

Division 14: Department of Jobs, Tourism, Science and Innovation — Service 3, Defence Industry; Veterans Issues, \$105 033 000 —

Mr D.A.E. Scaife, Chair.

Mr P. Papalia, Minister for Defence Industry; Veterans Issues.

Ms R. Brown, Director General.

Mr T. Idrus, Executive Director, Defence West.

Mr R. Sansalone, Chief Financial Officer.

Ms J. Garcia, Senior Policy Adviser.

[Witnesses introduced.]

The CHAIR: The estimates committees will be reported by Hansard. The daily proof *Hansard* will be available online as soon as possible within two business days. The chair will allow as many questions as possible. Questions and answers should be short and to the point. Consideration is restricted to items for which a vote of money is proposed in the consolidated account. Questions must relate to a page number, item or amount related to the current division, and members should preface their questions with these details. Some divisions are the responsibility of more than one minister. Ministers shall only be examined in relation to their portfolio responsibilities.

A minister may agree to provide supplementary information to the committee. I will ask the minister to clearly indicate what information they agree to provide and will then allocate a reference number. Supplementary information should be provided to the principal clerk by close of business Friday, 3 June 2022. If a minister suggests that a matter be put on notice, members should use the online questions on notice system.

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

Mr V.A. CATANIA: I refer to page 200 of budget paper No 2, volume 1, with regard to supporting veterans, paragraph 8, which states —

Defence West is also responsible for managing the Veterans Issues portfolio and supporting the veteran community, including the administration of the Anzac Day Trust.

Can the minister elaborate on the administration required and what issues the Anzac Day Trust deals with in terms of veterans' issues? Can the minister provide some more detail around that?

Mr P. PAPALIA: The Anzac Day Trust is a statutory body under the Anzac Day Act 1960 and comes under the stewardship of the trustees. The Anzac Day Trust recommends to government initiatives suitable for funding that benefits Western Australian veterans. When we went to the last election, we committed to increase the funding that is allocated to the Anzac Day Trust. Basically, the way it works is that an amount of money goes into the trust every year and it is all distributed by the Anzac Day Trust trustees.

Mr V.A. CATANIA: Does the government select the trustees?

Mr P. PAPALIA: Yes, we appoint them. We have not removed anyone, but we recently added one. There is a small number of trustees. They are not remunerated; it is voluntary, but I am trying to get them remunerated. That is a change that we intend to make. It is on a voluntary basis. They work and commit time to it, but it is not a full-time position or anything of that nature. In the past, the amount of funds allocated was about \$300 000 per year. We committed to increasing that to \$1.3 million annually, and we have done that. The majority of that money—some \$1 million—is allocated to services in support of veterans who are living and require assistance.

There is a range of activities. One of the programs we have funded over a number of years is a collaboration between RSL WA and Working Spirit to deliver transition mentoring and support to veterans leaving the Defence Force, to attract them and their families to stay here in WA, and to find them work. That is one of the things that has been done. Legacy has also had a range of programs funded over a number of years out of that allocation to provide support to families of people who have died in service or as a consequence of their service. That also supports the operating costs of the Busselton camp, in the member for Vasse's electorate.

That is \$1 million allocated annually to those sort of activities, and then \$300 000 or thereabouts is given for commemorative purposes. The member might be aware of some of these. There is a couple of organisations that are at the moment working towards the delivery of a memorial to the Battle of Crete; former Governor Ken Michael is part of that. Another one is a plan to deliver a Korean War memorial with funding also from the South Korean government. It is things of that nature—nationally significant memorials, generally. Other than that, there are also some of the smaller commemorative grants. If, for example, an association is having its fiftieth or seventieth anniversary or something of that nature, they might apply for funds out of that \$300 000 as well.

Mr V.A. CATANIA: That is good to know. We have the HMAS *Sydney* memorial in Shark Bay.

Mr P. PAPALIA: Yes, they got funding out of that allocation—both the council one and the other one, as there were two events. Essentially, the annual \$1.3 million comes in and goes out. The recommendations are given to the minister as to the allocations of funds, and generally what they recommend is what happens.

Ms L. METTAM: I also refer to page 200 and a couple of items under “Defence Industries”. How is the funding for defence industries and the defence industry strategic plan allocated in the budget?

Mr P. PAPALIA: Essentially, Defence West is part of the Department of Jobs, Tourism, Science and Innovation. The Defence West budget is what we are talking about there. Its role is to advocate for the defence industry, and we have asked that it focuses on business development as a priority for that role now. In our first term of government, a lot of what it did was around trying to raise awareness of the defence industry in WA and getting on the national stage to ensure that our industry was seen to be an active player in the defence sector at a national level, and to raise awareness of some of the capabilities that are available in WA. We now really want it to focus on the delivery of business opportunities, predominantly for small to medium enterprises, but also the prime enterprises that are located here.

The budget for Defence West is essentially part of the Department of Jobs, Tourism, Science and Innovation budget. The director general funds its activities. I might get the director general to give the member some detail as to how much funding is allocated to Defence West activities. If the member has any questions as to how it is spent, we can let her know.

[4.40 pm]

Ms R. Brown: Funding allocated annually to Defence West is approximately \$4.5 million. The bulk is for the staffing costs within that team. There is \$3.7 million, increasing to approximately \$3.89 million in 2025–26. In addition to that, \$400 000 is allocated per annum for defence-ready initiatives and the defence and research teaming—DART—program. That is tailoring initiatives that support small to medium-sized enterprises and is very much focused on the requirements of Defence. In addition to that, \$250 000 is allocated per annum to support the defence expert advisory panel, which gives strategic support and advice to Defence West, me and the minister, and also continues to have a presence and voice in Canberra. In addition, funding has previously been allocated and delivered on through the WA recovery plan, particularly around further upgrades to the Australian Marine Complex in Henderson. In addition, funding is allocated to support the Defence Science Centre, which is a joint initiative between the state, the commonwealth and universities, which is approximately \$950 000 per annum. It distributes grants for science research-type projects identified by Defence, delivered jointly with industry and universities.

Ms M.J. DAVIES: Minister, I am on page 200, volume 1, under the heading, “Supporting Veterans”. Feel free to tell me if it does not fit under this; I could not figure out where to lodge the question in the budget. We have been doing some work over the last few years with the Albany RSL and the City of Albany on the National Anzac Centre and the role of the commonwealth in taking over or providing additional funding so that the City of Albany is not, essentially, left managing what is actually a national and I think iconic facility and museum. Is that something this government has been taking an active industry role in trying to promote to the commonwealth? I am sad to say that we heard lots of the right noises from the previous government. We have a new government now. I would really like to be able to make sure that we can deliver on that. Is that something this state government is willing to advocate for?

Mr P. PAPALIA: I am aware of that advocacy. I think the aim was to get the Australian War Memorial to take ownership of the site —

Ms M.J. DAVIES: Yes, that is right.

Mr P. PAPALIA: — and adopt responsibility for funding, the rotation of exhibits and the like, in the same way as it does in Canberra.

Ms M.J. DAVIES: It was also to make it free entry.

Mr P. PAPALIA: I am pretty sure that it is resisting that fairly determinedly. The Australian War Memorial is the organisation that any federal government is going to seek advice from and we are all aware that a lot of money has been spent there on enhancing the war memorial’s exhibits and changing what it does. I think it would be appropriate, but I cannot say that I have recently spoken directly to any minister about it. Now we have a new federal government, I will raise it as an issue when I find out who the minister is. I will point out that it is a national asset and was established with a federal government grant. I cannot guarantee that that will be its response. I do not know what its view is on that particular matter.

Ms M.J. DAVIES: Thank you, minister. I would not anticipate that the minister would know its response at this stage; otherwise, as he said, it will be guided by the current thinking at the war memorial, which is resistant to it. My question is really whether the state will take up the issue because I think there is some real merit in it.

Mr P. PAPALIA: I am happy to raise it.

Ms M.J. DAVIES: Thank you.

Mr P. PAPALIA: I will ask whether there might be some way of the federal government contributing. There is an interesting time coming up. Next year is the 100th anniversary of Legacy WA, so there is potentially an interesting opportunity around that to raise the matter again.

Ms L. METTAM: Further to the anniversary next year, and —

Mr P. PAPALIA: I have to be careful. I do not want to pre-empt anything. I had a meeting today with Matt Granger and Peter, the chair—the member knows them—but I do not want to pre-empt anything. There is going to be big, exciting and appropriate recognition of Legacy as an institution in Australia and the contribution it makes. A lot of it will be centred on some of the really important sites in Western Australia. I am just saying it is an opportunity for us to revisit this particular matter with the new federal government.

Ms L. METTAM: As the minister pointed out, one of those Legacy sites is in my electorate—the camp in Busselton. Can the minister elaborate more on anything that is anticipated or some of the planning work that is happening there?

Mr P. PAPALIA: The member is aware of the state government’s increase in funding. One of the allocations the Anzac Day Trust made was essentially to cover the operating costs of Legacy’s camp in Busselton. The state government is doing really, in my view, what might possibly be suggested is a federal government responsibility, but, that aside, I think it is appropriate use of the money. It is a good contribution. I am trying to remember; I think it had to raise about \$125 000 every year just to cover the caretaker operating costs. That is a lot for a totally volunteer-run, in many respects, not-for-profit organisation. Legacy does a lot of good work out of there that the member is aware of. It has camps for kids who have lost parents, either in service or as a consequence of their service. It also has the partners of people whose lives have been lost. Legacy has now also opened the camp to more opportunities for affordable holidays for serving and retired veterans, which is great. It is doing a lot of good work out of there.

What it needs is some capital investment for new buildings. The buildings are being encroached upon by the ocean with the natural creep of the ocean every year, which means that some of its buildings are very vulnerable. Some have been flooded by high tides. Legacy has written proposals for a couple of things, including getting site 16, I think it is, to the north of its site allocated from the council. I have undertaken to investigate looking at the length of tenure around that site and the one that Legacy currently occupies and potentially ensuring that the council gives much greater certainty around the length of whatever the arrangement is—whether it is rent or some sort of peppercorn lease or whatever. There is crown land vested in the council that is rented to the operators. I have undertaken to work on that and sort out the tenure.

I guarantee the member that I will raise with the new government the need for capital investment in that property. I raised it with the previous government and I will raise it with this government. I think the federal government could make a good contribution. Children from all over the country go to that site for the camps, not just Western Australian children. Veterans issues is not really a state responsibility; it is more a federal government responsibility, so I think it would be appropriate. We have essentially given the commitment in perpetuity that we will continue to fund the operating costs. I think it is quite a reasonable thing that the commonwealth steps up and funds some of the capital works.

[4.50 pm]

Ms L. METTAM: Given that we have a bit of time, I go back to page 200 of budget paper No 2 and “Defence Industries” under “Significant Issues Impacting the Agency”. In promoting and facilitating the development of the defence industry here in Western Australia, what does the minister see as the critical next step? What is WA working towards?

Mr P. PAPALIA: Prior to the election, the member would have seen the announcement by the former Prime Minister that the then federal government committed to building a large vessel dry berth in Western Australia. That is a significant project. At the time of the announcement, it was worth \$4.3 billion. The department has been working with the Department of Defence and both ministers’ offices on that project for two years. The recent announcement of the AUKUS partnership will have an impact on that project. As the member heard, it was coupled with an announcement that we would abandon the submarine build, a project that was underway, and we would be building towards a nuclear submarine capability for Australia. That has implications for this project. The large vessel dry berth will have to accommodate whatever AUKUS brings, whether it is nuclear submarines or other allied vessels that might need to access our facilities. This facility will now have to be built in a way that accommodates whatever

the AUKUS arrangement requires over time. That will be very significant. We hope to support our industry to become supportive of whatever AUKUS requires.

Beyond that, I will be actively continuing to campaign for a commitment from the new federal government for certainty around shipbuilding in Western Australia as a priority because that was never given. The previous government gave certainty to South Australia. It said there would be continuous shipbuilding, which means that as soon as one ship classed as a build is complete, building will commence on another one. Those industries involved in those shipbuilding activities know that they can attract, train and retain a workforce with the long-term prospect of knowing that they will always have work. We do not have that in Western Australia. Over the last five years, the federal government has made announcements of builds but they do not continue beyond the current contract, so there is no commitment to continuous shipbuilding. I think that is essential.

Ms L. METTAM: Picking up on those comments, will the dry-dock facility help support future submarine contracts?

Mr P. PAPALIA: I cannot imagine that it would not. Does the member mean the build?

Ms L. METTAM: Yes.

Mr P. PAPALIA: I do not know about that. I cannot imagine that it would not support any AUKUS arrangement that we have. The British Royal Navy or the United States Navy may visit Western Australia as part of AUKUS. I imagine that our facilities, including that one, would be required to assist or support those visits as necessary. What AUKUS looks like is really a federal government matter. I do not know the extent of demands that will be made. I cannot imagine that the federal government will build that dry dock in a way that does not accommodate any future requirements. That would mean that it would potentially be a really big project. When we build nuclear submarines, they need to be serviced. Nuclear submarines are not normally taken above the high-water mark because the site needs to be capable of being flooded in the event of any issues. That means that the dry dock has to be designed in accordance with those criteria. The certification for nuclear submarines is a lot higher and the security around them is a lot more demanding. A lot of new obligations will be placed on that facility, if that is what the federal government wants.

Ms L. METTAM: I remember when the commitment was made at the time by the federal government, the minister questioned the cost allocation.

Mr P. PAPALIA: Yes, because at that time we were talking for two years about a large vessel dry berth and I did not think it would cost anywhere near that much. If it is going to be something bigger to meet the demands of AUKUS or future capability, which we were not aware of at that time, it might be more expensive.

Ms L. METTAM: I am spelling it out here, but the minister is anticipating that the scope of this project may well expand because of AUKUS and meet that funding commitment.

Mr P. PAPALIA: Yes, but I do not know to what extent. We were in caretaker mode when all that stuff was aired. It could take at least four years to build something like that.

Mr V.A. CATANIA: There is space there to do it.

Mr P. PAPALIA: A lot of work is being done at the moment to carry out the studies that are necessary as a precursor to making a decision to go ahead and build. The federal government has not made that decision. A new government has come in. It will be confronted with the plan, which I am not privy to. A lot of studies are being done by our agencies at the moment with funding from the federal government to enable that build. But the government has to make a decision to go ahead with it once it gets all the information. I will ask the director general to respond further. She sits on the working group that they talk about.

Ms R. Brown: As the minister has outlined, there is a joint task force between the Department of Defence, the Department of Jobs, Tourism, Science and Innovation and other representatives from commonwealth and state agencies. That task force has overseen a number of studies to inform the commonwealth's thinking around a large vessel dry berth. The timing around what the commonwealth seeks to achieve is linked to the decommissioning of the New South Wales —

Mr P. PAPALIA: The 2026 Captain Cook dry dock.

Ms R. Brown: It is close to its 100-year life. It is planned to be decommissioned in 2026. The commonwealth's time frame and the decisions around scope and functionality are driven by that 2026 time frame.

Mr P. PAPALIA: We were aware of the 2026 deadline for the Captain Cook dry dock. It is the only one in Australia that is capable of taking large vessels. It is in the middle of Sydney. It needs to go out of service to be maintained or have repairs, and that could be for as long as two years or more, until 2026. That does not mean that this one will be built by then, because it is a pretty big job.

Mr V.A. CATANIA: I have a further question relating to defence opportunities, particularly in the north west of WA, and the Gascoyne Gateway project in Exmouth, which I assume the minister would know about. Has there

Extract from *Hansard*

[ASSEMBLY ESTIMATES COMMITTEE A — Tuesday, 24 May 2022]

p46a-50a

Mr Vincent Catania; Mr Paul Papalia; Ms Libby Mettam; Ms Mia Davies

been any discussion around potential defence assets or opportunities for Defence to have a laydown area, service area or fuel depot that could service frigates or whatever in the north west of the gulf?

Mr P. PAPALIA: The lead agency status for that project is with the Department of Jobs, Tourism, Science and Innovation. It assists; it is like a concierge service through delivery of a project.

Mr V.A. CATANIA: There has been talk about Defence.

Mr P. PAPALIA: We are going to run out of time. If the member wants to ask any further specific questions about that project, he can put them on notice to me or something like that.

The appropriation was recommended.

[5.00 pm]