to a particular level of funding. In the first 10 days of sales, 5 700 tickets were sold. That is 30 planes filled in the first 10 days, both ways—half going from here to there and half coming back. It is getting the traffic to come from the east coast. There are 180 people on each plane. The terminal is not fit for purpose. Of course, we can get by. Of course, we can make it work. Let us put in \$3 million worth of upgrades to make it work and have toilets on both side of the security gates and a bit of space to manage people coming in. If we hit a time when an airline comes in and a Rio Tinto flight is landing, we could have 470 people at that terminal. We will have a massive challenging issue and one that will detract from the tourism experience in Western Australia and, therefore, make what is a massive opportunity go by the wayside and potentially be lost. We have firefighting infrastructure. The apron is at the wrong end of the tarmac because that is not how it has been built. A heap of things do not fit. I think that there is more to this than meets the eye. I have got back enough from FOI requests to show that the government has changed its language, layering in more challenges and more requirements for the City of Busselton to meet to get its outcome.

We can imagine how it started. The council received the brief and said, "Yes, government supports it because it has just signed the FAA to say that we can move on and build a terminal." It started going nuts to find people to do all the work it has to do and get the incentives in place—and it has done it. What happens? The council cannot do

it now because there is some other hoop for it to jump through. Then someone from the development commission actively undermined the very position of the development commission, which recommended that the terminal be built. Someone else said, “No, let us call it a trial. There is a bunch of risks. If the minister’s looking for an outcome like that, I’m happy to talk to Jetstar.” Something is going on here that this government needs to put on the table, because this massively smells. The government needs to say what is going on because this stuff just does not add up. The rhetoric of government does not match what is happening on the ground. The continual layering of barriers for the City of Busselton to try to land this flight, as significant as it is for the south west, for businesses, for jobs, the very mantra the government is trying to attach itself to, has a risk of going under.

I come back to the motion that this government is condemned for putting a foot on the hose to a project that will make a massive difference to not only tourism in the south west, but also businesses that are attached to that, at a time when they absolutely need it.

MR P. PAPALIA (Warnbro — Minister for Tourism) [4.24 pm]: I am happy to respond on behalf of the government to the motion. Of course, it is a ridiculous motion. The entire pretext of the motion is that the Nationals WA would like the current government to do something that it had committed to doing some years before the state election in 2017. The government is operating in a financially responsible fashion—thank goodness! The entire population of Western Australia appreciates that. It understands that a responsible government is managing the finances in a proper way to get the best outcomes for the population. We then ask what the National Party wants done. It wants a terminal built at the airport so that Jetstar can fly to the airport to which Jetstar is already flying. As far as I can tell, Jetstar, the airline, does not need a new terminal constructed at a price of tens of millions of dollars, or whatever it is, because it is already flying. If it were a prerequisite for the flight to occur, Jetstar would not be flying.

In response to the National Party, I think it is quite reasonable to pose the question: what motivates it in pursuing this matter? I understand the concern initially from some in the Busselton council was that it would not be able to get an airline without a terminal. Clearly, that is not the case. We now have Jetstar flying. I think it is a correct, reasonable and fiscally responsible approach for the council and the ratepayers of Busselton to consider whether they are getting the return on their investment over this three-year period before they go pursuing any further investment. Right now, the responsible minister has supported the terminal. The state government spent \$43.25 million on the development of the airport and that has facilitated Jetstar coming. An additional \$3.265 million was spent on upgrading infrastructure to allow Jetstar’s service to commence. That \$3.265 million was obviously necessary because now the airline is flying. The upgrades included the construction of a hangar and an arrivals terminal within the existing terminal to manage departures. That money also went to purchasing security and baggage handling equipment, the apron lighting and the fit-out of the new terminals. As a consequence of that spend, Jetstar chose to fly. That met the necessary requirements for an airline to fly from Melbourne to Busselton. A significant contribution from the ratepayers of Busselton is required for that airline to fly from Melbourne to Busselton. They do not know what that is. They will be the ones who determine whether that is a reasonable investment on their behalf. I hope it is. I hope that lots of people choose to fly with the airline directly from Melbourne to Busselton and we get some success out of it and the Busselton ratepayers get a return on their investment.

I note, and I will place on the record very, very clearly again, that there is nothing wrong with tourism in the south west. We have fixed that problem that we inherited from the previous government. Tourism was confronting a significant challenge when we took office. It was operating under a strategy that was written at a different time. We did not have a leisure market in Western Australia during the boom. We had a business traveller market. People were coming to Western Australia to work in the boom, for work associated with the boom, or to visit friends and relatives in the boom. We did not have a leisure market because we had the most expensive and often not very good quality hotels in the country, and the most expensive coffee in the world. That is what we were known for.

The previous government was quite happy to sit back, not invest in tourism, not take it seriously, have it as a secondary task for a minister who saw it as their opportunity to go fishing or camping or play golf, and not pursue making it a serious economic portfolio. That was the previous government’s approach. What happened when the boom ended? No effort was put into preparing the state for that different environment. When we took office, hotels that were being built for that boom demand arrived, exacerbating the challenge, so in Western Australia, there was a great deal of anxiety in the tourism sector in 2017. We inherited that. It was not our strategy. It was not due to our neglect. It was a challenge that we had to address because we took office in March 2017. We set about responding immediately. We devised a campaign in the latter part of 2017 to attract people from Singapore, Malaysia and the eastern states. Then we tasked Tourism WA to develop a new action plan, abandoning the failed strategy of the previous government and focusing on driving visitor numbers from outside the state to Western Australia as the absolute priority in the near term. That two-year action plan was launched in March 2018 and was immediately attacked by the opposition. It was denigrated and deemed to be lightweight and valueless. The manner in which the opposition responded to that plan that was developed in conjunction with industry was extraordinary. It reflects

a consistent approach by the opposition that has been negative, carping and whining. It has a lack of imagination, innovation and ideas. That approach to tourism has been pursued consistently by the opposition ever since.

That action plan was implemented in March 2018 and it began working immediately. The data shows that the weight we carried from 2017 as a consequence of the failures of the previous government was shifted and we moved forward, with the data and the statistics demonstrating that people visiting from outside Western Australia increasingly grew and improved until December 2018, when for the first time we hit a record high number of out-of-state visitors. In the subsequent three months, we saw a record high number of out-of-state visitors and a record spend. In the subsequent three months, we saw another record high number of out-of-state visitors and a record spend. That experience was reflected right across the state, not just in Perth, but in all the regions, particularly in Australia's south west and particularly in Busselton, Margaret River and the southern forests. We now know that the plan drove visitation from outside Western Australia like never before into our tourism mecca that the member for Warren–Blackwood referred to. In the year ending March 2018, Australia's south west collectively saw 4 940 500 overnight visitors, and in the year ending March 2019, 5 425 000 overnight visitors. This is Tourism Research Australia data. I understand that the member for Vasse and others like to run around and say that we make up numbers. Apparently, when the numbers from Tourism Research Australia were bad, they were not made up, but now that Tourism Research Australia is confirming that Western Australia is leading the nation in growth of interstate travellers and international holidaymakers, that is not accurate any more. It is a fact that in the year ending March 2019, overnight stays by visitors to the south west increased by 9.8 per cent over that 12-month period; overnight stays in the City of Bunbury increased by 18.5 per cent in the 12 months to March 2019; in the Shire of Augusta–Margaret River they increased by 10.1 per cent; in the City of Busselton they increased by 26.4 per cent; and in the Margaret River region they increased by 17.8 per cent.

I always want to grow tourism. Everyone in Western Australia knows that. There is no-one in the south west who does not think I am out there trying hard to grow tourist numbers for the whole of WA. I go to Margaret River, Busselton and Bunbury. They know that I am trying and that I am doing everything I possibly can. They know that if I thought we could grow additional numbers by building a terminal in Busselton, I would be doing it. Right now, we are seeing record numbers of people going to the south west and they are spending record amounts. That is great because the plan is working. We devised a plan to drive visitors from outside the state into Western Australia, and it is working at record levels, and they are spending more than ever before. The airline is flying.

Mr D.T. Redman: Do you agree, minister, that you've changed the goalposts?

Mr P. PAPALIA: The goalposts are to grow visitor numbers to Western Australia. I think the member is spiralling into minutiae around what was said on the grassy knoll with respect to some agreement or other and he is affronted by success. It is frustrating to see the anger with which growth in tourism numbers is received by the Nationals WA. It is unhappy. Its members are the only ones who are unhappy, apart from the member for Vasse. She is also very unhappy. If I were in Busselton, I would not listen to anything the member for Vasse says because it is always negative. The member for Warren–Blackwood, who is in the adjacent seat, has probably been hanging around her too frequently as he is adopting some of her approach. She is bringing the member down.

Several members interjected.

Point of Order

Ms M.M. QUIRK: Mr Acting Speaker, I am riveted by the minister's speech but I am having trouble hearing it because of the constant interjections.

The ACTING SPEAKER (Mr R.S. Love): Let the minister make his reply, thank you.

Debate Resumed

Mr P. PAPALIA: The member for Busselton is bringing down the member for Warren–Blackwood. Members opposite should not adopt the approach of complaining and whinging whenever good things happen. That is all I would say.

Tourism is important. I have always said, and I do believe, that tourism is a sentiment-driven industry. It is very vulnerable to negativity. It requires optimism and positivity because it is quite tough for some of those small businesses out there. It is a challenging environment. When people tell those in the industry that it is going poorly when it is not going poorly, that is dangerous and negative. I have asked people who purport to represent the interests of tourism to not do that. I understand lobbying and advocacy and all that; that is fine. If it is always negative and if it fails to observe and recognise when things are improving and when things are so successful that we have never seen that success before, and instead of welcoming, recognising and acknowledging that, we are negative, what does that tell the people in the industry? When are they ever going to be optimistic? When are they ever going to feel that there is reason for optimism in their business and an opportunity for them to expand, to employ people and to grow their business? We are telling them it is terrible at the very time when we have seen numbers like we have never witnessed, and for the purpose of what—getting a grab on a radio show or a line in a newspaper?

I know that the member for Warren–Blackwood is pursuing this matter; he is going after that one matter. Appended to that, we should bear in mind that the people of Busselton in particular have been told that they must get a terminal or they will not get a flight; they must get a terminal or people will not come; they must get a terminal because tourism is bad. They were told that for 18 months. They were told that they must get a terminal because tourism is terrible. Actually, it was not terrible; tourism was improving, and it is now better than it has ever been, and the terminal is not there. The flights were not a prerequisite for improvement. The prerequisite for improvement was our action plan. It focused on what would drive visitors from outside the state. For international visitors, it was absolutely crucial that we made the case for Western Australia to be the western gateway. In late 2017, we made the case to Tourism Australia to stop selling Australia as one market. No-one did that before we did. We made the case to Tourism Australia to change its attitude, language and marketing. We then pursued regional direct flights from markets such as Tokyo and Shanghai. We are still working on India, but we have put significant additional spend into all the other regional markets to drive visitor numbers. People come to Western Australia and they go to the south west. That is undeniably working. ANA is now flying here seven days a week. We used to get 29 000 Japanese visitors annually to Western Australia; an additional 20 000, at least, will be coming here from Tokyo on those seven flights a week, and they know about the south west. They drive on the left-hand side of the road; they are comfortable with getting out there and they know the quality of wine and food in the south west. They know about that beautiful, spectacular region because we are spending millions in Japan that was not spent before. That is how we get flights here—by spending money on marketing the route to the source market. We do not pay the airline to fly it; we spend the money on marketing. We went from spending in the order of \$350 000 a year in Japan, selling all of Western Australia, to spending many multiples of that amount. We are now spending millions, and every region of Western Australia is being promoted far more than they have ever been promoted before. I can guarantee that the south west is part of that, because I have seen the advertising. It is an extraordinary uplift, and there will be benefits in respect of visitors; there have already been benefits, but there will be many more.

The drive to bring additional international visitors to Western Australia included a focus on trying to get a direct flight from Shanghai, and a trial will commence on 15 January. Again, the way we do it is about marketing in that city. It is a huge market of 25 million to 29 million people.

Mr D.T. Redman: Will you take an interjection?

Mr P. PAPALIA: Is the member going to talk about this or —

Mr D.T. Redman interjected.

Mr P. PAPALIA: It is about tourism. That is my point. I know the member is focused on who said what and when, and why we are not spending taxpayers' money on building a terminal to bring in an airline when we do not need to, because the airline is already flying now. That argument falls apart when we look back at the last time I addressed this subject, in an almost identical private member's motion brought by the member for Vasse some time ago, when tourism numbers were down as a consequence of us carrying the baggage that we inherited from the previous government. That has changed. It is important, and I know what happened. Members opposite went down to the south west, plucked lines out of *Hansard* that they did not like, and used that as a way of talking down the tourism industry in the south west. I will not allow people to talk down the tourism industry anywhere in Western Australia. I will confront that. I remember that, at the time, the whole crux of the opposition's argument was, "Tourism's terrible. It's all your fault. You've got to build a terminal, or tourism won't improve." That was the crux of the argument. I am sorry, member for Vasse, but that was the crux of the argument.

Mr D.T. Redman: The issue here, to take your line about talking up the sector, is that we haven't heard you backing the fact that we have a really unique flying experience coming into Western Australia. We haven't heard you back that in. You talk about everything else, as you are now, but you're not backing it in.

Mr P. PAPALIA: I think the member might have quoted a media release of mine in which I welcomed it. It is great, but here is the thing: a significant amount of money is being spent by the ratepayers of Busselton on securing that flight. I hope there is a return on investment inside that three-year period that will exceed the cost of getting that flight, because it is not going to marketing; we are marketing. The Tourism WA contribution to this deal is spending money in the market to tell people to get on the plane.

Mr D.T. Redman: You know very well that bad experiences can turn this stuff around.

Mr P. PAPALIA: The Tourism WA contribution to this deal is spending money in the market to get people on the plane. Other people have paid the airline in different ways to get the flight happening. I hope it works, because I welcome any new visitors to WA, but we have to have a return on investment that exceeds the cost; that is what I hope we will achieve.

Mr D.T. Redman interjected.

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Mr Terry Redman; Mr Paul Papalia; Ms Libby Mettam; Mr Zak Kirkup

Mr P. PAPALIA: I am backing tourism in WA and the south west, like you would not believe! Maybe the member for Vasse was absent when I talked about how much her town has grown in respect of overnight visitor stays. In the 12 months to March 2019, overnight visitor stays in Busselton grew by 26.4 per cent.

Mr W.J. Johnston: Did they come on the plane?

Mr P. PAPALIA: They did not come on the plane because that was before the flights started. That is the whole point. Visitor numbers to the south west had grown astronomically before these flights had started. No-one can say that tourism was really terrible in the south west before the flights started coming in. There has been enormous growth in the south west and right across the state, but overnight visitor stays in Busselton grew by 26.4 per cent in the 12 months to March 2019. I expect the figures for the 12 months to June would be higher again; I do not know. I think they are, because that period would have covered some of these other enormous events that we have brought to the state in recent times and marketed very heavily on the east coast to get people to travel over here. We got them to travel, and we got them to stay in the state for longer than just the duration of the events, so that has happened.

Other things that we as a government have done to grow tourism in the south west include, very notably, the Margaret River Pro. That event had been lost by the time we arrived in office. We got it back, but we had to fight off a campaign by the opposition to undermine it. The opposition campaigned constantly to undermine the Margaret River Pro by suggesting that it should not happen because there were sharks everywhere. We overcame that, and we got a commitment from the World Surf League not only to come back but also to extend the event into the future. We saved the Margaret River Pro after the Barnett government lost it.

Ms L. Mettam: Rubbish!

Mr P. PAPALIA: It is absolute fact. Mark Lane said it was gone. Mark Lane, from Surfing WA, who created the event, said when I met him in my office in my first week as Minister for Tourism, “We’ve lost it”. I said, “Don’t give up. Go back and say that the state government is behind it.” I then went to the media and committed our government to getting it back, and we did. That is undeniable. The previous government lost the Margaret River Pro, and we got it back.

We also in our first couple of weeks in office confronted the loss of cruise shipping in WA. It became apparent that the previous government had failed to invest in infrastructure and had failed to dredge Broome harbour to facilitate 24/7 access for large cruise ships. It had spent no money on other infrastructure, like the Fremantle passenger terminal and the Esperance shore tensioning unit. Regardless of what the member for Geraldton later went out and claimed, no money was spent and all that happened —

Several members interjected.

Point of Order

Ms M.M. QUIRK: It is impossible to hear the minister.

Mr P. PAPALIA: I did provoke him, Mr Acting Speaker.

The ACTING SPEAKER (Mr R.S. Love): I think you should direct your comments through me, minister.

Debate Resumed

Mr P. PAPALIA: The McGowan government took office, and within the first couple of months of taking office we had spent \$1 million on the shore tensioning unit. We subsequently spent more than \$3 million on aesthetic upgrades to the Fremantle passenger terminal but, more importantly and most crucially, I met several times with executives from Carnival Cruise Line Australia and convinced them that we were a reliable government and would sort out the problem in Broome. As a direct consequence of that advocacy and the commitment by our government to dredge Broome harbour and make it accessible 24/7 to large cruise ships, Carnival reversed its decision. That meant that instead of going into the spiral of a 30 per cent reduction in port and passenger visits to regional ports in the coming year, we are confronting —

Point of Order

Mr D.T. REDMAN: Mr Acting Speaker, the motion clearly refers to tourism in the south west and the impact on the south west tourism and small business sectors and relates to the development of the terminal building at Busselton Margaret River Airport. The minister is clearly going way off the agenda. I ask you to bring him back to the agenda.

Mr W.J. JOHNSTON: On the point of order, as the member for Warren–Blackwood pointed out, the motion is about tourism in the south west. I have heard the Minister for Tourism talk about nothing other tourism in the south west. I am not quite sure how the member for member for Warren–Blackwood can make that claim.

The ACTING SPEAKER (Mr R.S. Love): I am sure the minister will stick to the point.

Debate Resumed

Mr P. PAPALIA: I will make the link. I understand that those members opposite who were in government failed to see the link between dredging Broome harbour and achieving the home porting of cruise ships in Fremantle. I fully understand that they were not capable of seeing that link then, despite the fact that the chief executive officer of Carnival wrote directly to the former Premier begging him, effectively, to do that so that it could keep home porting in Fremantle and therefore send ships to Busselton, Albany, Esperance and Denmark. I know that that was the case. I know that the Carnival CEO did that and I know that the former government failed to respond. I understand that it could not make the link. They think that something up there is disconnected entirely from an outcome down here. That is not the case.

In the early days of government in 2017, when the McGowan government was confronted with the very challenging environment that it inherited, the government and I committed to doing that work and convinced Carnival Australia that it should return to home porting as consequence. Therefore, I can say that in 2019–20, there will be seven scheduled cruise ships visits to Busselton, including a maiden call by Cruise and Maritime Voyages' *Vasco da Gama*, which will be home ported in Fremantle. The only reason that *Vasco da Gama* will home port in Fremantle is because the McGowan government dredged Broome harbour, invested in the Fremantle passenger terminal and saved cruising in Western Australia. Princess Cruises' newest ship, *Majestic Princess*, with 3 560 guests, is scheduled to make a maiden call to Busselton on 21 February 2020. There are 17 cruise ships visits scheduled for Busselton in 2021. Cunard UK has selected the Margaret River region as the destination for a special family to be co-hosted by Tourism WA for two nights in February 2020. The decision to visit Australia's south west is on the back of successful calls to Busselton, with the president of Cunard UK hosting 18 VIP travel agents from the east coast to Perth and, of course, to include a visit to Busselton, and because the McGowan government saved cruising in Western Australia after acting when it took office. The cruise ship industry was dying. The ships were leaving. They were not going to home port in Fremantle. They were going to take their ships out and we would not get increased visitor numbers to any of those ports across the state, such as those in Broome, Dampier, Port Hedland, Exmouth—when they can get in there and anchor off—Geraldton, Busselton, Albany, Esperance and Denmark. All those places—they anchor off further up to the north as well—now receive significantly more visitors and port visits and will see even more growth in the future as a consequence of the actions of the McGowan government.

That is what is driving visitor numbers down there, plus the “road trip” campaign, which was launched by the McGowan government to turn a perceived negative of vast distances and a sparse population into a positive. Intrastate travel is now at its highest level in history. Western Australians are holidaying at home like never before, and interstate travellers are arriving by vehicle to experience Western Australia, the road trip state. The entire south west benefits from that. That was all happening before the Jetstar flights. I welcome the Jetstar flights. I hope they work. We are spending money to market them in Melbourne and on the east coast. We are constantly promoting Australia's south west on the east coast. It is a constant element in all the promotions that we do on the eastern side of Australia. It is also a key element of the doubling of the international marketing spend that we are doing over 12 months—a 100 per cent increase—in 10 countries where we are most likely to get a shift in numbers in the near term. I guarantee members that right at the centre of that is Australia's south west. All that happened before this flight. The flight was not a precursor and it was not a fundamental necessary element for growing visitor numbers to the south west. It can be an addition and a positive contribution, I hope, to increase the numbers. The numbers are growing; indeed, in Busselton they have grown by over 26 per cent in the past 12 months to March. They would have continued to grow even further.

Every one of the actions that we have announced as part of the two-year action plan has been successful and is working, but we will continue to monitor it. With an increased marketing spend, there will be milestones along the way and Tourism WA is being put under scrutiny like never before to deliver outcomes from taxpayer spend, which is how it should be. We should scrutinise every cent of taxpayer money that is spent because we inherited tens of billions of dollars of debt and huge deficits, and the only way to fix that is to have rigorous and good financial management to ensure that every cent counts and that every dollar that we spend on behalf of the taxpayer gets the most return regardless of what portfolio it is in; and, then, as we get the economy moving, there is an opportunity to spend more to assist more people. It is crucial that we drive debt down. We are the only jurisdiction in the country doing that.

It is emblematic of the National Party's failures in financial management that the moment that it becomes aware that we have a surplus—all that means is that we are spending less than we are getting, which is not exactly a huge boom time or an incredible change in fortunes but is just a hard grind of getting to the point at which we are not spending and we are not adding to the debt at the rate that the Nationals added to it; indeed, we are decreasing the debt over time in the forward estimates—it wants us to spend it all. It wants us to increase spending beyond what we are getting in revenue, and everyone across this state knows that that is not the right thing to do. I want to grow tourism numbers, which we are doing. I will do everything I can to improve visitor numbers right across the state. I will do everything I can to support flights into Busselton so there is an additional means of getting tourists to that

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region. It is a fantastic region. It is a great product. It is a flagship in many respects for some of our regional tourism offerings. But right now there is no demand from the airline for a terminal beyond the existing terminal facility. In fact, I know from discussions with Qantas that there is some sensitivity to the suggestion that in the event that we spend a lot of money on a new terminal, the cost of using those facilities will go up. That has been suggested to me by players in the airline sector. But, that aside, they do not need it right now to fly—they are already flying. I hope it works. We are marketing it and trying to get it to work. We are spending money on 20 regional events scheme events in the south west in 2019–20, more than any other region in the state, events such as the Margaret River Ultra Marathon, the Forest Rally, the Busselton Jetty Swim, the Margaret River Readers and Writers Festival, the Cabin Fever Festival, X-Adventure Dunsborough, the Margaret River Region Open Studios, Jazz by the Bay, the Tour of Margaret River and the South West Craft Beer Festival. They are all being funded from the regional event scheme. The big money disproportionately goes to the Australia's south west. I refer to the Western Australia Gourmet Escape in Margaret River, which is on this weekend; Cape to Cape; the Margaret River Pro, which we saved; CinéfestOZ; the Busselton Festival of Triathlon; the Australian Tennis Seniors Championships; the Australian Men's Masters Hockey Championships; Ironman Western Australia; and the Augusta Adventure Fest. All those regional events program activities in the south west have been funded. That funding is disproportionately high, but that is as it should be. It is a great region, and so are all the other regions. That will drive visitor numbers. Things are working well. I hope the direct flights into Busselton will work. I look forward to seeing the numbers grow even further now that we have turned them around and have unprecedented growth and unprecedented spend by out-of-state visitors. These are good times to be in tourism. Let us not talk the sector down.

MS L. METTAM (Vasse) [5.00 pm]: I have been given a couple of minutes to make a short contribution, appreciating that this is Nationals' private members' business. However, I could not miss the opportunity to counter some of the claims and make a couple of points about the Busselton Margaret River Airport project. This is a transformational project for the region, and it has potential. The Minister for Tourism talked much about the value of regional aviation.

Point of Order

Mr Z.R.F. KIRKUP: Mr Acting Speaker, if the Minister for Tourism wants to continue to have a conversation and deliberately talk over the member for Vasse, I would ask you to ask him to take it out of the room.

The ACTING SPEAKER (Mr R.S. Love): Actually, the minister is moving out of the chamber on a pre-arranged schedule, and is leaving now.

Debate Resumed

Ms L. METTAM: It is very clear that Labor came into government promising to grow, build and support regional aviation. We know that regional aviation is a significant challenge. That is why the current government invested in a report on a regional aviation strategy. However, it requires support. It is unfortunate that since this government has come to office, it has done everything in its power to undermine this project, which had been very well supported under the previous government. The Minister for Regional Development, Alannah MacTiernan, put the expansion of Busselton airport for eastern states flights on hold over a six-month period for a so-called optimisation review. Unfortunately for the minister, she was unable to unpick that project. I am referring to an FOI document that I was able to obtain, which indicates that her agency was looking at ways in which it could unpick the Busselton airport expansion project. That is pretty damning. The Minister for Tourism has spoken about how the advocates for Busselton Margaret River Airport and the concept of receiving flights outside the regional town of Busselton have been sold a pup. That is an extraordinary comment from a Minister for Tourism who is meant to be advocating for the best interests of this tourism sector. The minister attacked me, as a member of the opposition and as the former shadow Minister for Tourism, for being negative. It is extraordinary that the minister would suggest that the stakeholders in this regional airport project have been sold a pup.

When the Labor Party came into government, it removed Tourism WA from airline engagement. I have obtained FOI documents that have highlighted the fact that as early as December 2017, there was interest from other airlines. The government removed the Busselton airport project from the two-year tourism action plan. That highlighted the fact that this minister is not a minister for tourism in all of Western Australia, and this is not a government for all of Western Australia. It is shocking that the minister would change a draft document that had been provided by Tourism WA to grow tourism in this state and make a ministerial decision to take the Busselton Margaret River Airport project out of the two-year action plan.

The member for Warren–Blackwood has articulated the fact that the City of Busselton has had to undertake much of the heavy lifting and engagement to try to sell and support this route to expand flights into the region. We have talked about how challenging these particular projects are. The government also recognises that. However, it is clear that the government has done everything it can to undermine the project. The member for Warren–Blackwood has certainly advocated and we have both supported the City of Busselton's advocacy for the government to do good on its commitment for an expanded and new terminal. We know that if any of the additional Rio Tinto flights

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were to be delayed, 400 people might have to go through a terminal that was built for 100 people. That is not a good tourism experience. That is not putting forward the best interests of tourism in Western Australia. That is certainly undermining the interest in growing the tourism outcomes for the Busselton–Margaret River region and the greater south west region. Twelve local governments support this project.

I back the member for Warren–Blackwood in calling on this government to do everything it can to assist this challenging but transformational project. It is difficult to grow regional aviation. But this government has done everything in its power to undermine this project from the start. We have a Jetstar agreement. Jetstar has said that it does not see this project as a trial. It is time to get on board and give this project the support that it truly deserves.

Debate adjourned, on motion by **Mr D.A. Templeman (Leader of the House)**.