



# **Parliamentary Debates**

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LEGISLATIVE ASSEMBLY ESTIMATES COMMITTEE B

Tuesday, 20 October 2020



# Legislative Assembly

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## ESTIMATES COMMITTEE B

The meeting commenced at 9.00 am.

### **Division 15: Jobs, Tourism, Science and Innovation — Services 3 and 5 to 7, Defence Issues; Tourism, \$183 660 000 —**

Ms J.M. Freeman, Chair.

Mr P. Papalia, Minister for Tourism; Defence Issues.

Mr R. Sellers, Acting Director General.

Ms L. Dawson, Deputy Director General, Industry, Science and Innovation.

Mr M. Moran, Executive Director, Defence West.

Mr P. Carden, Chief Finance Officer.

Mr R. Sansalone, Chief Financial Officer.

Ms S. Doherty, Executive Director, Events, Tourism WA.

Ms D. Belford, Acting Managing Director, Tourism WA.

Mr I.E. Johnson, Principal Policy Adviser, Tourism.

Mr P.A. Zapelli, Senior Policy Adviser, Defence Issues.

[Witnesses introduced.]

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

The minister may agree to provide supplementary information to the committee, and I ask the minister to clearly indicate what supplementary information will be provided. I will then allocate a reference number. Supplementary information should be provided to the principal clerk by Friday, 30 October 2020. I caution members that if a minister asks that a question be put on notice, it is up to the member to lodge that through the online questions system.

I give the call to the member for Churchlands.

**Mr S.K. L'ESTRANGE:** I refer to the Australian Marine Complex on page 204 of budget paper No 2, volume 1. When will the final plan be —

**Mr P. PAPALIA:** Which line?

**Mr S.K. L'ESTRANGE:** Sorry; the second line.

**Mr P. PAPALIA:** The AMC.

**Mr S.K. L'ESTRANGE:** They are “Australian Marine Complex Strategic Infrastructure and Land Use Planning” and then underneath that, the third line item, “Australian Marine Complex Upgrade”. When will the final plan be released?

**Mr P. PAPALIA:** Which final plan is the member talking about?

**Mr S.K. L'ESTRANGE:** I am referring to “Australian Marine Complex Strategic Infrastructure and Land Use Planning” Is there a plan?

**Mr P. PAPALIA:** We agreed with Minister Pyne, when he was the defence minister, that we would collaborate at state and federal levels and via the federal minister's office and defence—appropriate defence representatives—to plan for defence requirements for infrastructure at the AMC for the future. That work is ongoing. It is a matter of collaboration, and every time a draft is prepared, it is shared with the federal agencies and responsible individuals. It is just ongoing work. There is no deadline for delivery, if that is what the member is after.

**Mr S.K. L'ESTRANGE:** I suppose I would just like to know whether there is a plan or planning is underway.

**Mr P. PAPALIA:** Yes. It has been a valuable effort, or collaboration. There is a lot of work around determining not just what we require for defence at AMC, but also ensuring that our requirements of servicing offshore oil and gas and other sectors are incorporated in whatever plans defence have, or would aspire to have, and so that is just ongoing work. We are continuing to collaborate with the federal minister's office, and I anticipate that it will not be too much longer. I imagine that plan will be public by towards the end of the year.

**Mr S.K. L'ESTRANGE:** From that, minister, we would expect to see the actual Australian Marine Complex strategic infrastructure land use plan towards the end of this year?

**Mr P. PAPALIA:** Yes. A draft has been shared with industry players. The member is probably aware of that. We received the commentary and input from industry, then we returned it to defence, and that work has been finalised. I anticipate by the end of the year.

**The CHAIR:** Further question or different question?

**Mr S.K. L'ESTRANGE:** I opened with the second and third line items, so I am still dealing with those two lines. In the third line item "Australian Marine Complex Upgrade", what does the funding for this financial year and next financial year cover? The 2020–21 budget estimate is \$23.8 million and the forward estimate for 2021–22 is 30.2 million. Can the minister please let us know what that upgrade is covering?

**Mr P. PAPALIA:** That is the contribution by the state effectively to federal defence infrastructure outcomes. We announced a significant effort by the state both to create jobs and stimulate the economy in response to the COVID challenge and also to meet the requirements and future requirements of defence, so it would be nice to see the federal government contribute a little bit towards defence infrastructure outcomes in WA. That essentially is around \$84 million. It will result in the AMC 1 wharf extension and design work being done on the new finger wharf. In the event that we got full-cycle docking, the finger wharf would be accommodating that, but the AMC wharf 1 is the major wharf there. It is to be extended it so that we have capacity to accommodate the future frigates and upgrades to the wharf services, because the member would probably be aware that they have for some time now been substandard with respect to servicing ships that are alongside in maintenance. It is also creating a common user facility vessel transfer path between the wharf area and the Civmec–Luerssen shed to ensure that we can transfer up. We are ensuring that it is hardened. All of the services are underneath that transfer path, but we are also ensuring that it is hardened for the future so there is the ability to lift a vessel as large as an air warfare destroyer up into that shed. That shed has the height and volume capacity to accommodate one of those ships. In advance of any requirement being articulated, that is being done. Also, there is a number of intersection upgrades to the roads in the area that for some time have been identified as choke points and difficult areas for people working in the AMC to facilitate ease of access and egress. We are also constructing a new shipbuilding facility in the northern harbour area. All of those collectively represent that \$84 million investment by the state government into federal defence.

**Mr S.K. L'ESTRANGE:** I refer to page 205 of budget paper No 2, volume 1, and the eighth significant issue impacting the agency under the heading "Defence" that talks about Defence West. Can the minister provide an update on the priorities for Defence West for the upcoming financial year?

**Mr P. PAPALIA:** Defence West's objectives all relate to its "Western Australian Defence and Defence Industries Strategic Plan". The number one priority is to implement that plan, and from that plan flow a range of outcomes or tasks. The first and foremost objective for Defence West is to consolidate its massively increased resourcing and personnel staffing capacity in representing the industry and looking for opportunity for the defence industry in Western Australia, ensuring we get a share in the national interest of the \$ 279 billion or so worth of commitment by the federal government towards a sovereign defence capability. That is the number 1 priority. There are other tasks associated with that, such as, for instance, hosting the annual Indo–Pacific Defence Conference, representing at other defence expos and the like around the country or in the region, and collaborating or coordinating with the defence science centre on fostering research and development. All these things flow from meeting the objective of implementing the defence and defence industries strategic plan.

[9.10 am]

**Mr S.K. L'ESTRANGE:** The minister can help me if I could not find it, but what is Defence West's operational budget for 2020–21 and the forward estimates?

**Mr P. PAPALIA:** In the fiscal year 2019–20, the total budget was \$3.831 million. In 2020–21, it rises to \$29.969 million, but that incorporates some of the planning work associated with that aforementioned \$84 million infrastructure investment.

**Mr S.K. L'ESTRANGE:** That is a massive jump.

**Mr P. PAPALIA:** It is.

**Mr S.K. L'ESTRANGE:** It has gone from \$3.83 million to \$29.969 million.

**Mr P. PAPALIA:** That is right. We are committed to growing defence outcomes. Part of that is more than doubling or almost doubling the full-time equivalents, part of it is just general funding to enable those people to do their

work and to provide more support to the defence sector, part of it is grants associated with the Defence Science Centre to foster research, development and training of our tertiary researchers in the defence sector, and part of it is for planning and delivery of the AMC infrastructure upgrades that we talked about earlier. In spending \$84 million on infrastructure, there is a lot of practical work in getting that done. Defence West administers that budget.

**Mr S.K. L'ESTRANGE:** Are we able to get a breakdown of what the \$29.969 million will be spent on?

**Mr P. PAPALIA:** The breakdown is as follows: Defence West salaries, 2.491 million; Defence West general funding, \$2.146 million; grants, \$1.25 million; and campaign advocacy to get ready to make the case for full-cycle docking to be delivered, \$282 000. Part of the delivery of all the work associated with that \$84 million for the AMC complex upgrades is worth \$23.8 million.

**Mr S.K. L'ESTRANGE:** Can I just confirm that Defence West's operational budget is being used to try and assist with the development of the government's Australian Marine Complex?

**Mr P. PAPALIA:** Our Australian Marine Complex is Australia's Australian Marine Complex. We are seeking to assist the federal government, which should be spending its money on defence infrastructure. We are doing that because we have a dual objective. One objective is meeting the requirements of the Australian national interest in providing the most capable defence or maritime defence support facility in the region. We are expanding that and ensuring that our facilities remain at the forefront and provide the best possible support to Australia's defence force. That is our priority. Associated with that is our intent to create jobs for Western Australians and Western Australian industry, with the opportunity for Western Australian industry in meeting that objective in the near term to confront the COVID challenge and ensuring that we have a pipeline of work. I will repeat what I have said earlier: frankly, we are doing the federal government's job. I have to say that it is not doing much at the moment in its own fields of responsibility. It appears as though the federal government likes to be in charge of the borders except when it is difficult. It likes to be responsible for a full spectrum of government activities in Australia until it gets difficult, and then Peter Dutton disappears. Western Australia is carrying the defence load here. In Western Australia right now infrastructure for defence is being built by Western Australian taxpayers. It is a federal government responsibility, a defence responsibility. Perhaps it is time the defence minister was in Australia instead of Japan and delivering on her portfolio for Western Australians and Australians.

**Mr S.K. L'ESTRANGE:** I am still on this same line. I still need to get the answer I am looking for to the question.

**Mr P. PAPALIA:** I do not know what the member's question is. Can the member ask it again?

**Ms J.J. SHAW:** The member can win government and provide it himself.

**Mr S.K. L'ESTRANGE:** Maybe to assist the minister we could have a question on notice. Could we have a breakdown of that \$29.969 million?

**Mr P. PAPALIA:** No. I gave the member the breakdown.

**Mr S.K. L'ESTRANGE:** Sorry, minister, can I finish? When listening to the minister's answer I quickly tried to do a bit of mental arithmetic and there was \$23 million unaccounted for.

**Mr P. PAPALIA:** Yes, that is capital.

**Mr S.K. L'ESTRANGE:** It is still \$23 million.

**Mr P. PAPALIA:** It is administered by Defence West.

**Mr S.K. L'ESTRANGE:** Is Defence West administering the \$23 million?

**Mr P. PAPALIA:** Yes. It is building infrastructure for the federal government.

**Mr S.K. L'ESTRANGE:** What is it spending it on?

**Mr P. PAPALIA:** I told the member earlier on when he asked me which projects the money was for. The AMC 1 wharf is being extended and upgraded. There is work being done on planning for a finger wharf in the event that the federal government finally makes a decision on full-cycle docking and gives it to Western Australia where it belongs. There is also work on hardening the transfer pathway between the wharf and the Civmec shed. There are three intersections being upgraded to enable access and egress for workers in the region and a shed down is being built in the northern section of the AMC. All those tasks are where the money is being spent.

**Mr S.K. L'ESTRANGE:** How many FTE employees are currently employed with Defence West to help with this large \$29.969 million task, and are there any vacancies in the staff?

**Mr P. PAPALIA:** As I indicated earlier, we have expanded Defence West from nine FTEs to in the order of 17, but we are also accommodating at Defence West veterans issues staff, with staff from that portfolio being supported in Defence West as well. If the member is talking about the task itself, Defence West-associated roles, the number of FTEs is 17. Defence West employs its budget to seek consultancy where appropriate. Obviously there is work associated with environmental approvals, advanced planning and design work and the like that requires it either to seek out assistance further from the department, more broadly, or from consultants as appropriate. Sorry, there is

also defence. We have created a Defence Science Centre. It has a federal Defence Science and Technology agency person embedded there who is the associate director of research and development for the Defence Science Centre. A representative from the uniformed defence works there as well. He is being housed there, but we do not pay him.

**Mrs A.K. HAYDEN:** The minister just alerted that part of the Defence West budget is going to veterans issues.

**Mr P. PAPALIA:** No. Defence West is just housing staff there; they are accommodated administratively there.

[9.20 am]

**Mrs A.K. HAYDEN:** Is there no budget whatsoever going to veterans issues from defence?

**Mr P. PAPALIA:** We are paying for power, electricity, and a desk. We are housing staff, but the actual individuals are from Minister Tinley's portfolio.

**Mr M. HUGHES:** I really only have one question, and it refers to the heading "Defence" on page 205 of budget paper No 2. The minister has alluded to work that the government has undertaken to secure full-cycle docking for the Collins class submarines. Does the minister think he covered the matter completely in his answer to the member for Churchlands, or does he have further information available to the committee about the progress of that move to secure the full-cycle docking at Fremantle?

**Mr P. PAPALIA:** The issue with respect to full-cycle docking is, firstly, that it arose from our "Western Australian Defence and Defence Industries Strategic Plan" crafted by Major General Jeff Sengelman, retired, who was commissioned to write a plan for Western Australia's defence industry, but also the defence requirements in Western Australia. From that plan fell the objective of arguing the case for Western Australia to be the principal site for maintenance and sustainment of frigates and submarines. That makes sense. It was logical because Western Australia is home to the largest naval base in the country. We are the closest point of land anywhere in a capital city to the areas of operations for Australia's naval forces—that is, a lot of the points of vulnerability in terms of choke points for our export capability upon which the fortunes of the nation ride to our north west. We are the closest point of any capital city to those locations, and we have a large city with a broad industrial base and a capacity to provide world-class sustainment support to our forces. That was the determining factor for us to pursue seeking all submarine maintenance to be located in Western Australia. It is also the place where all the submarines are based, where all the submariners live, and it is incredibly awkward and inconsistent with best practice around the world for submarines to be maintained in a different location far from where they are based. In fact, the chief of navy some time ago articulated his intent that all maintenance be done within 150 nautical miles of any vessel's base. That obviously precludes submarine maintenance being done in Adelaide halfway across the continent from where all the submarines are based.

About every 10 years a submarine will go into a full-cycle docking—that is, effectively taking it out of service for two years, cutting it apart completely and rebuilding it with modern technology, the most up to date capability available, and in some cases looking towards future development capability for the future submarine. A thing called life-of-type extension is also being undertaken now. All that means is that a submarine is taken out of its operational base, the crew go with it and they sail it around to Adelaide. It is taken out of the water. A number of the crew stay there and have to go backwards and forwards or remain in Adelaide whilst that work is being done. Over a two-year period, they are disrupted from their family. It is not operational time; it is counted as shore time for them, so the sailors associated with that task might, on completion, spend about three months or possibly a bit shorter, depending on how long it takes to work out once the submarine is put back together and goes out to sea. Works are up in the vicinity of Adelaide. A whole lot of support is required to cover them whilst they have come out of the docking. The worst has to be assumed, so there have to be rescue and services available to the crew right there from the time they work and they finally come back to WA, whereupon the boat goes operational and gets sent away for six months with the same crew. It is incredibly disruptive, time consuming, wasteful of effort and resources and not a good practice. In October 2018, the Premier launched the "Western Australian Defence and Defence Industries Strategic Plan". At that time, we indicated we were going to go after submarine full-cycle docking to come to WA. We do all the other maintenance. Every other bit of maintenance on submarines is done in WA with the exception of that one task. We told everybody, we told the world in October 2018, that we were pursuing that objective. Subsequently, we established a defence industry workforce office in May 2019, and the Defence Advisory Forum in June 2019. In response to the new minister talking to me once she took office in early 2019, we compiled or commissioned a couple of papers—one on strategic reasoning behind moving full-cycle docking to WA. PricewaterhouseCoopers delivered that paper. ACIL Allen Consulting did one on the economic reasoning behind that task being moved. Later in the year we got Advisian to do one on further addressing concerns that the minister had at the time about shifting the task. All that work was done, and then at the end of last year, about this time in fact, the defence minister gave a commitment to the Australian people that a decision on full-cycle docking would be made by last Christmas. That has not happened. Subsequently, understandably, there was some reasoning behind delaying the decision because of, firstly, a volcano eruption in New Zealand, then bushfires on the east coast and then COVID, but the federal government has run out of excuses. We are a year down the track since that commitment was given. It is time, and it is in the national interest, that a decision be made and the Western Australian and Australian public be informed, because the it takes years to train people and build infrastructure to do this task.

**Mr V.A. CATANIA:** I have a point of order on estimates.

**Mrs A.K. HAYDEN:** This is a ministerial statement—please.

**Mr P. PAPALIA:** Sorry.

**Mrs A.K. HAYDEN:** Can I just get some clarification on timing, Chair?

**The CHAIR:** You have already used 18 minutes and —

**Mrs A.K. HAYDEN:** Sorry, in regards to the portfolio.

**The CHAIR:** You need that from the minister, not from me.

**Mrs A.K. HAYDEN:** We have an hour, so can I just ask my question?

**Mr P. PAPALIA:** Whatever members want. If members want to do a shorter time on this portfolio and go a longer one, the member can determine it. I do not care.

**The CHAIR:** You determine when you shift over.

**Mrs A.K. HAYDEN:** Okay, great. We have got tourism as well, and I notice that that was in this hour.

**Mr P. PAPALIA:** Yes, it is. There is no hour, as far as I understand. Members can take as long as they want out of the period allocated for all my portfolios, for any one of them, if they want.

**The CHAIR:** Can we go on? You did go for six and a half minutes then, minister.

**Mr P. PAPALIA:** Sorry; I am passionate about that particular matter!

**Mr S.K. L'ESTRANGE:** I refer the minister to page 205 of budget paper No 2, volume 1. Under the heading “Defence”, there are three paragraphs that cover Defence West, the proposal to the commonwealth government and the Defence Science Centre. I outline my line of questioning in that space. The first one is: can I request, please, that the minister provide some supplementary information on how the \$29.969 million for Defence West will be spent in 2020–21?

**Mr P. PAPALIA:** I have already given an indication of where the funding is going.

**Mr S.K. L'ESTRANGE:** It is just so that I can go back through it. We just want to see the actual breakdown.

**Mr P. PAPALIA:** What specifically does the member want?

**Mr S.K. L'ESTRANGE:** The breakdown showing how the \$29.969 million is going to be spent is not in the budget, so all I am asking for is some supplementary information that can show us how that is going to be spent.

**Mr P. PAPALIA:** The \$29 million or so that the member is referring to is the first tranche of the \$84 million that will be spent over the two years on delivering an expansion and upgrades to AMC wharf 1, the planning for a finger wharf in the event that the full-cycle docking task is moved to WA, the hardening of the transfer pathway to the Civmec shed, the three road intersection upgrades and a shed in the northern facility in the northern part of the AMC. That is where the money is going.

[9.30 am]

**Mr S.K. L'ESTRANGE:** All we are asking for is a budget breakdown of what the minister just said.

**Mr P. PAPALIA:** What does the member mean—how much is allocated to each task?

**Mr S.K. L'ESTRANGE:** We just want something like line items so we can see how that \$29.6 million is allocated—that is all.

**Mrs A.K. HAYDEN:** It is just to provide supplementary information.

**Mr S.K. L'ESTRANGE:** We are just asking for supplementary information.

**Mr P. PAPALIA:** I know what the member is asking, but I am not sure that it is a reasonable request. The \$84 million is allocated —

**Mr S.K. L'ESTRANGE:** All the minister has to say is yes or no.

**Mr P. PAPALIA:** Does the member want me to say no? I am trying to explain why I am —

**Mr S.K. L'ESTRANGE:** No, I want the minister to say yes.

**Mr S.K. L'ESTRANGE:** All we are asking is for the minister to provide the supplementary information.

**The CHAIR:** Members, enough already!

**Mr P. PAPALIA:** The \$84 million is associated with those individual tasks. Work has been done to identify the potential costs associated with each of those tasks. They are essentially the shovel-ready projects identified under the Defence West portfolio in the event that we needed, or had the opportunity, to pursue bringing forward infrastructure as part of the recovery plan, and that is what we did. With individual components —

**Mrs A.K. HAYDEN:** Chair, can we ask if we can get that provided by line item?

**The CHAIR:** You can ask, but he does not have to give it.

**Mr P. PAPALIA:** No, I will just complete my answer to the question. These are going to be refined, as more work is being done. There is detailed planning with respect to things such as environmental, geosurveys and the like.

**Mr S.K. L'ESTRANGE:** I do appreciate the minister trying to help me today, but all I have asked for is—

**Mr P. PAPALIA:** If the member stops talking, I will give him the answer to what I think he is after.

**Mr S.K. L'ESTRANGE:** I do not want the minister to give me the answer. I just want him to agree or not to provide supplementary information.

**Mr P. PAPALIA:** AMC 1 —

**The CHAIR:** Members! One at a time.

**Mr P. PAPALIA:** No. I am not going to; I am going to read it out now.

**Mr S.K. L'ESTRANGE:** So you are not going to provide supplementary information?

**Mr P. PAPALIA:** The design of the AMC wharf extension and the new finger wharf collectively are \$45.2 million. The AMC common user facility vessel transfer path is \$5 million.

**Mr S.K. L'ESTRANGE:** Can the minister table that document, please?

**Mr P. PAPALIA:** No, I am reading them to the member. AMC intersection upgrades at three road junctions is \$3.8 million. These are notes for me. The construction of the new shipbuilding facility at the northern harbour is \$30 million.

**Mr S.K. L'ESTRANGE:** Minister, we need some transparency out of this \$29.9 million.

**Mr P. PAPALIA:** So the member was not listening, was he?

**Mr S.K. L'ESTRANGE:** I was listening.

**Mr P. PAPALIA:** No, the member was not listening.

**Mr S.K. L'ESTRANGE:** I can go back through *Hansard* and look at it.

**The CHAIR:** Member for Churchlands, the minister has the floor. You asked your question. Let the minister answer. Then, you will have another chance, and then you will have another chance and then we can do that for the whole hour if that is what you want to do.

**Mr P. PAPALIA:** And I have specifically —

**The CHAIR:** Minister! All right. Everyone just take a deep breath and start again. Minister, if you want to go through that list —

**Mr P. PAPALIA:** Again?

**The CHAIR:** —and put it on *Hansard*, so it is on record.

**Mr P. PAPALIA:** I have said it on *Hansard*.

**Mr S.K. L'ESTRANGE:** Point of order, Chair. All I have asked for is supplementary information, and if he is not prepared to give it, that is the answer.

**Mr P. PAPALIA:** No, I am not going to give the member supplementary information, because I have read to the member where the allocations are. The AMC 1 wharf extension and design of the new finger wharf are \$45.2 million, AMC common user facility vessel transfer path is \$5 million, AMC intersection upgrades at the three road junctions is \$3.8 million and construction of the new shipbuilding facility in the northern harbour is \$30 million.

**Mr S.K. L'ESTRANGE:** None of that adds up to \$29.969 million, so we are asking the minister for a breakdown as a supplementary.

**Mr P. PAPALIA:** As I indicated, member, those tasks are part of our commitment over the next two years. The work will be done over the next two years. Not all of it is in this financial year, but each of those tasks are costed at those amounts that I told the member.

**Mr S.K. L'ESTRANGE:** I refer to the same section we were referring to where it says “Defence Science Centre”. I note there were no grants or subsidies allocated to the Defence Science Centre in the 2019–20 budget, but then there ended up being \$691 000 spent and there was an 80.9 per cent increase in the 2020–21 budget to \$1.25 million. Why was that the case?

**Mr P. PAPALIA:** As the member has to understand, under his government there was not any advocacy for defence—there was not any support for anything, let alone defence research. All of this is new. We created the Defence Science Centre. We argued with the federal government to commit for the first time in history to a Defence Science and Technology Group executive to Western Australia. The most senior person in Australia under the member’s government



from the Defence Science and Technology Group was a torpedo technician at Stirling. We now have a senior executive. That enables to get inside opportunities for DSTG spend and look for opportunities for Western Australian industry and researchers. As it ramps up its capacity, it will give out more money. The grants schemes are regularly determined by the Defence Science Centre. I do not have any role in that. Thanks to our advocacy, there is a contribution from the federal government towards this outcome. The Defence Science Centre is funded about two-thirds by the state and one-third by the federal government. It is a regular process. There is an independent panel that determines where the grants go, and research is undertaken as available. So far, over \$1.7 million in funding has been awarded to local defence research community by the DSC. It has enabled 75 bespoke connections with industry, academia and defence, and this is really the first year that we have been in operation, so it is not surprising that we will ramp up over time.

**Mrs A.K. HAYDEN:** I refer to cash assets for the Department of Jobs, Tourism, Science and Innovation on page 203 of the *Budget Statements*. Is the total appropriation line —

**Mr P. PAPALIA:** Sorry, which line?

**Mrs A.K. HAYDEN:** The main budget.

**Mr P. PAPALIA:** Which line?

**Mrs A.K. HAYDEN:** I am about to say it. It is the total appropriations line near the bottom of that table. In 2020–21, we have quite a massive increase there. We have obviously discovered where the \$29 million is going, but can the minister break it down for us, because this is obviously going across all the portfolios. If the minister cannot do it now, can he provide supplementary information, because we do need transparency in estimates? We want the breakdown of this money that goes towards Tourism WA, Small Business Development Corporation, jobs, science and the different departments, because this is one lump sum that is going into the jobs, tourism, science and innovation department.

**Mr P. PAPALIA:** The member is asking the wrong minister. Questions about global budget matters for the Department of Jobs, Tourism, Science and Innovation should be addressed to the responsible minister.

**Mrs A.K. HAYDEN:** Can I ask the minister, out of that budget of \$272.384 million —

**Mr P. PAPALIA:** If the member is asking about defence right now, I can tell her —

**Mrs A.K. HAYDEN:** No, we are not; we are talking about tourism, science —

**The CHAIR:** Just ask the question.

**Mr P. PAPALIA:** I am not answering, because this is defence.

**The CHAIR:** Just listen to the question.

**Mrs A.K. HAYDEN:** The minister is also the Minister for Tourism.

**Mr P. PAPALIA:** This the defence division. If the member wants ask about tourism, she can ask that in the division about tourism.

**Mrs A.K. HAYDEN:** This is in the division of defence. There is a budget here —

**The CHAIR:** Okay, can we stop the argument across the table. Minister, just so that you are clear, just because you have defence at the table, this is actually the whole —

**Mr P. PAPALIA:** Chair —

**The CHAIR:** Just listen, minister, that would be good. This division is services 3, 5 and 7—defence issues and tourism.

**Mr P. PAPALIA:** Chair, I am not going to answer. Right now, we are doing defence. I have my advisers for defence. We are answering any question members want about defence. I am not going to talk about tourism until I have my advisers here and we are talking about tourism. As I indicated earlier —

**The CHAIR:** Minister, you are talking to me, and I will direct you that this is the division—

**Mr P. PAPALIA:** You can ask me all you want. I am not going to answer.

**The CHAIR:** Minister, I am not asking you, I am telling you that the division here you have before you, the way we are doing it and the way the division goes is that you can have your advisers —

**Mr P. PAPALIA:** Chair.

**The CHAIR:** Minister, this is not for debate —

**Mr P. PAPALIA:** Actually, it is. No, Chair, understand this. At the outset before we started —

Several members interjected.

**The CHAIR:** No, no, this is not for debate.

Several members interjected.

**Mr P. PAPALIA:** Actually, it is. Understand this: at the outset, before we started, we talked about who was going to be sitting and what we were going to do. We were going to start with defence and then we were going to go to tourism.

**Mrs A.K. HAYDEN:** Bullying the Chair—are you directing the Chair during estimates?

**Mr P. PAPALIA:** I am not going to talk about tourism, unless you want to stop talking about defence and move to tourism.

**The CHAIR:** Minister, the question is simply about how your division of science, innovation, defence issues and tourism is divided up. You should be able to take the member to the budget areas.

**Mr P. PAPALIA:** I am sorry. I am the defence issues minister right now. We are talking about the defence issues portfolio and its allocation.

[9.40 am]

**Mr V.A. CATANIA:** Point of order, Madam Chair. I think that perhaps we should be taking a break and work this out.

**Mr P. PAPALIA:** I think you need to reflect on what we agreed at the start.

**Mr V.A. CATANIA:** It is quite embarrassing seeing two members of the same party fighting.

**The CHAIR:** No. You agreed with them. All I am telling you is what the division is.

**Mr P. PAPALIA:** This is a normal practice for conduct of estimates.

**The CHAIR:** Do not argue with me, minister. It is not —

**Mr P. PAPALIA:** It is not an argument.

**The CHAIR:** I am taking advice from the Clerk.

**Mr P. PAPALIA:** The Clerk needs to think about what we said at the outset.

**The CHAIR:** Minister!

**Mr S.K. L'ESTRANGE:** This is outrageous disrespect. This is outrageous!

**Mrs A.K. HAYDEN:** Are you bullying the Clerk now?

**Mr S.K. L'ESTRANGE:** The Chair is chairing the meeting.

**The CHAIR:** Okay, we are going to suspend for five minutes.

Several members interjected.

**The CHAIR:** Stop it now. Please, just all calm down.

**Mr V.A. CATANIA:** Do we get our five minutes back?

**The CHAIR:** Yes. A five-minute break.

*Meeting suspended from 9.41 to 9.42 am*

**The CHAIR:** The Clerk's advice is that because you guys agreed to do defence, we can do defence. But the line item here that we are looking at, minister, is together, and, so the question was simply about science and tourism and budget stuff. If you wanted to —

**Mr P. PAPALIA:** I was explaining —

**The CHAIR:** Yes. I just want to move on. Really, honestly. I do not want to get into an argument.

**Mr V.A. CATANIA:** Point of order—just for clarification. We did ask that question earlier and I was under the assumption that we could ask anything under division 15 that covered his portfolio area.

**The CHAIR:** No. Member for North West Central, the minister came to the table and said, "Let's do defence first," and you guys said yes. I think there has been a misunderstanding of how the minister wants to proceed. He just wants to do defence, send his people back and have other people come forward.

**Mr P. PAPALIA:** I do not want to waste people's time.

**The CHAIR:** Shall we just do tourism? Shall we just move on to tourism?

**Ms A. HAYDEN:** No, because I have not actually finished asking my question.

**The CHAIR:** Okay, ask your question, member for Darling Range.

**Mrs A.K. HAYDEN:** My question, if it was listened to in whole, was: of the total appropriation, if the defence budget comes out, can the minister actually list how much of that appropriation is by department? If the minister only wants to do defence now, do defence now. Then I will ask tourism in tourism and I will ask small business in small business. But can the minister please advise, of that total appropriation, the \$272.734 million, how much of that is the defence budget?

**Mr P. PAPALIA:** As I stated earlier, the 2019–20 allocation is \$3.831 million and the 2020–21 allocation is \$21.969 million.

**Ms A. HAYDEN:** Thank you very much, minister.

**Mr P. PAPALIA:** It has been on the record for about an hour.

**Ms A. HAYDEN:** I am asking because I want to know the breakdown of that figure there.

**The CHAIR:** All right.

**Mr P. PAPALIA:** I have already given that.

**Ms A. HAYDEN:** I thought the minister would give the rest of his portfolio, but he will not.

**Mr P. PAPALIA:** No, I will not.

**The CHAIR:** Okay. Let us move on!

**Mr S.K. L'ESTRANGE:** I have a supplementary.

**Mr P. PAPALIA:** We are going to do what we have done in every other budget estimates in history and go one at a time.

**Mrs A.K. HAYDEN:** I asked for clarification, and the minister said to ask anything in the next four hours.

**The CHAIR:** Member for Churchlands.

**Mr S.K. L'ESTRANGE:** Yes. Following on from the member for Darling Range's question, can the minister provide through supplementary information a breakdown of that \$272.384 million so we actually know how it is being allocated?

**Mr P. PAPALIA:** No, because I am not the responsible minister.

**The CHAIR:** The member for Churchlands has to ask the responsible minister that.

**Ms A. HAYDEN:** Can we move to tourism, please?

**The CHAIR:** Let us move to tourism.

**Mr P. PAPALIA:** Is that what we are doing?

**The CHAIR:** Yes. We are moving to tourism.

**Mr P. PAPALIA:** Good.

**The CHAIR:** Thank you, defence.

Several members interjected.

[Witnesses introduced.]

**The CHAIR:** Member for Darling Range.

**Ms A. HAYDEN:** On page 203 of budget paper No 2, volume 1—we have not moved from where we were before—is the total appropriation of \$272.384 million. How much of that is allocated to Tourism WA?

**Mr P. PAPALIA:** It is \$113 million.

**Ms A. HAYDEN:** Is the minister able to provide a breakdown of that \$113 million?

**Mr P. PAPALIA:** Destination marketing is allocated \$68.864 million; event tourism —

**Mrs A.K. HAYDEN:** Sorry, if the minister is not going to table it, can he read it slowly so that I can write it down.

**Mr P. PAPALIA:** Destination marketing is \$68.864 million, event tourism is \$28.555 million, and tourism destination development is \$15.834 million. That is a total of \$113 253 000.

**Ms A. HAYDEN:** Thank you very much, minister. I just refer to the last line item on page 205, paragraph 11, "Tourism". It states —

Western Australia's tourism industry recorded its highest visitor numbers and a record \$11 billion spend in 2019. The industry supported more than 100,000 jobs.

Can I just ask where we are sitting now? That is actually reporting back to 2019. We have the *Budget Statements* for 2019–20 and the estimates for 2020–21. Can the minister tell us where we are sitting now with the record \$11 billion spend in WA and the 100 000 jobs that it created?

**Mr P. PAPALIA:** No, because the numbers to which the member refers are derived from Tourism Research Australia data, which are backward looking. Right now we do not get great visibility of the exact spend and employment. What we do know is that Western Australia has the highest spend—this is actual data as opposed to projections and modelling based on surveys, which is what Tourism Research Australia employs. We know from ANZ card

spending data that Western Australians are spending more on food and beverage than any other state. We know that they are spending more on travel than any other state. We know they are spending more on shopping than any other state. We know that Western Australia actually leads the nation despite today's WA today article on jobs growth. I think in August, a third of all jobs created in Australia were created in Western Australia, and something like 70-plus per cent of jobs lost earlier in the year have returned with a 90 per cent of hours worked. A large component of that growth has been in the hospitality sector. When Tourism Research Australia talk about tourism, they wrap in everybody—cafes, bars, restaurants, everything—which is not necessarily just your tourism operators. We do not have granular knowledge of how many people are currently employed.

**Ms A. HAYDEN:** My question is: of the \$11 billion spend that came into WA on tourism in 2019, what does the minister estimate that spend to be?

**Mr P. PAPALIA:** I could not tell the member.

**Ms A. HAYDEN:** Is it 50 per cent or 70 per cent?

**Mr P. PAPALIA:** As I said, that number is derived from Tourism Research Australia surveys of people undertaking travel in Western Australia, and it is always backwards looking. We will know sometime in the future when they conduct their surveys what their view is as to its projections or modelling of what was spent. It is only a model. I think the data around actual spend by people using their cards is far more accurate, but even then, it does not give me a global picture of what is spent in tourism. It just says in Western Australia, ANZ cardholders are spending more than anyone else in all those categories that I listed.

[9.50 am]

**Ms A HAYDEN:** Just on that—this will be my last question on this item, minister. I just want to ask: there is a recovery plan and I am just trying to understand if we had an \$11 billion spend and 100 000 jobs created from tourism in 2019—we are in a COVID-19 pandemic, and, as we know, a lot of tourism businesses have shut down, a lot of them have reduced staff and a lot of them have no work. What I am asking the minister is to do with the recovery plan, which is in the budget, which we will get to: how will the minister actually work out the recovery plan if he does not know what the loss to tourism has been for the state? It has gone from \$11 billion and 100 000 jobs. It does not take a rocket scientist to know that there has been a drastic drop in that revenue and those jobs. I would like to know where the minister and the department are working on recovery and what their plan is around making sure we get back to that \$11 billion and 100 000 jobs? He would need to know where we are at now, surely.

**Mr P. PAPALIA:** A lot of the member's assumptions were completely inaccurate. There are some tourism businesses that have gone into hibernation by necessity because they were overly reliant on predominantly the international market. When the federal government shut the international borders, that took away 100 per cent of some people's market.

**Mr V.A. CATANIA:** Which was the right thing to do.

**Mr P. PAPALIA:** That is right.

**Mrs A.K. HAYDEN:** The minister does not disagree with that.

**Mr P. PAPALIA:** That is correct; just in the same way as shutting the interstate border was the right thing to do, that has had an impact on some people. Having said that, the vast majority of actual tourism businesses—I'm not talking about hospitality and accommodation providers because they are —

**Ms A HAYDEN:** The minister is in here.

**Mr P. PAPALIA:** Apart from inner-city hotels, I am struggling to find hospitality and accommodation providers anywhere in Western Australia who are not doing really well, and their greatest challenge is people. It is not about whether they have a market or whether there's demand. Everywhere I have travelled since the restrictions were lifted—I have travelled—twice to Kununurra, four times to Broome, to Port Hedland, to Karratha, to Kalbarri, to Geraldton, to Northam, to York, to Kalgoorlie, to Esperance, and across the metropolitan area—I have conducted tourism roundtables in all of those locations with literally hundreds of tourism operators. The challenge now, with the exception of the big city hotels and people in the CBD—the central CBD I am talking about, not the wider metropolitan area, because they are not in that situation—everywhere else and in the wider suburban area is people. That is because they have massive demand. In some cases, in many cases, people are telling me they have more income and more business than they had pre-COVID. The member's assumption with regard to the impact on tourism is not accurate. That aside, there are some people who are confronted with this challenge, where they were skewed towards an overseas market predominantly, not so much the interstate because many of those people have replaced their market with intrastate. We gave \$14.4 million worth of support to hundreds of tourism businesses. The business survival grants were not limited at all. Anyone was open to applications. Between \$15 000 and \$100 000 grants went to hundreds of small businesses, those that were predominantly impacted by the loss of the international market—more than interstate, but interstate market as well. Some of those businesses received \$100 000 to enable them to survive over the predominantly skewed towards seasonal northern regions, rightly, because the vast majority of the businesses south of Exmouth have not actually lost more than a couple of months, and some of them have

recouped far more than they lost in that two-month period. If the member is talking about what we are doing—\$150 million dedicated to infrastructure for tourism across the state; \$14.4 million to survival and recovery grants for hundreds of small businesses across the state.

**Mr V.A. CATANIA:** Where does that \$150 million come from?

**Mr P. PAPALIA:** In the recovery plan, there is \$150 million dedicated to tourism infrastructure right across the state.

**Mr V.A. CATANIA:** Is that across portfolios?

**Mr P. PAPALIA:** Yes. It is right across, but all to tourism infrastructure. A lot of national parks are getting upgrades to facilities and services and walking tracks and the like. Tens of millions of dollars have been allocated to complete the sealing of not only Cape Leveque Road, but also roads to communities to ensure there are tourism opportunities there. There is money towards Aboriginal cultural tourism. It is not really in our portfolio, but we undertook to assist travel agents. We created a \$3 million fund—the only fund in the country dedicated to travel agents.

**Mr V.A. CATANIA:** That was under a huge amount of pressure.

**Mr P. PAPALIA:** I am sorry; taxpayers' money being dedicated to supporting small businesses—I would have thought members would celebrate that.

**The CHAIR:** We have been 10 minutes on this question. Member, do you have another question?

**Ms A HAYDEN:** Just clarification. Is the minister confident that in 2020, he is going to hit the \$11 billion spend in WA on tourism and the 100 000 jobs, because that is what he is kind of saying—that there is no change in tourism.

**Mr P. PAPALIA:** The member for Darling Range must be the only one on the planet who has not noticed we are in a pandemic. It is extraordinary that in a pandemic, Western Australia leads the nation in growth in retail; in growth in creation of jobs; in housing construction; in travel. One of the most—in fact, I am pretty certain that the most profitable route for Qantas anywhere is Perth–Broome right now. I am pretty certain of that, but we will research that and confirm it. Almost every flight between Perth and Broome, and Perth and Exmouth are sold out. We have travel to our regions. Tourism businesses in our regions—accommodation providers, retail, cafes, pubs, restaurants, hotels in our regions—are seeing travel the likes of which has never been seen in Western Australia before in the middle of a pandemic. It is extraordinary. Our biggest challenge is getting people to do the work. I am hopeful that the tapering down of JobSeeker will assist in encouraging people to go out to the regions and take up that opportunity.

**Mr V.A. CATANIA:** I refer to paragraph 11, “Tourism”, on page 205, that talks about jobs. Does the minister know how many jobs have been taken up in the tourism and hospitality sector with the Work and Wander Out Yonder campaign?

**Mr P. PAPALIA:** I do not. What I do know is that the last time I had a report on the Work and Wander Out Yonder campaign there were in the order of 154 advertisements the hashtag on Seek, and there had been, I think, in excess of 3 000 applicants. I do not know how many have completed that process and then employed people.

**Mr V.A. CATANIA:** So the minister is not aware of how the campaign is working for —

**Mr P. PAPALIA:** No, I do not. The campaign we undertook was in partnership with a couple of online portals. One was Seek; another one was Studium. There are free ones as well. Our contribution from the tourism perspective was marketing, so we got out there and told people to go there. We raised awareness. It obviously worked, because there has been a significant number of applicants. I do not know with regard to, you know, conversion. It is a difficult thing to get a grip on because private enterprise has been out advertising all the time. How much of it was attributed to our campaign as opposed to people just looking for work? I have to say, though, it is the most significant challenge that we confront right now. Because of the high demand, because of the massive demand, particularly in the regions for tourism accommodation services, experiences and the like, trying to get people to be able to support those businesses is the biggest challenge.

[10.00 am]

**Mr V.A. CATANIA:** I suppose that there needs to be some sort of understanding how that campaign is working and how that is getting into the Work and Wander Out campaign and how that is impacting on businesses—especially tourism businesses. But for tourism businesses, the minister says that everyone is full or everyone is doing well, that people are travelling around because they have got nowhere else to go. They are travelling, and that is what we want to see. I appreciate all the support that the government has given, but the reality is people travel. People can only travel in Western Australia. But when it comes to our hotels and our small businesses, who are finding it very difficult to attract any workers, the impact that is having is that hotels—so, small businesses, whether a cafe or pub—are having to close their doors because they do not have enough staff to cater for the influx of tourists, and they need to give them a break. Hotel restaurants are only taking orders if someone is a guest. If someone is a visitor, then they are actually prevented from going in and getting a meal. When it comes to hotels, in terms of saying they are full, the evidence that I am receiving is some hotels are only at 40 per cent because they actually have no cleaners to clean the rooms. They have actually no staff to service their guests. What may seem to be full online or ringing up is actually not reality, because they have had to reduce their outfit in concert with the amount of staff they have got.

What is the minister doing to assist our small businesses, our tourism industry, in ensuring that, now that we have missed that opportunity in that the school holidays have gone? We have now the next peak—I am talking about the north west of Western Australia. The next round is probably early next year in, say, March, when it starts to kick up again. What is the minister doing, given the fact that the borders are closed and look like they will remain closed, that essential workers in the small business and tourism industry cannot get across to Western Australia to fill? If someone is a chef, a baker, if they have a job in hospitality, they have to have a go at the G2G Pass five or six times before they may get through. Minister, what are you doing to ease that burden on our tourism industry with the workers that are needed? If a business is able to get a worker, there is no workers' accommodation. So in places like Exmouth, Kalbarri and Shark Bay, it is impossible to get any workers' accommodation, if a business can find someone. So what is the minister doing to assist the tourism industry and those small businesses, particularly in the north west?

**Mr P. PAPALIA:** I will reflect on what the member started with. I did not say everyone is full. I never said that. I said that the vast majority of businesses that I encounter—I am, you know, pretty comfortable that the vast majority of businesses are now confronting a challenge around, you know, meeting the demand. Very few are in that category of having shut. There are some and most, you know, if they did not apply for the business survival grant, then, you know, it is a difficult thing to determine whether they are shut or not. But the ones that did apply for the business survival grant received funding if they met the criteria. It was a robust process, because it is a significant amount of taxpayers' money.

With respect to what is happening now, I understand what the member is saying, but no-one is opening and not making money. The businesses that the member was talking about that might have, say—I think the member was low-balling the percentage of rooms that might be open. It might be 30 per cent not full, so they might have 70 per cent of their rooms full. For instance, I know Cable Beach Club as an example. It is true that there is a shortage of people to do a lot of these tasks, so they will adjust, rightly; they will do their employee good business practice and they will not exceed their costs. They will not have their costs exceed their returns, so they are only going to operate where they make money. That is happening. With respect to what we are doing, this is a great challenge to have. I would far rather this challenge than the challenge they have in Sydney, for instance, where they are celebrating the fact that they are gradually easing out of —

**Mr V.A. CATANIA:** I totally accept that; I think the minister is right in saying that.

**Mr P. PAPALIA:** They are easing out of the four square metre rule. Businesses in Sydney are still in the four square metre rule inside. The deceptive vision of Josh Frydenberg outside a cafe in Bondi suggested they were open for business. We know New South Wales is not open for business. They are a drag on the national economy. It would be good if they got the tens of thousands of hospitality workers back to work so that their businesses could start contributing to tax revenues in the same way as Western Australian businesses are for the federal government. Obviously Victoria is in a worse position. Having said that, Victoria seems to be doing incredibly well at tackling the challenge and moving towards being able to open up.

In Western Australia, we are far more open. There are still constraints because of the workforce capacity constraints in a lot of regional areas. With regard to those categories that the member mentioned, particularly chefs, probably a month ago now our office engaged with the emergency coordination manager to ensure that they are recognised for exemption. Part of this is good to get the message out there. When I was in Esperance, for instance, I encountered businesses that did not know that a chef from Victoria could seek an exemption and be granted an exemption to travel from Victoria, do their isolation and come and work, if they were moving to work. They are recognised in the same way as front-of-house staff. We worked with the AHA and advocated with the emergency coordinator and they have recognised that. People should know that they are able to. I know people are now coming to do work and move to Western Australia, in the same way as FIFO were encouraged to move to WA. The same thing has applied to critical occupations in hospitality.

**Mr V.A. CATANIA:** Just further, one last question.

**The CHAIR:** We have been 22 minutes on this question.

**Mr V.A. CATANIA:** In terms of agriculture workers getting \$40 a day, does the minister see that hospitality or tourism industry small businesses, in terms of a worker, should receive the same sort of financial support to encourage workers to regional WA given that rents have gone through the roof? People are getting more money to rent their houses as Airbnbs than they would on the normal rental market to normally house workers. Will the minister look at having some sort of financial incentive for people to go and work in the hospitality or tourism sector, like what is happening with ag?

**Mr P. PAPALIA:** No, for a couple of reasons. Firstly, because I do not believe, and you know, frankly it is as onerous a proposition for people to be encouraged to work in a beautiful holiday destination in hospitality as it is to ask them to go and work in the blazing sun, picking up—I do not know, whatever—melons or pineapples in Carnarvon, or whatever the task is in agriculture. That is a different proposition altogether. With respect to the costs, the reality is, right across regional Western Australia, in particular right now, the market, supply and demand, dictates that people are valuable. I have met and I have encountered many, many businesses now who are looking at adopting practices which will make them attractive to employees. So they are seeking out accommodation, providing it as a component of what they are offering people to move. That is by necessity because it is a competitive marketplace now.

In Western Australia, labour is going to be a valuable commodity. People are valuable and employers will have to meet the market. But I do not think—you know, it is kind of interesting because agrarian socialist policy is that we should be upping our support in terms of government assistance to get people to work is an interesting proposition to pursue. I think generally it is not as difficult or as onerous a proposition, so that is a big one, and we do not want to undermine the agricultural effort. It is essential because there is time sensitivity around crops wasting in the event that we do not get workers.

Finally, one observation the member made at the end about seasonality, I have got to tell the member that I was in Broome on Friday, I was in Exmouth about three weeks ago—I do not actually think there are going to be seasons like they were in the past.

**Mr V.A. CATANIA:** That is okay with Exmouth and Broome, but what about all the other regional towns?

**Mr P. PAPALIA:** Well, no. That is also Kalbarri and Geraldton and all of the other destinations that I have been to seasonality is a thing, not this year; it is not going to be something that we experience in terms of the normal practice.

**Mr V.A. CATANIA:** That is why it is imperative that you fix the workers' accommodation problem.

**Mr P. PAPALIA:** Sure, yes; but it is a great problem to have, is it not? I would far prefer this problem.

**Mr V.A. CATANIA:** Yes, but the challenge of the government is to work on these issues.

[10.10 am]

**Mr P. PAPALIA:** We are working on it. We are continuing to defend Western Australia's community transmission-free status that enables all these destinations to be attractive and enables Western Australians to travel, have the security of jobs and employment, and have disposable incomes to support businesses like those in the tourism sector.

**Mr M. HUGHES:** I refer to page 204, and again it is on the tourism recovery program. The minister has made a lot of mention of the inevitable consequence of COVID-19 and the way in which that has impacted on tourism and has resulted in an enhanced internal tourism market, if I can make that point. I am interested with respect to the metropolitan area whether there is any prospect, as we consider a different way forward, of a different strategy about tourism in the state that would give some consideration to really separating out what is termed Destination Perth, so we can be looking at, for example, "Destination Hills"? I am particularly concerned about the way in which perhaps the peri-urban fringe of the metropolitan area, which is a really delightful destination for visitors, is probably under-marketed. Can the minister comment on that?

**Mr P. PAPALIA:** Yes, I know the member for Kalamunda is a great advocate for the hills, and it is a brilliant, beautiful destination, which is, I must say, benefiting a lot from our environment at the moment, whereby a vast number of Western Australians are seeking out day trip destinations in numbers like they have never done before. I would say we are not going to break down the regional tourism organisations. They were arrived at through a process that the previous government oversaw over a long period of time. It was determined that you get more effective outcomes through a smaller number of RTOs. They do seek out opportunities to advance the interests of destinations within their RTO, and they provide the material to Tourism WA to market to the world, both interstate and international, normally; but we are also doing it intrastate at the moment. But a lot of effort, a lot of work was done on determining arriving at the RTOs that we have. They do a good job.

I think it is a difficult one with Destination Perth because in terms of numbers of individual operators and local destinations it is a big proportion of our tourism operators in the state. They can always do more and we can do it better. I am hopeful that in due course—we are trying to bring collaboration about so that there is not duplication of effort, so I do not want to encourage fragmentation in terms of spend. I want alignment with what Tourism WA would normally do, in terms of overseas and interstate marketing by the RTOs to do their intrastate marketing, but also to feed into those practices around selling to the world and interstate. But also I would like collaboration rather than fragmentation amongst local governments, for instance, who might try and replicate a role that they will never be able to match Tourism WA's budget or effort, and all they will do is potentially waste their own ratepayers' money. So we would encourage more of what has been happening, where, yes, there are strategies and plans and effort at the local level, but it is coordinated with Destination Perth and, through them, Tourism WA. I would never encourage breaking it down smaller where we can avoid it.

**Mr M. HUGHES:** We think a greater level of nuance is needed.

**Mr P. PAPALIA:** Yes, I agree, and I understand what the member is saying. But I saw some indications that Destination Perth is working with subregional actors, like the Perth hills, to ensure that they get more of this market that we currently have; so it is an opportunity. With respect to what is happening at the moment right around the state, when I talk to tourism operators and RTOs, I say our primary objective must be to retain some of this market when we go back to some degree of normalcy. So when the borders, wherever they are, come down, you want to retain some of this WA market, which is exceptional. Even if we retain 10 per cent of it, we would have grown our market by a significant amount.

**Mr V.A. CATANIA:** The minister mentioned the RTOs—regional tourism organisations. What funding is given to those organisations currently? I think there are five RTOs.

**Mr P. PAPALIA:** They all get the same, annually of about \$700 000.

**Mr V.A. CATANIA:** So that budget has not changed over the years, particularly now more than ever, where each region needs to market themselves? So there has been no change or increase in funds?

**Mr P. PAPALIA:** No. With respect to right now, actually they are getting more support. Normally Tourism WA does not market to Western Australians to holiday in WA. Our entire agency, which normally sells to the world, internationally and interstate, is now focused on the states. Actually an argument could be made that they do not really need it. We could say that it could be diminished or reduced. I would never do that. But we could say that we could reduce their budget because this agency, which has far more capacity than any of the RTOs, is now focused on selling to Western Australians.

**Mrs A.K. HAYDEN:** Minister, also in regards to the RTOs, I want to put on the record the fantastic work they have done during the pandemic.

**Mr P. PAPALIA:** That is true.

**Mrs A.K. HAYDEN:** These guys were on the ground. I know that they were feeding the information through to Tourism WA. I think they have done an outstanding job in connecting also with local governments. It is sad to see that some local governments did not take up their fantastic proposals to buy in and market their area; I wish every local government had done that. I would like to see, however, the \$700 000, which has been the ongoing funding for the RTOs that, you know, consideration be given to them getting additional extra funding because they have proven themselves during COVID-19. They have proven the relationships that they have built on the ground have been vital to tourism operators across WA surviving through COVID-19 and have been able to pivot our marketing. It is disappointing that the minister has said that they are continuing their funding over \$700 000. Is there any room for improvement for these guys to get more people on the ground, to actually go out there and educate our tourism operators and our local governments on the importance of engaging with their RTO and then with Tourism WA?

**Mr P. PAPALIA:** As I said, right now the whole of Tourism Western Australia is focused on intrastate marketing, so RTOs are getting massive additional effort to address their normal objectives. I endorse the member's observations about RTOs. They did a great job, but Tourism WA, from the moment COVID confronted us, the crisis emerged, initially, threw all of their resources, in the same way that happened across state government. Every resource went into supporting industry right then. So we had a dedicated team who rang personally tourism operators right across the state to sympathise, empathise and provide advice. We created a call centre in the Small Business Development Corporation to provide small business advice about what support and services were available, and the mentoring and support that they normally do was provided in a COVID context. All of that then transitioned into support and sustainment as we emerged from COVID. A lot of work was done by Tourism WA virtually. They get greater reach doing that than an individual on the ground trying to drive around an entire region like the north west, for instance, or the golden outback. There is more reach in terms of individual businesses out of those sorts of fora than out of individual efforts on the ground. Having said that, the RTOs did provide and continue to provide great support. I think they are working more collaboratively and effectively than ever before. With respect to their budget, it is an annual process, that Tourism WA will always look towards proposing a budget to government based on where perceived need is and where the best outcomes for taxpayers' money can be achieved.

[10.20 am]

**Mr V.A. CATANIA:** On page 204 of budget paper No 2, volume 1, under the item "Regional Aviation Recovery", is \$15 million.

**Mr P. PAPALIA:** Yes.

**Mr V.A. CATANIA:** Can the minister provide a breakdown on that \$15 million, and on where that \$15 million is going and what effect that is having on regional aviation?

**Mr P. PAPALIA:** For the first \$6 million, the member would recall very early on after restrictions were lifted, in recognition of the vulnerability of particularly the East Kimberley, but also the Kimberley generally, we did an 8 000 affordable flights package deal into Broome and Kununurra. So 2 300 of those went into Kununurra and the remainder went into Broome. They were both with Virgin, because the intention was to try and pressure Qantas to match that in Broome. That was effective. Those seats sold in less than a week. They had the greatest number of sales into Kununurra in a 24-hour period that they have ever witnessed.

**Mr V.A. CATANIA:** How much did the government put in?

**Mr P. PAPALIA:** That was \$6 million. Subsequently, there was a \$9 million deal that we announced recently for 50 000 affordable flight seats into Exmouth, Broome and Kununurra. One deal was with Qantas—I do not think we have the authority; I do not think, commercially, we can tell the member the breakdown of where that money went. But with that \$9 million, I can tell the member that it is 18 000 seats into Exmouth with Qantas. That deal



was done with Qantas, independent of each other, so we do not talk too much about the breakdown internally. And 20 000 seats into Broome and 13 000 to Kununurra. They have been announced. The Exmouth and Broome seats available from November go through until end of October next year, spread over that time—a certain number of seats per flight at that price. Again, the ones into Broome, we would hope that Qantas will end up matching as we get a greater return than we would might otherwise. With Kununurra, you know, when we went up there—immediately post the restrictions, we did a round table with a large number of industry representatives and local government and other players—business players—in the region. Mike McConachy, who you are probably familiar with, did a really good job. They got them all together before and they said, what do we want out of government? They asked us for one thing, and that was certainty around affordable flights for next season, as soon as possible so that they could market them, and that is what we did. So they are getting 13 000. They already got the 2 300, which were sold for this season. They have got the 13 000 affordable seats for next season now, and they will be able to market them right now, so we are assisting them with the thing that they requested of us.

**Mr V.A. CATANIA:** Minister, what is the cost breakdown for Exmouth, Broome and Kununurra?

**Mr P. PAPALIA:** No, I will not —

**Mr V.A. CATANIA:** How much are those football flights to those regional areas?

**Mr P. PAPALIA:** Do you mean the cost per seat?

**Mr V.A. CATANIA:** Yes

**Mr P. PAPALIA:** Okay; sorry. In the low season for Exmouth it is \$149 one way. All of these are available both ways, so the locals can get them coming the other way, because we would like them to come down and fill our hotels in the city, but also if you are returning, obviously, you can get them, if you can —

**Mr V.A. CATANIA:** So what is a low-season seat?

**Mr P. PAPALIA:** It is \$149 one way from Perth to Exmouth in the low season. We did put it out in a media release. I am sorry, I will get it for the member. The low season may not exist this year, but in their normal low season, they are \$169. Their peak, from memory, is around March or April.

**The CHAIR:** Do you want to do it as a supplementary?

**Mr P. PAPALIA:** I do not need to; it is in the public domain. I can give it to the member personally. It is just a media release.

**Mrs A.K. HAYDEN:** We would all like it.

**Mr P. PAPALIA:** It is in the public domain; we put out a media release. Going through a supplementary is kind of just onerous for these guys and not necessary.

The Broome one is for 12 months, and people have to book 21 days in advance. The Exmouth one has to be booked in advance as well with Qantas or a travel agent. Broome is with Virgin and is booked 21 days in advance and is \$199 one way all year round. For Kununurra, it is during their season, which is from 29 March to 30 September, and is \$249 one way, booking 21 days in advance. I actually have those months the member asked for earlier, by the way; sorry. So, the Perth–Exmouth one for \$149 is for 12 months and applies during low season from 4 November 2020 to 27 March next year, and is booked 30 days in advance. The high season is from 28 March to 30 October, and people who book 45 days in advance get that for \$169.

**Mr V.A. CATANIA:** In terms of other destinations that need assistance as well—for example, Monkey Mia, being Shark Bay, and Carnarvon—why were destinations like Paraburdoo and people going to Karijini as well as Karratha overlooked and a subsidy not provided to reduce the cost of flights, which are in the order of \$750 to \$1 000-plus one way to go to Karratha or Paraburdoo, and even Carnarvon, if people did not book prior to the 24 hours to get a cheap flight?

**Mr P. PAPALIA:** Esperance, Albany, Monkey Mia and Carnarvon already have a deal with Rex that has been agreed to by Transport—so a different minister and a different funding package. They already have affordable flights to all those destinations. Despite that last observation, it is the same as these other destinations; people have to book in advance to get these deals. But the beauty of the Rex ones to those destinations is that the last 24 hours provide more flexibility than any of the other airline deals that we have got, where for that last 24 hours, any available seats go on it at the affordable price. So if you want certainty about your flight, obviously, you book it in advance and you will get the deal to all those destinations far lower than what you said. I think it is \$169 to most of those places, but, you know, they are unchanged. Minister Saffioti ensured that they were supported. Now, what we have announced as a government, as part of the recovery plan, is a wider regional aviation package, which has additional funding which is not in our portfolio, and work is being done right now by Minister Saffioti to achieve some other destinations getting more affordable flights. Nevertheless, you know there are community fares available to most of those towns you talked about available for those people that reside there.

**Mr V.A. CATANIA:** But not currently.

**Mr P. PAPALIA:** Yes, the community fares are available.

**Mr V.A. CATANIA:** Not currently.

**Mr P. PAPALIA:** To which towns are you talking about?

**Mr V.A. CATANIA:** Paraburdoo and Karratha.

**Mr P. PAPALIA:** The Qantas community fares, are you saying they are not available?

**Mr V.A. CATANIA:** From my understanding, the flights are not there at the moment.

**Mr P. PAPALIA:** All right. Are you are talking about the seat sale?

**Mr V.A. CATANIA:** So they are still paying up to \$1 000-plus.

**Mr P. PAPALIA:** Qantas has undertaken that they still provide the community fare availability, whether the aircraft are full. The RPT flights are not my responsibility, but also Minister Saffioti is working on the regional aviation —

**Mr V.A. CATANIA:** But from your portfolio, you are not going to provide a subsidy to reduce flights to other destinations?

**Mr P. PAPALIA:** Well, what we have done is focus very much on some sensitive locations for the greatest demand tourism destinations. The Minister for Transport is doing other regional aviation deals to assist other parts of the state.

**Mrs A.K. HAYDEN:** Further to that one, if I may? Can you just advise the subsidy that you are providing for those airlines at all and why you have chosen Virgin for Broome and not Qantas, and Qantas for other destinations?

**Mr P. PAPALIA:** So, member, it is not right. I would not obviously disclose commercially sensitive information because we are in negotiations with different airlines and you do not telegraph your capacity and your limitations with respect to what you are trying to achieve in doing deals. Tourism WA is very good at negotiating these packages. It is a different environment from what we were in before. The pandemic has meant that we would do things, in terms of underwriting some costs, to get outcomes that we would not have done in the past. That aside, the obvious reason for us doing Virgin in Broome was to leverage that taxpayer investment to encourage Qantas and market forces to come into play and Qantas to match them, which happened with the 8 000 seats, or the part of that that went into Broome where Qantas met the market, by necessity, and so you get a greater return for the taxpayer. Doing it with one airline meant the other one matched it. That is the beauty with Broome; there are two airlines going into there. It is a very attractive market for the airlines in this world, right now. I am fairly certain that the last time we heard, that was the most profitable route anywhere on the planet for Qantas.

**Mrs A.K. HAYDEN:** Another question. I think I was first.

[10.30 am]

**The CHAIR:** Another question. No, I have got —

**Mr P. PAPALIA:** Sorry, can I just say that it was one of the most profitable.

**The CHAIR:** Member for Swan Hills, and then you are next.

**Ms J.J. SHAW:** Thank you, Chair. Minister, as the chair of the regional airfares committee inquiry, I found that conversation very interesting, and can I just congratulate the government on its responsiveness to the findings and recommendations of that report and its ongoing efforts to promote regional airfares. However, my question is on —

**Mr S.K. L'ESTRANGE:** Preamble.

**Mr P. PAPALIA:** Excellent preamble.

**Mr V.A. CATANIA:** That is the evidence that was given.

**Ms J.J. SHAW:** It would be allowed.

**The CHAIR:** Let us not descend into anarchy again.

**Ms J.J. SHAW:** I try to avoid being an anarchist whenever possible.

I refer to event tourism in budget paper No 2, volume 1 on page 213 and note 1 under “Explanation of Significant Movements”, which mentions lower events expenditure from cancelled or postponed events as a result of COVID-19. I am aware that the regional events scheme is an important funding source for many regional event holders. Has the scheme been impacted at all?

**Mr P. PAPALIA:** Thanks, member. Obviously, the COVID pandemic resulted in the cancellation of some pretty significant events, and as a consequence, a lower spend. But with regional events, from the regional events scheme and the regional events program, no, there has not been an impact. In fact, this year, we expanded the regional events scheme to ensure that every applicant received funding—an additional 77 events, I think. So we increased funding to ensure that there were no events that were not funded, and we ended up getting more. We also enabled flexibility around the use of the funds that we had already allocated so that any regional events scheme funded event did

not have to return the funding to Tourism WA. We enabled them to use it to either cover costs that they had already incurred or roll it over for another event later in the calendar year, or potentially roll it into the next year's event to make it a bigger one.

**The CHAIR:** Thank you. Further to that question, member for Darling Range.

**Mrs A.K. HAYDEN:** Further to that question. Just following on from event tourism, in the line item on page 208, under 2019–20, we have got a drop in 2019–20 of \$8.821 million, and then another drop of —

**Mr P. PAPALIA:** Sorry, which page?

**Mrs A.K. HAYDEN:** So page 208.

**Mr P. PAPALIA:** Yes, and which part of page 208?

**Mrs A.K. HAYDEN:** With events tourism.

**Mr P. PAPALIA:** So in the table, it is service summary table 6?

**Ms J.J. SHAW:** In the table—so the sixth dot point—if you compare them to last year's budget, which I note is not on here, but I know the thing, and I am sure your advisers do as well, there is a drop in 2019–20 from \$38.419 million to \$29.598 million. Then in 2020–21 it drops by \$10.965 million. So you have just said you had an increase in event funding. Can you just advise where that money has gone? There is \$8.8 million in 2019–20 and \$10.965 million in 2020–21, which is a difference between last year's budget and this year's.

**Mr P. PAPALIA:** Sorry, are you talking about the service summary table?

**Mrs A.K. HAYDEN:** Yes, I am.

**Mr P. PAPALIA:** And you are talking about event tourism?

**Mrs A.K. HAYDEN:** That is correct, and there is a drop.

**Mr P. PAPALIA:** Yes, but you are talking about the column 2019–20 actual. Is that what you are talking about?

**Mrs A.K. HAYDEN:** Yes. The actual is actually less than what was estimated in the last budget and the actual—what your estimated —

**Mr P. PAPALIA:** And the budget estimate for this coming —

**Mrs A.K. HAYDEN:** For the budget last year it is \$8.82 million less than what you had allocated for last year in the budget.

**Mr P. PAPALIA:** Yes.

**Mrs A.K. HAYDEN:** And for 2020–21, it is less by \$10.965 million from what you had allocated.

**Mr P. PAPALIA:** The 2020–21 forward estimate you are talking about is \$44.488 million.

**Mrs A.K. HAYDEN:** I am talking about the 2020–21 budget estimate.

**Mr P. PAPALIA:** That is the budget estimate.

**Mrs A.K. HAYDEN:** Yes.

**Mr P. PAPALIA:** What are you actually saying?

**Mrs A.K. HAYDEN:** I am asking you about 2019–20.

**Mr P. PAPALIA:** It is lower because there has been a pandemic and we did not spend money on events.

**Mrs A.K. HAYDEN:** In 2019–20 —

**Mr P. PAPALIA:** That is why.

**Mrs A.K. HAYDEN:** So where did that money go—the \$8.8 million?

**Mr P. PAPALIA:** We did not spend it on events, so that is why the spend is lower.

**Mrs A.K. HAYDEN:** So where did that money go? There is a saving, obviously.

**Mr P. PAPALIA:** It is consolidated. Sorry, no. Mostly, it went back into consolidated revenue if it was not spent, obviously, or it was retained in the budget for tourism. There was unspent money that was re-cashflowed—is that what they call it?—for future budgets. You would know that the \$14.4 million for the recovery and business survival grants program came from the unspent or unallocated marketing budget, but I am told there is a little bit of events money in there as well.

**Mrs A.K. HAYDEN:** So some of that went to events or marketing?

**Mr P. PAPALIA:** No, it came from there and went into the recovery grants program. Obviously, some of the international marketing money was not employed because, with COVID, it stopped everything, so any of the international marketing funding that had not yet been allocated is where most of that money came from. I am told also that it is a small amount from unspent events money for that year.

**Mrs A.K. HAYDEN:** Sorry, just to get clarification, of that \$8.8 million saved in 2019–20, you are saying that a high percentage went back into consolidated revenue and for cash flow, but that there is some that went to marketing?

**Mr P. PAPALIA:** No. The money that was spent was spent in the budget, but the unspent funds would have either been re-cashflowed in tourism or consolidated, so the drop is explained by the fact that we do not have events that we had planned to have. We had some major events that were in the bag that did not happen because of COVID, so we did not spend the money. You do not spend the money to get them when you cannot get them.

**Mr V.A. CATANIA:** Are you able to provide a breakdown for 2019–20 and 2020–21 the amount of the tourism budget that has actually been repurposed into other areas in your tourism portfolio and what has gone to consolidated revenue?

**Mr P. PAPALIA:** Yes. The \$14.4 million represents some of that money. You are talking about a paperwork exercise; it is still there in the budget for next year as part of being re-cashflowed, so there is no element that was —

**Mr V.A. CATANIA:** I suppose what I am trying to ask is: out of the 2019–20 budget for tourism, you have indicated that some of that money has been put back into consolidated revenue, and I am trying to get a handle —

**Mr P. PAPALIA:** Okay, so I am informed that it is redirected—I am assuming that is the grants and the like—so of the \$17 million in the 2019–20 budget \$7 million was re-cashflowed for 2020–21.

**Mrs A.K. HAYDEN:** Sorry, \$17 million has been redirected from 2019–20?

**Mr P. PAPALIA:** That is the money that is used for those grants and the like.

**Mr V.A. CATANIA:** So \$10 million of that has gone back into the other stuff?

**Mr P. PAPALIA:** We ran campaigns, but we were not planning to run an intrastate tourism campaign, for instance; things have happened.

**Mr V.A. CATANIA:** No, I understand. We are just trying to get a handle on what has been done, because it is very difficult to read the budget.

[10.40 am]

**Mr P. PAPALIA:** I understand. That \$17 million is redirected and used for other purposes.

**Mrs A.K. HAYDEN:** Within tourism?

**Mr P. PAPALIA:** Yes. The vast majority of that was the \$14.4 million, but the amount re-cashflowed towards next year is \$7 million.

**Mr V.A. CATANIA:** So \$7 million of unspent money in this financial year has been moved across?

**Mrs A.K. HAYDEN:** So the re-cashflow of the \$7 million went back into consolidated revenue or back into Tourism WA?

**Mr P. PAPALIA:** No, it went back into the forward estimates for Tourism WA.

**Mrs A.K. HAYDEN:** Okay. I was trying to understand that. So when I go back to the \$14.4 million, that was for the recovery and the survival grants. That was not new funding; that was just money that was not allocated already within the budget?

**Mr P. PAPALIA:** Yes.

**Mrs A.K. HAYDEN:** New question, minister. Going to page 204, in the line item “International Marketing and Aviation Development”, towards the bottom, there is a negative. Money has been taken out of that line item across this year and the forward estimates. Can you explain where that money has been reallocated?

**Mr P. PAPALIA:** We do not need international marketing money when there are no international flights. We have removed that allocation. Essentially, it is acknowledging that there are no international flights and that we do not need to do international marketing. What was the line item—“Marketing and Aviation Development”? What I can say is that we are doing work on anticipating when international aviation returns. We have plans underway to ensure that in the event that international aviation returns and there is a requirement for international aviation funding, it will be provided, but we are not putting it in Tourism WA’s budget to sit around as a notional bucket of money that is not employed until it is required.

**Mrs A.K. HAYDEN:** Further to that, where has that money been reallocated to? But following on from what you have just said, there is no money now until, really, 2024 in these estimates, because you have taken it all out, so you are not anticipating going out to the international market until 2024?

**Mr P. PAPALIA:** No, that is not what we are saying. We are saying that we are not allocating money to a budget for a task that we do not yet know whether it will be required, because that would be unnecessary and not really achieve any purpose. In the event that international aviation recommences, we are maintaining our contact with all the airlines. We did a lot of work—more than ever before—to ensure new direct aviation links to key regional markets like the seven-day-a-week ANA flights from Tokyo, the trial from Shanghai and a lot of work that was done on India

to try to get flights. We were about to commence one from the Philippines and we were looking at Vietnam. All that work on those connections and relationship developments with aviation is continuing. We have officers representing us in the regions, and our Tourism WA representatives are maintaining those connections. I am doing that as well with the senior executives that we need to ensure that we are still communicating with. In the event that international aviation returns, we will fund the budget then. The requirement will be funded then, but we are not going to give money to Tourism WA in the budget in advance of that requirement because it is not really needed.

**Mrs A.K. HAYDEN:** Just repeating my first question: where has that money been reallocated?

**Mr P. PAPALIA:** It has not been reallocated; it has just been removed from Tourism WA's budget. There is a budget line item that we do not require anymore because we are not doing international aviation right now. This does not mean that we anticipated that we will not; it just means it is a bit of an unpredictable world. No-one knows when international aviation will return, to which places it might return and with what airlines. All those unknowns dictate that there is no point having that line item. We know that we have capacity to re-fund aviation development when it is required.

**Mrs A.K. HAYDEN:** Just one last one on this one. Does that mean that Tourism WA has had a cut in its budget?

**Mr P. PAPALIA:** No. In fact, it is the biggest budget in history for Tourism WA. Over the forward estimates, we are far exceeding our undertaking to give \$85 million a year over five years. I think this year it has been \$113 million or something; in all the forward estimates, it is over \$90 million. Undeniably, this government has contributed more towards funding tourism than any government in history. But, that aside, in the event that international aviation returns, we will put more money into it.

**Mr V.A. CATANIA:** I refer the minister to the line item "Brand WA Launch and Campaign" under the heading "COVID-19 WA Recovery Plan" on page 204 of budget paper No 2, volume 1. There is \$2 million over 2019–20 and 2020–21. Can you provide an explanation around that?

**Mr P. PAPALIA:** It is not mine.

**Mr V.A. CATANIA:** It is not yours?

**Mr P. PAPALIA:** No. This is not the Tourism WA brand; this is Brand WA, which is under the Premier.

**Mr V.A. CATANIA:** Okay. I will go to another question on the same page, 204, under the line item "Hospitality and Tourism COVID-19 Hygiene Training". Is that under you?

**Mr P. PAPALIA:** Yes.

**Mr V.A. CATANIA:** You have \$890 000 in 2019–20, and \$890 000 in 2020–21. Are there videos on the hygiene training for businesses to watch?

**Mr P. PAPALIA:** We have come so far in such a short period of time that it is almost difficult to comprehend what was happening when this program was developed. Way back when we were in tight restrictions, having no service from hospitality other than takeaway in that time, and at the point where we did not yet know how long it would be before we could start lifting restrictions, the Australian Hotels Association proposed to us that they develop a package to prepare the industry for reopening. So that was done. It is a certification; it is an online course to complete. It was designed to be rapid, to be available to as many people as we could possibly make it available to in the hospitality sector, and was intended to achieve the dual outcomes of both certifying that hospitality venues were preparing and prepared for emerging from restrictions, and also conveying to the workforce that there was reason for hope, and to the public community and the wider market that there was reason for confidence that it would be safe when we did open.

**Mr V.A. CATANIA:** So there is a video?

**Mr P. PAPALIA:** No, is it an online course.

**Mr V.A. CATANIA:** So in that online course, who gave the message? Was it the Premier who featured in that message?

**Mr P. PAPALIA:** Not that I know of. It was a package delivered by the AHA.

[10.50 am]

**Mr V.A. CATANIA:** My understanding is that as part of the funding of \$1.78 million, there was a message from the Premier. Do you think that that was a political ploy, wasting \$1.78 million on advertising to the hospitality sector with a message from the Premier?

**Mr P. PAPALIA:** So, actually, what happened in the package was we were a nation-leading, if not world-leading, initiative getting out there, whilst the rest of the world and all of Australia were contemplating the dire circumstances they were confronting in hospitality and handing out the means of sustaining people, we were developing a course to train our workforce and market to the community that it was safe to go back to supporting the hospitality sector. The last time that I looked, or that it was reported to me, over 150 000 Western Australians had conducted that training. That was way in excess of the number contracted, when the intention —

**Mr V.A. CATANIA:** My question was: was the Premier featured on that video, on the online—

**Mr P. PAPALIA:** I have no idea. I do not think so; I do not know.

**Mr V.A. CATANIA:** So the minister is not aware of what is on that course?

**Mr P. PAPALIA:** When I did the training, I did not see the Premier, and I did it in the early days when the thing was first rolled out, so I do not know what you are looking at and I do not know what your perception of what is currently being provided or was provided. I just know that when I did it at the outset, before anybody else, there was no Premier in the video. It was very focused on delivering to the industry reason for hope, a degree of comfort in the community that their hospitality workforce was prepared, and it hit all of the intended objectives. It delivered to Western Australia the safest hospitality sector in the country, the strongest hospitality sector in the country, and tens of thousands —

**Mr V.A. CATANIA:** Let me just clarify: did the Premier not feature in any of that \$1.78 million that was spent?

**Mr P. PAPALIA:** No, because the AHA was engaged to develop and deliver training. I think we talked about— I am trying to remember—20 000, possibly —

**Mr V.A. CATANIA:** The AHA may have delivered it, but you paid for it, so therefore you should know what is on it.

**Mr P. PAPALIA:** It was a long time ago. The AHA was contracted to develop and deliver within about a week a training package for the hospitality sector in Western Australia. I think the intended market was in the order of— I do not know; I cannot remember—50 000 maybe at the most, but it ended up being over 150 000 people who got it, which far exceeded what the original intended market was.

**Mr V.A. CATANIA:** I am sure, but I just wanted to clarify whether the Premier was on this video, which is my understanding. I find it amazing that taxpayers' money has gone towards promoting the Premier in training for COVID-19 that has gone to a heap of employees.

**Mr P. PAPALIA:** Member, I think you are being dishonest. The training that was delivered, I did at the outset. You did not. I know that there was no video of the Premier. If there is a video of the Premier, that may be a decision of the AHA, but it was never contracted to do that; it was contracted to develop and deliver an online training package for the hospitality sector and it did that magnificently. It led the nation, and probably the world.

**Mr V.A. CATANIA:** That is not the question.

**Mr P. PAPALIA:** I think it has been emulated probably around the nation, if not the world, as a means of preparing an industry and ensuring that the public garnered some confidence that their sector was ready for business. It was a really important and incredibly valuable contribution to send a message to the tens of thousands of hospitality workers that at that time were wondering about their futures, that there was reason for hope, and they could prepare themselves, and that worked. I have to commend the AHA for doing that. No-one else at the time could have completed that task in the time frame to the extent that it did. It met all of our objectives. There was no requirement and it was not asked to do anything of the nature that you are suggesting, and if it has chosen subsequently, when it has exceeded all its original contracted objectives, to put a video up, that is its decision.

**Mrs A.K. HAYDEN:** Further to that.

**The CHAIR:** Further to this, member for Darling Range.

**Mr P. PAPALIA:** Maybe it wants to increase its reach because it knows that the Premier is a pretty popular guy with a lot of social media reach. Maybe it is trying to increase its reach to people in Western Australia. That would not be a bad move.

**Mrs A.K. HAYDEN:** Further to that question, Chair. I am just wanting to let you know, minister, that I have done the course as well. The Premier does show up in there, right up the front and right at the very beginning, and you cannot get past it until you sit and listen to the whole entire video.

**Mr P. PAPALIA:** When did you do it, member?

**Mrs A.K. HAYDEN:** I did it not long after it went up online, within the first few days. Anyway, minister, I am asking you a question.

**Mr P. PAPALIA:** I think you might be stretching the truth a little.

**Mrs A.K. HAYDEN:** Really? You think I am stretching the truth.

**The CHAIR:** Member for Darling Range, just ask your question.

**Mrs A.K. HAYDEN:** So if I could ask my question without being interrupted just once today, that would be great. Minister, I have done the actual training within the first week that it went up online. The Premier was in that video— you cannot click past. I would like you to maybe take on notice and double-check that it was not in the contract, or that it was not asked by government for that to happen. If you can confirm that, great; if not —

**Mr P. PAPALIA:** Is that your question?

**Mrs A.K. HAYDEN:** That is one of my questions.

**Mr P. PAPALIA:** I can confirm that it was not in the contract, it was never an obligation, and it was not in the original training that I saw or when it was started.

**Mrs A.K. HAYDEN:** Thank you very much. You have said that 150 000 have taken up this training course. I have been one of them. I do not work in the sector, but I thought it would be interesting to understand it. I have also spoken to quite a few volunteers within my electorate who are serving morning tea at an open day at a heritage school and so forth, and they have undertaken it so that they can do the thing. So it is not just people who are working in hospitality and tourism who have done it; it is actually across the board and everyone has taken it up, so it is great that they have actually done that.

**Mr P. PAPALIA:** Brilliant outcome. Wonderful.

**Mrs A.K. HAYDEN:** Of this \$1.78 million, what measures are in place to monitor the success of this program and to see the effectiveness of it at the other end?

**Mr P. PAPALIA:** As I indicated earlier, there was a contract for a hygiene training program for six months at a cost of \$1.78 million funded by Tourism WA's existing 2019–20 and 2020–21 budget. The existing contract was focused, at the time it was developed, on preparing the industry for reopening and ensuring that we conveyed to the Western Australian community that they could have confidence in our hospitality sector. It met the objectives with respect to the number of trainees that undertook the training. At the outset, it was not those people from the local cake store that you are referring to; it was the hospitality sector who completed it in vast numbers. In the initial contract—we did put this out; I am pretty certain it was in the public domain—the contracted number that we had of trainees on those courses that we had asked them to provide, they far exceeded that and the training is still available at no cost despite the fact that they far exceeded the number. I can get that original contracted number for you, but they met that within a very short time frame.

**Mrs A.K. HAYDEN:** Thank you, minister. Do we need to put that down as supplementary information that we will get what measures were in place to monitor the success of this?

**Mr P. PAPALIA:** No; as I indicated, the training had to prepare —

**Mrs A.K. HAYDEN:** It is \$1.78 million.

**Mr P. PAPALIA:** It was about educating people about the COVID hygiene requirements. The delivery was about the number of trainees who completed the training and it had time frames around it. It was very time-sensitive because we were trying, in advance of lifting restrictions, to provide the opportunity for the training. I can get the specific number. It just escapes me right now, the original number of people, but it is in the tens of thousands.

**Mrs A.K. HAYDEN:** So if we can get that as supplementary.

**Mr P. PAPALIA:** If we want to provide that as supplementary, I can do that.

**The CHAIR:** Let's just do this one then I am going to hand over to the next Chair. This is supplementary information. So, minister, can you just clarify again, please.

[11.00 am]

**Mr P. PAPALIA:** I undertake to provide as supplementary information the number of trainees—actually, I can do it right now so you do not have to worry about supplementary information. They were required to provide training for 70 000 trainees. As I indicated, they have exceeded by that more than double.

**Mrs A.K. HAYDEN:** Sorry, just my other part to that question, Chair, was about the effectiveness. Is there a plan —

**Mr P. PAPALIA:** Member —

**Mrs A.K. HAYDEN:** Can I finish my question? You just keep cutting me off.

Is there a way of measuring the effectiveness? Are you going out to make sure that all these venues are employing people who have done the COVID-safe training? My understanding is that this training was to be in place so that no-one went back out into the workforce without that training, to make sure that we could control any spread of COVID-19 within the community. Can you just answer me on how that is being monitored?

**Mr P. PAPALIA:** Member, we have not had community spread of COVID in Western Australia for more than six months. Our hospitality sector is the most open of any state in the country. We have the two-square-metre rule in play, we have nightclubs open, we have Western Australians enjoying the benefits of the security of a strong and safe environment, thanks to the response by government, and part of the response by government was ensuring that our hospitality sector had training available. More than 150 000 people have completed the training. It was successful and it met the objectives and intent.

**Mr V.A. CATANIA:** That is the complacency that we do not need in WA.

**Mr P. PAPALIA:** Every hospitality venue in Western Australia—this is unrelated to this training—must display at their entrance signage to confirm that they have a COVID safety plan. As an element of that, they must confirm that the staff have completed the hospitality hygiene training.

**Mrs A.K. HAYDEN:** And how are you making sure that that is happening?

**Mr P. PAPALIA:** I do not —

**Mrs A.K. HAYDEN:** We have given out \$1.78 million for this training. How are we making sure that is actually —

**Mr P. PAPALIA:** As I have said many times, the objective of training was to ensure in advance of the lifting of restrictions that the hospitality sector received appropriate hospitality hygiene training, so that the workforce received hope that there would be an opportunity for them to return to their workplace before too long and that the Western Australian community were reassured that there was appropriate training and it would be a safe environment. Those objectives have undoubtedly, irrefutably been achieved. It is impossible to stand and sit in Western Australia right now and suggest that the objectives of that training were not achieved. We have not had community transmission in Western Australia for more than six months, despite the fact that our hospitality sector is actually open, as opposed to New South Wales and Queensland and Victoria. We are actually open. Until recently—I think it even may still be the case—in South Australia you had to sit down to have a beer. We are irrefutably and undoubtedly achieving the objectives of that training because people are back at work, the businesses are open and we do not have community spread. That was the intent of the training.

[Ms S.E. Winton took the Chair.]

**Mrs A.K. HAYDEN:** Just one more, because I did not get the answer to that. Is there a measure in place right now?

**Mr P. PAPALIA:** A database is generated of people who have conducted the training.

**Mrs A.K. HAYDEN:** Are measures in place right now to check those venues to see that they do not have people working there who have not done that training?

**Mr P. PAPALIA:** It is not a Tourism responsibility to enforce health regulations. That is the Department of Health's responsibility.

**Mrs A.K. HAYDEN:** It gives them the money. Is a measure in place for the health department to do that?

**The CHAIR:** Member for Darling Range, can we just have it through the Chair, thank you.

**Mr P. PAPALIA:** The same measures that have been in place for a long time—decades, if not longer— for health regulations are in place. The COVID responsibilities associated with health regulations are enforced by the health department, in the same way it enforces all the other health obligations.

**Mr V.A. CATANIA:** Minister, is there any funding put aside for implementation of or training in contact tracing should a wave of COVID-19 occur? Is there any funding or future funding to train the hospitality sector to ensure that contact tracing can occur to obviously protect the community?

**Mr P. PAPALIA:** Contact tracing is the responsibility of the Minister for Health. I suggest the member ask that question of the health minister.

**Mr V.A. CATANIA:** Minister, I refer to page 220 of budget paper No 2, the net appropriation determination table and grants and subsidies. The line item "Aboriginal Tourism Initiatives" does not seem to have any funding. There is \$14 million in 2019–20, but there are no funds into the future. Can the minister explain why there is no funding for initiatives for Aboriginal tourism in the budget moving forward?

**Mr P. PAPALIA:** Yes, that was a commonwealth funding initiative. It is the remnants of a program that the commonwealth was funding. We have significant funds in the budget dedicated to Aboriginal cultural tourism, not the least of which is tens of millions dedicated to sealing the Broome–Cape Leveque Road and for the Burrup cultural centre. There are budget allocations across portfolios towards Aboriginal cultural tourism. That particular funding was for an initiative that has ended. We bid to the federal government on a case-by-case basis for additional funding of that nature.

**Mr V.A. CATANIA:** Has the minister done that to try to receive funding into the future?

**Mr P. PAPALIA:** It has not announced a specifically dedicated Aboriginal cultural tourism package that I am aware of.

**Mr V.A. CATANIA:** Did it work, this funding? Did it achieve its objectives?

**Mr P. PAPALIA:** I am informed that this particular funding was a part contribution to Camping with Custodians initiatives. The Camping with Custodians sites were developed. To the extent that that question goes to whether they worked, yes, the Camping with Custodians sites were developed. The state government is spending over \$3 million on Cape Leveque towards further Camping with Custodians sites. I do not know whether at this stage we have federal contributions to that; we might try to leverage our investment and seek out further funding from the federal government. But not at the moment.



**Mrs A.K. HAYDEN:** Further on Aboriginal tourism, the last budget had an allocation for Aboriginal tourism of \$900 000 every year for four years. I note that that is missing in this budget. Are Aboriginal tourism and the Western Australian Indigenous Tourism Operators Council funded somewhere else in the budget?

**Mr P. PAPALIA:** I do not know why that does not appear. Is WAITOC funded? Yes, WAITOC is funded.

**Mrs A.K. HAYDEN:** Can the minister point to where that is and tell us how much?

**Mr P. PAPALIA:** It is probably in the global tourism figure. I do not know that there is a line item to that effect. I can assure the member that WAITOC is receiving the same funding into the forward estimates. There is a contract.

**Mrs A.K. HAYDEN:** If we can just find out —

**Mr P. PAPALIA:** What is it the member wants me to find out?

**Mrs A.K. HAYDEN:** Exactly how much WAITOC is getting.

**Mr P. PAPALIA:** It is \$900 000.

**Mrs A.K. HAYDEN:** It is \$900 000 per year for how long?

**Mr P. PAPALIA:** I am informed it is just part of the destination development global figure, but its budget is unchanged into the forward estimates; there is a four-year contract.

[11.10 am]

**Mrs A.K. HAYDEN:** I refer to page 206 and the WA recovery plan. The thirteenth paragraph under the heading “WA Recovery Plan” states —

The Western Australian Industry Participation Strategy ... developed under the *Western Australian Jobs Act 2017* ... is designed to ensure that Western Australian businesses get a greater share of contracts to supply goods, services and work to Government.

Minister, under the WA recovery plan, we have been asking businesses to pivot—that is the new word for COVID-19. All businesses and tourism operators and so forth need to pivot, need to adapt, need to change the way they run to survive. Has this government pivoted in the way it allocates its contracts and tenders? As we know, the Wander Out Yonder \$2 million marketing campaign went to New South Wales. We also know that recently \$100 000 for visual brand identity for Tourism WA has gone to New South Wales —

**The CHAIR:** Member, your question is?

**Mrs A.K. HAYDEN:** There have been quite a few of these. In relation to this line item that the government is going to develop a Western Australian jobs act, has Tourism WA been directed to readjust the way it puts out contracts so that we do support our WA businesses first?

**Mr P. PAPALIA:** That line item does not relate to this portfolio. The member would have to address it to the Premier.

**The CHAIR:** Thank you. Further questions, members?

**Mrs A.K. HAYDEN:** Yes, absolutely. We will come back to that in a moment.

Minister, in regard to the Wander Out Yonder campaign —

**Mr P. PAPALIA:** What page?

**Mrs A.K. HAYDEN:** I am trying to locate the page number for the minister. I refer to page 204, new initiatives and the line item “Domestic Marketing”. Under domestic marketing, \$1.1 million is allocated —

**Mr P. PAPALIA:** Where is that, member?

**Mrs A.K. HAYDEN:** It is under the heading “New Initiatives”, halfway down the table on page 204. There is a one-off payment for domestic marketing of \$1.1 million with no future funds. Can the minister explain what that is for?

**Mr P. PAPALIA:** Yes, member, that is Australian government funding through Tourism Australia to Tourism WA for national and intrastate marketing activities. It was initially to be provided following the east coast bushfires under an Australian government initiative to boost tourism marketing activities but was deferred due to the onset of the COVID-19 pandemic.

**Mrs A.K. HAYDEN:** Excellent. Can the minister tell me exactly what the government did with that \$1.1 million?

**Mr P. PAPALIA:** It is unallocated at the moment. Tourism WA continues to work with Tourism Australia about its hopes for that funding and where it might be employed. It is likely that when the opportunity for interstate travel returns, we might employ it for that.

**Mrs A.K. HAYDEN:** Obviously there were criteria to receive that funding. Can the minister explain what that is for?

**Mr P. PAPALIA:** As I indicated, it was initially allocated to the state post the bushfires on the east coast. The whole world has changed subsequently. It has not been employed for the purposes for which it was originally allocated. Work is being done to determine where it might be used.

**Mr V.A. CATANIA:** I refer to page 207 of budget paper No 2 and tourism, which falls under the heading “WA Recovery Plan” on page 206.

**Mr P. PAPALIA:** Sorry, which?

**Mr V.A. CATANIA:** On page 207, it has “Tourism”, above paragraph 24.

**Mr P. PAPALIA:** Yes.

**Mr V.A. CATANIA:** Then if I go to page 206, I see the heading “WA Recovery Plan”. Is Tourism WA participating in the WA recovery plan?

**Mr P. PAPALIA:** Is the member referring to the line item “Tourism”? Is that what the member is asking me about?

**Mr V.A. CATANIA:** I am asking the minister about the points under the heading “Tourism”, which comes under the heading “WA Recovery Plan” on page 206. I am asking whether Tourism is participating in the recovery plan.

**Mr P. PAPALIA:** I am not sure what the member is after. As part of the recovery plan, there is significant investment in tourism. There is \$150 million statewide dedicated to tourism infrastructure and \$14.4 million to recovery and business survival grants. We are administering a \$3 million grant program for travel agents.

**Mr V.A. CATANIA:** So the answer is yes, it is participating in the recovery plan. I can see the minister’s advisers nodding their heads.

**Mr P. PAPALIA:** The whole government is.

**Mr V.A. CATANIA:** I just wanted to know that.

**The CHAIR:** Member, if we could just do it through the Chair, rather than the way he just did.

**Mr V.A. CATANIA:** Is the tourism portfolio participating in the Western Australian Jobs Act 2017?

**Mr P. PAPALIA:** What does the member’s question relate to—what page and what line item? What specific element of the Tourism WA budget is this question related to?

**Mr V.A. CATANIA:** I refer to page 207 and paragraph 24 under the heading “Tourism”. The minister said that Tourism and the whole of government are participating in the recovery plan.

**Mr P. PAPALIA:** I did not say that; I said that Tourism has committed \$150 million for tourism infrastructure, \$14.4 million for grants planned, and we are administering \$3 million for the travel agent grants.

**Mr V.A. CATANIA:** Paragraph 26 on page 207 reads —

Tourism WA is also delivering a range of recovery initiatives within the WA Recovery Plan to assist the industry ...

Tourism WA is participating in the recovery plan, and in that recovery plan my understanding is that everyone participates in the Western Australian Jobs Act 2017. I am asking the question: is Tourism WA working with that act of 2017—that is, the Western Australian Jobs Act?

**Mr P. PAPALIA:** I am not the minister responsible for the Western Australian Jobs Act. I suggest that the member pose that question to the appropriate minister.

**Mr V.A. CATANIA:** Is Tourism WA not participating in that act?

**Mr P. PAPALIA:** If the member is asking what is Tourism WA’s contribution to the recovery plan, or about elements of the recovery plan that are associated with the Tourism WA budget, they are listed there. They include the Dampier Peninsula Camping with Custodians campground upgrades, delivery of hospitality and tourism hygiene training, the \$14.4 million WA tourism recovery program, support to travel agents and delivery of the regional aviation recovery initiative.

**Mr V.A. CATANIA:** Minister, let me make this quite clear. I refer to the heading “Tourism” on page 207, which comes under the heading “WA Recovery Plan”, and paragraph 26, which talks about Tourism participating in the WA recovery plan. My question is: Is Tourism WA abiding by or playing a part in the Western Australian Jobs Act 2017? Is that act a policy of the Western Australian government to ensure that there are jobs for Western Australians? Is Tourism WA participating in the government’s own act?

**Mr P. PAPALIA:** Chair, I do not see the WA jobs act in this part of the budget. I answer questions about the budget items for which I am responsible. I know the member is struggling, but if he wants to ask a question about the jobs act, I suggest he ask that of the appropriate minister.

**Mr V.A. CATANIA:** I think we need some clarification here, because the minister is clearly out of his depth. Page 207 — Several members interjected.

**Mr V.A. CATANIA:** Minister, I refer to page 207, and paragraph 26 under the heading “Tourism”, which states —

Tourism WA is also delivering a range of recovery initiatives within the WA Recovery Plan to assist the industry to recover from COVID-19 ...

Tourism comes under the WA recovery plan. Under the WA recovery plan, on page 206, the Western Australian industry participation strategy developed under the Western Australian Jobs Act 2017 is designed to ensure that Western Australian businesses get a greater share of contracts to supply goods and services, and work to government.

**Mr P. PAPALIA:** What page is the member talking about?

**Mr V.A. CATANIA:** It is page 206. This is what tourism comes under—the WA recovery plan.

**Mr P. PAPALIA:** No. The WA recovery plan is not referred to in this part of the budget, which is about Tourism WA.

**Mr V.A. CATANIA:** It is.

**Mr P. PAPALIA:** The WA jobs act is not referred to in this part of the budget.

**Mrs A.K. HAYDEN:** It is.

[11.20 am]

**Mr V.A. CATANIA:** No. That is part of the recovery plan. The minister said that Tourism WA is participating. Several members interjected.

**The CHAIR:** Thank you, members. I do not think we are going to make much progress.

**Mr P. PAPALIA:** The member is asking me about a part of the budget that I am not responsible for.

**The CHAIR:** Minister, thank you.

**Mr V.A. CATANIA:** So can I have a further question?

**The CHAIR:** No; thank you. Just before the member does that, let us keep it through the Chair. Members can ask specific questions and we will see whether the minister will answer them, rather than getting into this little biff.

**Mr V.A. CATANIA:** Minister, I have a further question on page 207. I refer to the twenty-sixth dot point, which states Tourism WA is participating in the recovery plan for WA.

**Mr P. PAPALIA:** Yes, it is recovery in the recovery plan.

**The CHAIR:** Minister, let the member finish.

**Mr V.A. CATANIA:** Is Tourism WA also involved in the Western Australian Jobs Act to ensure that Western Australian businesses get a greater share of contracts to supply goods and services, and work to government?

**Mr P. PAPALIA:** Chair, there is nothing in this part of the budget that refers to the jobs act. It is not my responsibility. If the member wants to pose a question on the jobs act in the budget, he should refer it to the minister responsible.

**Mr V.A. CATANIA:** Further question, is tourism participating in the government's own policy?

**The CHAIR:** The member for North West Central will ask his supplementary questions through me. I think the member has asked the question repeatedly, and I think the minister has answered repeatedly.

**Mrs A.K. HAYDEN:** Further to that question and following on from my first question, I refer to page 206 and the heading "WA Recovery Plan".

**Mr P. PAPALIA:** Sorry, on page 206?

**Mrs A.K. HAYDEN:** Yes. The thirteenth to twenty-eighth dot points under the heading "WA Recovery Plan" have different titles for how they fit into that WA recovery plan. The first title is "Western Australian Jobs", which outlines that everyone under government is to work within that jobs act. The points under the heading "WA Recovery" flow over to page 207, where it says "Tourism". It is not a separate item, minister. It states that the tourism industry will follow under the jobs act of this government.

The question that I asked earlier was dismissed, but it is obvious in this budget paper that Tourism WA is working under the Western Australian industry participation strategy, which is the Western Australian Jobs Act, to ensure Western Australian businesses get a greater share of contracts. Now, if the minister is saying that Tourism is not, that is fine. We just want to know yes or no. If it is not, then I can understand why contracts for Wander Out Yonder, and for the visual branding of Tourism WA were sent over east and not to Western Australian businesses. Can the minister please advise whether, as the member for North West Central asked, Tourism WA is working under the Western Australian Jobs Act; and, if so, why have these tenders gone over east instead of to WA businesses first? As I said when I asked my previous question, everyone else has had to pivot. The minister even stated in an earlier answer that these are difficult times and we are doing things differently because of COVID-19. I will go back to my question: has the minister directed his department to follow the jobs act during COVID-19 and to go to WA businesses before looking outside this state when awarding contracts; and, if not, why not?

**Mr P. PAPALIA:** That was a long speech. Can I suggest that we abandon the place members want to ask this question and we go to a more appropriate place. Members are asking about the Western Australian share of the marketing budget, right? So it is nothing to do with—forget about the jobs act. Go to page 208.

**Mrs A.K. HAYDEN:** We do not want to forget the jobs act.

**The CHAIR:** The member asked a very long question. I think she should give the minister an opportunity to try to address it.

**Mr P. PAPALIA:** My view is that the member is asking under the wrong place. If the member goes to page 208, she will see the service summary table and the fifth item, “Destination Marketing”. That might be a more appropriate place to put her question. I think that the member is making some incorrect claims on where the marketing spend was made. Firstly, can I explain that the creative spend on the Wander Out Yonder campaign was very little. At the start of the year, pre-COVID, in the normal course of events, for the first time for, I think, ever, three out of four marketing contracts were entered into with Western Australian companies. In the past, under the Liberal–National government, it was 100 per cent interstate. The companies that got the marketing contract for creative in Western Australia for Tourism WA were either located in Victoria or New South Wales. At the start of this year, there was an open process run by the agency, not by government—appropriately independent of us—that resulted in three local companies getting contracts for provision of marketing activity. I probably have their names. They escape me right now, but it is public knowledge. The Monkeys was the fourth company, which is a New South Wales–based company.

When COVID happened, there was a requirement as we moved through the restriction phase into the more open opportunity for marketing to intrastate travel, for the already contracted company for creative for intrastate or any marketing, which was the Monkeys, to develop that particular campaign. But the creative component is a small part of the spend. The member would have noticed it is just file vision. All it did was put some graphics together and some ads online and in other media, which were then rolled out. The vast majority of the spend with Wander Out Yonder went to partnerships with organisations like Accor, and RAC, and people in the sector to ensure that there were opportunities for packaging and the like. That includes Accor, Tourism Holdings Ltd, Britz, Luxury Escapes, RACWA, Top Parks, Helloworld and Expedia—members would know there was controversy around online marketing and the consequences of that, but one does not exclude oneself from that part of the market. We have also ensured subsequently that wherever possible we urge people to use travel agents to package things up. But the vast majority of that campaign was about partnerships. The very little creative element to the campaign was not essentially, you know, a contract that went out; the contract was already in place for The Monkeys.

I have the other four agencies that we contracted at the start of the year. They were The Monkeys, The Brand Agency, Marketforce and Sandbox. The last three are all Western Australian.

**Mrs A.K. HAYDEN:** Further to that, the minister said in an answer to a previous question today that these contracts were awarded prior to COVID-19 and that we need to do things differently in this environment, so I will ask again: has the minister put through a directive to follow the WA jobs act? I know that the minister says that Tourism is not under it, but the WA jobs act is this government’s policy that it is working under and it is meant to go across all portfolios, as outlined in this budget book right here in front of us. Can the minister advise whether he has now directed his department to change the way that it does things, pivot—like everyone in business and tourism has to do—and start giving our contracts to WA businesses first. The minister said that the Wander Out Yonder marketing campaign was only a small amount; it is \$2 million. A \$2 million contract to a WA business could mean its survival. Is Tourism WA going to follow the WA job act and is it going to change the way that it does business during this pandemic and support WA businesses first?

**Mr P. PAPALIA:** I think the member misunderstood what I said. The \$2 million campaign is not a contract for a marketing campaign. The \$2 million predominantly went to partners. It was partnerships with businesses like Sightseeing Pass Australia, Accor, THL, Britz, Luxury Escapes, RACWA, Top Parks, Helloworld and Expedia. The vast majority of it was partnerships with those players to get people to go into Western Australia’s regions, including Destination Perth, and take the opportunity to not only have a holiday, but also support the Western Australian tourism sector, and that is what has happened. In fact, you know, we would far exceed any objectives of the WA jobs act on share for WA participants, because the vast majority of the money was with partnerships. The tiny amount of that budget that was spent on the creative would be far lower than any threshold requirement for Western Australian participation. With respect to one of the member’s other inaccurate and erroneous and misleading claims made earlier—what was the other marketing campaign the member made claims about? Yes, it was the people who came from the east coast recently. As I indicated —

**Mrs A.K. HAYDEN:** Which one is the minister talking about?

[11.30 am]

**Mr P. PAPALIA:** The member in her contribution earlier talked about the Wander Out Yonder campaign and recent activity around brand development to replace Just Another Day in WA, which is ongoing in WA. Some totally incorrect and inaccurate claims were made by people in the media about what was being undertaken and where those participants were sourced. As I indicated, there are four companies contracted to Tourism WA, which massively increased the Western Australian participation from when the member was the parliamentary secretary and the Leader of the Opposition was the minister. All that activity was undertaken by people in Victoria and New South Wales. Now, three of the companies associated with our marketing activities are Western Australian companies. The fourth one had five people come from New South Wales to travel the state to participate in this element of the ongoing task, which is not related to COVID, to replace the Tourism WA brand around Just Another Day in WA.

Five of the 180 people involved in that activity were from the east coast. They were not Western Australians but had specific skill sets that required us to bring them in. They sought their exemptions, like any other specific skill set individual, they did their isolation, and then they participated in the task with the more than 170 Western Australian creative people and other players who supported that activity. Essentially, three per cent of the activity was non-Western Australians; that is way in excess of any objectives of the WA jobs act.

**The CHAIR:** A further question?

**Mrs A.K. HAYDEN:** I have two, because that was a long answer that went across two different sections. With the Wander Out Yonder campaign —

**Mr P. PAPALIA:** Is it still under marketing?

**Mrs A.K. HAYDEN:** Yes. The minister listed a number of businesses involved in the Wander Out Yonder campaign. He listed Expedia, Helloworld and a couple of others. Can the minister actually advise how many are WA businesses, because I know Expedia is not?

**Mr P. PAPALIA:** Seriously, seriously!

**The CHAIR:** Thank you.

**Mrs A.K. HAYDEN:** The minister listed the names —

**Mr P. PAPALIA:** So it is the Liberal Party of Western Australia's policy that only Western Australian companies can get —

**Mrs A.K. HAYDEN:** Chair, I asked a yes-or-no question.

**The CHAIR:** Minister, you read them out. Would you like to read them out again?

**Mr P. PAPALIA:** Yes, I will read them out again. It is Sightseeing Pass Australia; Accor, which represents hotels across the regions; Tourism Holdings Ltd, Britz, which provides services across the regions and jobs to Western Australians; Luxury Escapes, which does the same; RACWA, which I think is Western Australian; and Top Parks, which may or may not be owned by Western Australians but employs Western Australians and provides input to the Western Australian economy. Helloworld is not Western Australian, but it is a travel agent that is designed to reach out to the Western Australian public and ensure that they go into Western Australia and create jobs and opportunity for Western Australians. If the member wants to find out about what Helloworld can do, maybe she could talk to the federal treasurer of the Liberal Party, because he owns Helloworld. He is a pretty good bloke and he will tell the member about the important contribution they are able to provide in reaching the market and the importance to the tourism sector of engaging with them. And there is Expedia. For the same reason that we explained at the time, it does not exclude travel agencies or non-Western Australian participants. But it is a big component of marketing, and if we exclude ourselves from that part of the tourism market, if people search using a search engine, the first three responses they will get will be foreign-owned search engines or travel agents that place people with Western Australian hotels. They are still going to end up with the Western Australian product. They are still going to employ Western Australians and generate return to the Western Australian industry. I would also urge people, and I have been at pains ever since we did the launch of this, to go to their local travel agents and seek out packages because there is a lot more opportunity now than there used to be around Western Australian travel agents being able to package stuff. All those players are not necessarily Western Australian, but they contribute to an outcome for Western Australia. Western Australian businesses and employees are participants, and benefit from getting people into the regions and into the tourism sector.

**Mrs A.K. HAYDEN:** I thank the minister very much for answering that question on that list. Wander Out Yonder did not go to just one interstate business; we now know it went to multiple businesses. I asked about the visual branding identity for WA that will replace Just Another Day in WA.

**Mr P. PAPALIA:** Is this a further question?

**Mrs A.K. HAYDEN:** No, it is on the minister's comments. I have a further question about the film industry. That has gone to five people outside because we do not have the skill set here in WA. Does the minister stand by his comment that we do not have the skills in the film production industry in WA?

**Mr P. PAPALIA:** For the specific skill sets of these individuals with respect to the campaign that is being developed, no, we do not. We do not have it here. They have world-class and world-leading capability in their skill set.

**Mrs A.K. HAYDEN:** Thank you, minister. I have a further question to this one. Can the minister tell us what those skill sets are?

**Mr P. PAPALIA:** No, as I indicated in Parliament, I do not want to do that. I do not want to pre-empt the campaign being launched, because indicating the skill set that they possess would pre-empt the launch of the actual campaign. The member will see it before long. When it is launched, I think people will understand what we are talking about.

**Mrs A.K. HAYDEN:** The minister is obviously well aware that the film industry has taken offence to his comments. Has the minister met with people in the industry at all to try to appease them about having the skills? They actually believe they do; they are world-accredited film producers who work with very large international businesses.

**Mr P. PAPALIA:** There were some very ill-informed, incorrect and inaccurate comments made by some individuals in the creative industries. For all the tasks with the exception of those five, we have stated publicly the range of people who were involved in this work. There were some claims made, for instance, about producers and directors. I think what happened was there was a report in the media that it imposed or it included vision of the Wander Out Yonder campaign, which I indicated earlier had no creative, really, in it in terms of filming or anything of that nature, that was all old film vision. It included that in the report, which suggested somehow that that is what these people had been engaged in; they were not. That is why people made the ill-informed, incorrect and inaccurate statements about what could and could not be done or the skill sets that were possessed by Western Australians. So I am not going to reveal the specific skill sets of the three per cent of people who were involved in this activity, 97 per cent of whom were Western Australians. I am not going to talk about that three per cent because that is specifically related to the nature of the campaign, which I do not want to disclose until Western Australians are ready, because Western Australia wants to get the maximum benefit from revealing that campaign. We do not want to enable other competitors to know what we are doing or the nature of our campaign and try to diminish the effectiveness of our campaign, because that would not be in the taxpayers' interests.

**The CHAIR:** Member, you have had over five further questions. The member for North West Central is waiting for a question.

[11.40 am]

**Mrs A.K. HAYDEN:** The minister just said "other competitors". We cannot travel outside of WA; Western Australians can travel only within WA. What competition is the minister actually referring to?

**The CHAIR:** Minister.

**Mrs A.K. HAYDEN:** The minister is spending taxpayers' money and he thinks it is funny.

**Mr P. PAPALIA:** Yes, I think the member is funny!

**The CHAIR:** Member for Darling Range, your comments are not helpful to try to keep things moving along.

**Mr P. PAPALIA:** As I indicated at the start of this kind of questioning, the task for which those individuals came to Western Australia commenced before the COVID-19 pandemic. It is about replacing the "Just Another Day in WA" slogan campaign and brand. It is going to be developed for the world, including interstate, intrastate and international markets, so it has nothing to do with focusing solely on Western Australians. In fact, before COVID, Tourism WA's focus was not on Western Australia; it did not engage in intrastate marketing; it left that to the regional tourism organisations. We have stepped into that field now because of the necessity to do so, but normal practices for Tourism WA will continue. One day, I hope, interstate and international travel will return and by then we will have launched our campaign, which will target those markets.

**The CHAIR:** Member for North West Central.

**Mr V.A. CATANIA:** I refer to page 203 and the total cost of services under "Expenses". Tourism WA's budget is \$113 million —

**Mr P. PAPALIA:** Sorry, which line?

**Mr V.A. CATANIA:** It is the total budget of \$295 million, of which \$113 million is for tourism.

**Mr P. PAPALIA:** Where is that term? I see it—under "Expenses".

**Mr V.A. CATANIA:** Yes. At the moment, there is a building bonus for residential land and marketing and so forth. Are there any provisions in that budget for any assistance or encouragement of private developers in the regions to build tourism infrastructure?

**Mr P. PAPALIA:** No. Is the member talking about grants or something?

**Mr V.A. CATANIA:** Grants and any assistance to encourage —

**Mr P. PAPALIA:** There is assistance, yes. We do not have money, but we have a little team within Tourism WA for tourism attractions case management. The member would be aware that under the previous government, Tourism WA was decimated. Thirty per cent or more of the staff were let go and all the destination development activity that had previously been undertaken by public servants was largely removed. We have a little team that is very effective and very helpful. We tell proponents that if they have an idea or a proposal, come to our tourism attractions case management team that provides a concierge service to help them jump through the hoops across government and other agencies to meet their obligations to try to hasten developments.

**Mr V.A. CATANIA:** An example is the Tattarang development in Exmouth and the infrastructure that is needed around that development. It is an \$85 million-plus development. It is a great initiative and a great project for Exmouth, but we could imagine that services need to be upgraded, whether it be power, water or roads. Is Tourism WA assisting Tattarang to lobby other departments to play their role in providing that infrastructure to make that development occur?

**Mr P. PAPALIA:** The tourism attractions case management team is working with Tattarang and were before anyone publicly knew much about it. That team is assisting Tattarang through that concierge service. The proponents come

to the team with their proposal. The proponents have to meet obligations around environmental approvals and planning approvals, linking up with other agencies for the requirements they might have to comply with or obligations they might need to meet. The team assists with helping them to know who to go to and who to approach next; it is a concierge service. What the member is talking about is more related to wider across-government support to the region in the event that this project goes ahead. That is more on an across-government responsibility. I know that the ministers' portfolios are addressing or looking at those sorts of requirements. In so much as the case management team is involved, it is about getting the approval for the project. It helps that process.

**The CHAIR:** Member for Darling Range.

**Mrs A.K. HAYDEN:** I just note that we were meant to have a break between 10.30 am and 11.30 am. We have been going since nine o'clock and we have not had a break yet. Are we able to adjourn for at least a refreshment and break for five or 10 minutes?

**The CHAIR:** This committee is suspended for 10 minutes.

*Meeting suspended from 11.46 to 11.56 am*

**The CHAIR:** Member for Darling Range.

**Mrs A.K. HAYDEN:** Minister, I just want to stay on page 207. Paragraph 26 states —

Tourism WA is also delivering a range of recovery initiatives within the WA Recovery Plan ...

I refer to the \$14.4 million tourism recovery program. As the minister and I both know, that money divided up between the tourism recovery fund at \$10.4 million and the survival grants of \$4 million. In an answer that the minister provided to me previously, the \$10.4 million was not all allocated under the tourism recovery fund, with only 884 successful applicants. That left \$4.65 million unspent from that \$10.4 million fund. In the minister's answer, across the floor in Parliament, I think he said it would roll over into the tourism business survival grants. I know that those grants were announced recently, but there were no dollar values and so forth alongside the grants that were handed out. Can the minister first of all confirm that that \$4.65 million rolled over to the survival grant, giving it an \$8.65 million fund? How many applications were received, how many were successful and what is the breakdown, if possible?

**Mr P. PAPALIA:** Yes, all the money was rolled over and all of it was allocated—\$8.654 million. There were 574 applicants, of which 266 were successful. With respect to —

**Mrs A.K. HAYDEN:** Sorry; can I get those figures again?

[12 noon]

**Mr P. PAPALIA:** There was \$8.654 million that went to the business survival grant program. With respect to those numbers, that 574 initially included travel agents. We told them that they would have their own grant scheme. There were about 30 travel agents in that figure of 574, and 266 applicants received funding. The funding ended because it was an expanded amount. We broadened the grants to include \$15 000 grants at the low end and up to \$100 000 at the top end.

I think we have stated publicly the regional share, which I can provide as supplementary information. It is not really supplementary information because it has been in the public domain. We put out a media release telling people the number in each region. It was skewed ultimately towards the north because of seasonality, and beyond that, the recipients in terms of amounts were skewed towards those most reliant upon international and interstate visitors. I am not going to provide information about individual businesses and amounts because it is commercially sensitive; it is their information and I do not think it is appropriate that we reveal what an individual business got, unless they have publicly stated it themselves.

**Mrs A.K. HAYDEN:** Can we get that supplementary information?

**The CHAIR:** Minister, do you agree to provide the supplementary information and could you state exactly what information will be provided?

**Mr P. PAPALIA:** I undertake to provide the number of business survival grant recipients in each of the regional tourism organisation regions.

*[Supplementary Information No B1.]*

**Mrs A.K. HAYDEN:** Further to that, the minister said that there were 574 applicants, but let us take off 30 as travel agents. There were 266 successful applicants, so that leaves around 200 applicants who were not successful. Can the minister elaborate why they were not successful? What part of the criteria did they not meet?

**Mr P. PAPALIA:** There was a robust probity process around this. A panel assessed the applications. I had nothing to do with it; it was independent of government. It was based on criteria that focused predominantly on vulnerability to being exposed to international and interstate markets and the costs associated with infrastructure or equipment. The result was that, disproportionately, it was skewed towards the north. Seasonality was an element for consideration as well. But I had nothing to do with determining who got what.

**Mrs A.K. HAYDEN:** I have two further questions. Does the Chair want me to ask them at once to save a bit of time?

**The CHAIR:** Is this a further question to your first question?

**Mrs A.K. HAYDEN:** Yes. Can the minister advise whether anyone who received money from the tourism recovery funds also got the survival grant? The second part to that question is: have all the funds now been allocated and disbursed?

**Mr P. PAPALIA:** Yes to both.

**The CHAIR:** Does the member for Churchlands have a new question?

**Mr S.K. L'ESTRANGE:** It is not a new question, just a question for you, Chair. I know that we are stopping this session at 1.00 pm today. We have still got to do the Small Business Development Corporation and racing and gaming. Could the committee try to finish SBDC —

**Mr P. PAPALIA:** And there is citizenship and multicultural interests.

**The CHAIR:** I will be guided by you. When there are no further questions, I will put the division. Is there a new question?

**Mr V.A. CATANIA:** Can we move on to division 18?

**The CHAIR:** Would you like me to call the division?

**Mr V.A. CATANIA:** Yes.

**The appropriation was recommended.**

**Division 18: Small Business Development Corporation, \$15 398 000 —**

Ms S.E. Winton, Chair.

Mr P. Papalia, Minister for Small Business.

Mr D. Eaton, Small Business Commissioner.

Mr R. Buttsworth, Director, Corporate Resources.

Ms J.C. Collins, Senior Policy Adviser.

[Witnesses introduced.]

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

The minister may agree to provide supplementary information to the committee, and I ask the minister to clearly indicate what supplementary information will be provided. I will then allocate a reference number. Supplementary information should be provided to the principal clerk by Friday, 30 October 2020. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge that through the online questions system.

I believe our first question goes to the member for North West Central.

**Mr V.A. CATANIA:** I refer to budget paper No 2, volume 1, page 267. Under "Spending Changes" and "COVID-19 WA Recovery Plan", \$240 000 has been allocated to the PIVOT program for small business. Will additional funding be allocated to the Business Local program to allow services in regional areas to be able to provide additional advice and services that may now be required, given the fallout of COVID for many businesses and the need for businesses to pivot?

**Mr P. PAPALIA:** At the moment, no. We have adequate funding and resources to meet that demand. Over 500 participants and an additional 150 partial participants have been involved in that program.

**Mr V.A. CATANIA:** Whereabouts are the 500 participants based? Is the minister able to provide a breakdown of that number?

**Mr P. PAPALIA:** Sure. I can provide that as supplementary information. I undertake to provide to the member a breakdown of locations by regional development commission of participants in the PIVOT program.

[*Supplementary Information No B2.*]

**Mr V.A. CATANIA:** I have a further question on the PIVOT program for small business. Is the Small Business Development Corporation assisting small businesses by providing assistance with some of the mental health issues that they face? It is not all beer and skittles out there for regional businesses; in particular in the north west, there



was a gap of three months with no income and there is a lot of uncertainty in a lot of areas moving into the non-peak season until March next year. The minister can understand the stresses and strains that small businesses are under. Is the SBDC providing any mental health support?

**Mr P. PAPALIA:** I will answer that in a moment. In the regions, with the exception of the East Kimberley, it looks very much as though there will not be the seasonality that we normally encounter. The projected demand in the coral coast tourism region and the north west tourism region, with the exception of the East Kimberley, suggests that there is not going to be the seasonality issues that we normally confront. That is also a consequence of what we have already done with regional aviation and what we have already announced. Some 10 000 of the 28 000 seats between Broome and Kununurra have already been sold. That gives the member some indication that it is going to be a different season from normal, with people booking to go to Broome at Christmas and things like that.

That aside, yes, the SBDC does mental health first aid training. Its advisers and mentors do that, and then they refer to health agencies as appropriate. It is really a Department of Health, Mental Health Commission and Minister for Health responsibility, but, yes, the SBDC has first-aid training and it is aware of the appropriate support services that are available and it refers to them.

[12.10 pm]

**Mrs A.K. HAYDEN:** I refer to page 267 and the “Appropriations, Expenses and Cash Assets” table. I note that there was a drop in the total appropriations in 2019–20 and it goes back up again, obviously, in 2020–21 and 2021–22, but then it drops again in 2022–23. Can the minister explain the drops in 2019–20 and 2022–23?

**Mr P. PAPALIA:** The SBDC is getting more money than it has ever had, and that goes on into the future. The drop that the member referred to in some year in the forward estimates is an accounting treatment. It is related to the treatment of office accommodation leases, which was subsequently determined to be out of scope. It was included in this year, but it should not have been, and it has now been subsequently removed.

**Mr M. HUGHES:** I refer to page 268 of budget paper No 2 and the first paragraph under significant issues impacting the agency. Can the minister please advise us of the achievements of the COVID-19 business assistance centre implemented under this government?

**Mr P. PAPALIA:** I might ask the commissioner to respond to that. In advance of his response, I will say that the SBDC has been extraordinary in the face of this once-in-a-100-year event. They —

**Mr V.A. CATANIA:** Hope.

**Mr P. PAPALIA:** Well, no. Undoubtedly, it has been extraordinary.

Several members interjected.

**Mr P. PAPALIA:** Fair enough; it could happen again very soon, but let us hope that it does not. Its staff, like many people across the public sector in Western Australia, stepped up when it really counted. They were dealing with people who were under incredible stress, whose livelihoods were at great risk, and they were dealing with them personally. Our agency ensured that they had someone to talk to and it was a massive contribution. They have also stepped up in all manner of fields around commercial tenancies and providing advice in all fields of endeavour for different sectors that they have never really had much to do with in the past but have been asked to support. In addition to all that, they have provided specialist advice across government to lots of other agencies with respect to the impact on small business and the provision of support and assistance to small business. I will ask the commissioner to answer the member’s question.

**Mr D. Eaton:** I think that the minister has broadly covered it. Initially, there was somewhat of a fourfold increase in usual demand in the early parts of the pandemic. Of course, there was a lot of anxiety. People were phoning us for information. Then as governments, both commonwealth and state, responded with programs, there was an increase in calls seeking clarity about access to those programs and things like JobKeeper, as well as state programs. More recently, they have wanted to know how to transform their business and move into the recovery phase. We have had a 28 per cent increase in demand over the previous year. In the last quarter of the last financial year, we had a fourfold increase in disputes and in demand in some areas.

We have also accelerated use of the digital channel, so both workshops and advisory sessions are now available through various channels like Click Chat. That has been adopted rapidly by clients, too, which has extended our reach. We have been involved in many other advisory forums with other agencies now developing programs to support small business and providing input into the practical input of those responses. Our entire catalogue of enterprise skills workshops are available online and free for the rest of the financial year. Some of those workshops were pivoted into subjects that are going to help businesses with COVID crisis management, how to access JobKeeper and so forth.

**Mr V.A. CATANIA:** Based on the aid to businesses on JobKeeper and so forth, does the minister have an understanding of how many businesses in Western Australia are on JobKeeper? Does he have a breakdown of regional figures compared with metropolitan figures?

**Mr P. PAPALIA:** No. The member is talking about federal agencies. We do not have visibility of that.

**Mrs A.K. HAYDEN:** Following on from that, the commissioner advised that there has been an increase in calls and so forth. Is the minister able to tell us which of the programs that the SBDC is offering to support small businesses have actually had a larger uptake during COVID-19?

**Mr P. PAPALIA:** I will ask the commissioner to answer that. I will add, though, to his previous answer. One of the other initiatives in response to COVID was the more rapid passing of—thank goodness—the legislation to empower the commissioner to undertake investigations. We had already given a budget and resources to the commissioner to have an investigative unit and to investigate the treatment of particularly smaller players like subcontractors. That was one of the other initiatives. That unit is in play, it is empowered and the commissioner is empowered. That was an additional response to COVID in this environment where a lot of government money is flying around and there is an increased likelihood of smaller players like subcontractors being exposed to exploitation by the prime contractors. I will hand over.

**Mr D. Eaton:** Overall demand of all the functional streams was up. Interestingly enough, at the beginning of COVID, we ceased the “how to start a business” workshop, and obviously expanded the portfolio to more crisis management. Demand for the “starting a business” workshop remained, so we reopened that portfolio of workshops, which is interesting. Certainly, advisory was up fourfold—how to adapt. As I said, there is a number of government programs, so wanting to know what was available to businesses and how they qualified. With regard to the level of disputation, our dispute resolution service is up fourfold in terms of volume. We are currently carrying 250 cases. This time last year, we would have been carrying 40 or 50 cases.

**Mr V.A. CATANIA:** Has the minister got a handle on how many businesses are insolvent or have closed since the pandemic? Is there any visibility that the SBDC has over businesses in the state? Given that dispute resolution has increased fourfold, I imagine that that could translate into a high number of insolvencies or businesses closing.

**Mr P. PAPALIA:** I am advised no, because of one of the initiatives the government took. We were the ones who drafted the commercial tenancy code of conduct and passed that law, which has naturally resulted in greater referrals to the commissioner for assistance with mediation around that process. That did not exist before and now they are all compelled to negotiate—tenants with the landlords. As a consequence, there has been a natural uplift in disputes.

With respect to insolvency, the federal government’s current response has meant that insolvency is not going to happen for a time until those laws that have been passed terminate. A person is not compelled to become insolvent in the time that they would have in the past. There is latitude now and I think there is be delay right across the nation with respect to insolvency. In fact, I hazard a guess that Western Australia will be far less impacted, but everywhere in the country there will be insolvencies when all this ends. When we go back to some sort of a more normal environment, some of those other states will be massively impacted. The commissioner has advised me that we are not seeing any great increase right now.

[12.20 pm]

**Mrs A.K. HAYDEN:** I refer to the number of dispute cases going up; there are 250 cases on the books at the moment. Are those disputes, percentage-wise, mainly tenancy disputes? Can the minister provide some information on the breakdown of disputes and the topic? I am happy if the minister wants to provide it —

**Mr P. PAPALIA:** The commissioner does not have the numbers to date. However, his sense is that the vast majority are related to commercial tenancies in this current environment. It is essentially generating consultations with the commissioner because that is part of the process. On the way to the dispute either being resolved or ultimately ending up in the State Administrative Tribunal or the Supreme Court for appeal, it has got to go through the commissioner. In the event that the dispute is not resolved, at the moment, the SBDC provides support to the smaller player for making their application to the State Administrative Tribunal for appeal. All of that is generating more activity. But, ultimately, it is related to our response to COVID in the current environment.

**Mr S.K. L’ESTRANGE:** I refer to budget paper No 2, volume 1, and the line item “Net Cost of Service” in the table at the top of page 271. In 2019–20, there is \$11.085 million, and in 2020–21, the budget target is \$12.769 million, which is a 15 per cent increase. Underneath that line, the number of full-time equivalent employees is going from 42 to 49. Can the minister explain what those extra seven people will be doing and whether those extra seven people are the reason for the jump in budget?

**Mr P. PAPALIA:** It is a combination of things. Three of the FTEs support our small business–friendly local government initiative, which has been expanded as part of the recovery plan. A number of those FTE are also associated with the investigative unit that we have stepped up.

**Mr S.K. L’ESTRANGE:** There are four left, so what are the other four doing?

**Mr P. PAPALIA:** It is a contingency to meet demand associated with the post-COVID environment.

**Mr S.K. L’ESTRANGE:** Have those seven people been appointed yet?

**Mr P. PAPALIA:** The placements with the investigative unit are being advertised, so they will be filled. There are some casuals engaged for the purpose of meeting demand with regard to the advisory role around COVID at the moment.

**Mr V.A. CATANIA:** I refer to page 273. Under “Income from State Government” is the line item “Royalties for Regions Fund: Regional Community Services Fund” has \$180 000 for 2020–21. Can the minister explain what that \$180 000 is?

**Mr P. PAPALIA:** That is specifically related to the Collie revitalisation program. There is a small business adviser in town to assist transforming Collie or assist in moving the economy in Collie away from mining towards other opportunities.

**Mrs A.K. HAYDEN:** I refer to “Access to Justice for Small Business” on page 269. There is a drop in funding to that. Can the minister explain that drop in funding, comparing the last budget with this budget, and what the service is and why there has been a drop? I would have thought that during this time, businesses would need all the help they can get and justice may be one of the key areas of assistance.

**Mr P. PAPALIA:** I am advised that the funding allocation in the 2018–19 actual was for establishing the investigative unit and essentially supporting subcontractors. Subsequently, the budget has increased, but it was not required because the demand for that funding has not been met. So, it is just more accurately meeting the requirement, and over time it will grow as indicated in the budget.

**Mrs A.K. HAYDEN:** Thanks, minister; I appreciate that. This was for setting up the new unit after the legislation was passed, so it has not had to use all the money. The minister said that subcontractors are being used. Would that then refer to —

**Mr P. PAPALIA:** No; it is to support subcontractors. It is to support subbies out in the community.

**Mrs A.K. HAYDEN:** Yes, of course.

**Mr P. PAPALIA:** They are not subcontracting.

**Mrs A.K. HAYDEN:** So, it is not part of some subcontractor project that the SBDC has.

**Mr P. PAPALIA:** No. Some casuals have been brought in. We have the investigation unit, which is permanent, but the unit is being grown over time. Investigators and appropriately skilled individuals will be employed in the unit.

**Mrs A.K. HAYDEN:** I have a question about the cost of subcontractors, which is found on page 271 under “Efficiency Indicators”. It shows the cost of subcontractor support services by percentages. What do those subcontractor support services actually provide?

**Mr P. PAPALIA:** It is not actually paying subcontractors; it is supporting subcontractors in the community as an investigative unit. That is funding towards support of services to subcontractors in the community, which we undertook to do post the disastrous outcomes in 2014 when thousands of people on government contracts were left out of pocket and subbies all over the place suffered hardships, lost their homes, had marriage break-ups and, sadly, some even took their life. But it is for the subcontractors that we are helping; that is not for employing subcontractors.

[12.30 pm]

**Mrs A.K. HAYDEN:** Just to clarify, is that what we were just talking about with the new unit that has been set up?

**Mr P. PAPALIA:** Yes, that is what it is.

**Mrs A.K. HAYDEN:** That is why I was trying to get it under the one question.

**The appropriation was recommended.**

**Division 37: Local Government, Sport and Cultural Industries — Service 2, Citizenship and Multicultural Interests; Service 4, Racing and Gaming, \$96 389 000 —**

Ms S.E. Winton, Chair.

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

Mr D.S. Ord, Director General.

Ms S. Sherdiwala, Chief Finance Officer.

Mrs A. Maurice, Senior Policy Adviser.

Mr M. Beecroft, Director, Strategic Regulation.

[Witnesses introduced.]

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

The minister may agree to provide supplementary information to the committee, and I ask the minister to clearly indicate what supplementary information will be provided. I will then allocate a reference number. Supplementary information should be provided to the principal clerk by Friday, 30 October 2020. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge that through the online questions system.

I give the call to the member for Churchlands.

**Mr S.K. L'ESTRANGE:** I refer the minister to the third and fourth points on page 546 of budget paper No 2, volume 2. It relates to the banned drinkers register in the Pilbara and a possible trial in the Kimberley. With regards to the Pilbara banned drinkers register, the budget states that this will commence across the Pilbara region in December 2020. Is this on schedule to commence as stated?

**Mr P. PAPALIA:** Yes, on 1 December.

**Mr S.K. L'ESTRANGE:** Can the minister briefly outline how that register will work?

**Mr P. PAPALIA:** A banned drinkers register trial will essentially comprise a Pilbara-wide application. Every takeaway liquor outlet will be provided with a Scantek device to scan photo ID of anyone purchasing takeaway alcohol. That ID will be remotely compared to a banned drinkers register. In the event that an individual is on the banned drinkers register, they will not be able to buy takeaway alcohol. There are three means of being placed on the register or getting on there. The first is from the director of Liquor Licensing giving someone a prohibition order; the second is the Commissioner of Police giving someone a barring notice; and the third is for someone to voluntarily put themselves on there. The trial will be overseen, assessed and reported on by the University of Western Australia's Public Policy Institute. It is a two-year trial, on completion of which I hope that we will be provided with far more knowledge with respect to the efficiency or the effectiveness or otherwise of this type of initiative.

**Mr S.K. L'ESTRANGE:** Will there be a midway update on the progress of this trial?

**Mr P. PAPALIA:** I have undertaken many times in Parliament and outside to respond in the event that there is an early indication that this is a successful or good initiative. Obviously, we are not going to wait around subsequently for two years to realise those benefits in other ways or apply the knowledge that has been accrued through the trial. I have not formally set a date by which we will do a report, but obviously the indication early on is that it is a really great initiative. If it is resulting in a great benefit to the community, we will respond to that.

**Mr S.K. L'ESTRANGE:** As I said at the start, we are dealing with the third and fourth points, so is there a plan to extend this trial into the Kimberley?

**Mr P. PAPALIA:** There is an aspiration, yes. We have been engaged closely with the local government zone for the Kimberley, all local governments, all the liquor accords, with police and with all other interested parties across the Kimberley. The zone has indicated that it is willing to contribute financially to funding part of the trial. I had hoped that we would commence a trial of a banned drinkers register coupled with a takeaway alcohol management system across the Kimberley, because that is what the players expressed a desire for. But I wanted to try to achieve concurrent rollout of that trial. It is not going to come to fruition that rapidly because we have more recently learned that the extent of the cost associated with rolling it out across the Kimberley exceeds what the zone has available to it, but I am working on trying to get funding. Subject to our success in sourcing funding, it is my hope that we get that trial commenced as soon as possible in the future. It will not commence on 1 December, though; I have indicated that we cannot make that time frame.

**Mr V.A. CATANIA:** I think I floated the banned drinkers register in 2010, but I could not convince the minister at the time.

**Mr P. PAPALIA:** You have a better minister, now.

**Mr V.A. CATANIA:** It is a better tool than having a blanket approach and preventing the sale of alcohol for everyone, especially those who drink responsibly. With the register itself, the actual hardware, is the department or the minister providing those funds for it to be rolled out in those Pilbara bottle shops and liquor outlets? Is the department financially providing that support?

[12.40 pm]

**Mr P. PAPALIA:** The way it works is that Scantek, a Western Australian company, has been engaged to provide support for the hardware, the connectivity and the like, and the software associated with the system. That has been funded by the agency. The local government zones in the Pilbara are funding the UWA analysis and oversight.

**Mr V.A. CATANIA:** I heard the minister say the local government zones up there. Why would it be asked to fund the hardware when the department has funded it in the Pilbara?

**Mr P. PAPALIA:** What we announced and committed to, which is what we are doing, is a Pilbara-wide trial. Subsequently, the Kimberley indicated an interest. That was not planned. That was not what we committed to as an election promise. The initiative was from government, by government. We just determined it in response to the critical

incidents around child abuse in the Pilbara. That was part of our proposed response. We are doing what we said we would do. The Kimberley is keen and the players are keen to participate, so that is beyond what was planned. I am trying to source funding, but it is not like —

**Mr V.A. CATANIA:** What is the cost, by the way? I suppose it varies.

**Mr P. PAPALIA:** It is in excess of \$1 million. It is a lot of money. I am hopeful that we will be able to support the Kimberley, too, but it was not a planned thing. We, as an agency, and me, as the minister, and the government, are trying to stretch to accommodate the Kimberley because of its interest and support and its positive approach to that idea of a trial, which I applaud. But it is not something we had a budget for. The director general did not have a budget for that.

**Mr V.A. CATANIA:** But I would have thought \$1 million out of a \$1.2 billion surplus is worth getting.

**Mr P. PAPALIA:** We could say that about anything. There are all sorts of initiatives right across government, but this is something that was not anticipated.

**Mr S.K. L'ESTRANGE:** I refer the minister to “Racing and Wagering Western Australia” on page 306 of budget paper No 2, volume 1.

**Mr P. PAPALIA:** This is the racing and gaming component. I was not trying to be obstructionist earlier on. I have a number of different advisers for different elements of the budget and specific parts of the budget relate to specific advisers.

**Mr S.K. L'ESTRANGE:** That is okay. Can the minister switch out advisers then?

**Mr P. PAPALIA:** Are we finished on this one?

**Mr M. HUGHES:** I have a question.

**The CHAIR:** We are still on division 37.

**Mr S.K. L'ESTRANGE:** Yes, it is still under division 37, but the minister is —

**Mr P. PAPALIA:** This is the racing and gaming element.

**Mr S.K. L'ESTRANGE:** It is the racing and gaming component of it, but it is the same division.

**Mr P. PAPALIA:** Are we finished on the racing and gaming element? Do members want to move on to racing and wagering?

**The CHAIR:** We could invite the advisers to step back.

**Mr P. PAPALIA:** Just for efficiency purposes and to enable a logical —

**Mr V.A. CATANIA:** Does TAB come under this one that we are currently doing?

**Mr P. PAPALIA:** That is the other guys. As a logical sequence, which is kind of the normal practice, we move from one to the next. We finish with one, and we can then excuse these advisers and move to the other ones.

**Mr V.A. CATANIA:** We are on board. It is unfortunate that the Chair and the minister were having an argument.

**Mr P. PAPALIA:** Let us get the other guys in.

**The CHAIR:** It is still part of division 37.

**Mr M. HUGHES:** I have a question on this.

**Mr V.A. CATANIA:** This is opposition time, not dorothy dixer time.

**Mr S.K. L'ESTRANGE:** We are going to run out of time.

**Mr V.A. CATANIA:** This is ours.

**The CHAIR:** I thought we were starting to settle it down. Member for Kalamunda, we will just get the other advisers in.

**Mr M. HUGHES:** We sit and listen, and it is great that the opposition does it, but I have a small question.

**The CHAIR:** Member for Kalamunda, it is my call. I am not giving you the call. Can we organise the other advisers?

**Mr P. PAPALIA:** It is the same division; it is just different agencies. This agency is Racing and Wagering Western Australia, which is not the racing and gaming part of the department.

**The CHAIR:** Does the minister need new advisers to help him with this question?

**Mr P. PAPALIA:** Yes, I do.

**The CHAIR:** Could you introduce them?

**Mr P. PAPALIA:** I give a heads up that we still have Rottneest, if members want to do that, and also Citizenship and Multicultural Interests.

**Mrs A.K. HAYDEN:** No. We are going to run out of time.

**Mr V.A. CATANIA:** That is why we want to hurry up and keep moving.

**The CHAIR:** I am clarifying, member for Churchlands, that you are asking a question under division 37?

**Mr S.K. L'ESTRANGE:** Correct. I refer to budget paper No 2, volume 1, page 306, the future asset investment in Racing and Wagering Western Australia —

**The CHAIR:** Sorry, member for Churchlands, I am advised that you are asking a question that comes under Racing and Wagering Western Australia

**Mr S.K. L'ESTRANGE:** We are on to that.

**The CHAIR:** Not under this division. It is a different line item in a different area.

**Mrs A.K. HAYDEN:** We need to pass division 37 to move to RWWA.

**The CHAIR:** That is why I asked. I tried to get clarification. I suggest we move to division 37.

**Mrs A.K. HAYDEN:** Then we will move to Racing and Wagering Western Australia.

**The CHAIR:** I am pretty confident the member for Churchlands will be able to get to the question he wants to ask.

**Ms J.J. SHAW:** Chair, the member for Kalamunda has for some time been —

**The CHAIR:** Thank you, member for Swan Hills. I am very conscious of the time and we have a number of divisions to get through. I am just trying to be helpful.

**The appropriation was recommended.**

**Racing and Wagering Western Australia —**

Ms S.E. Winton, Chair.

Mr P. Papalia, Minister for Racing and Gaming.

Mr I. Edwards, Chief Executive Officer.

Mr M. Saunders, General Manager, Wagering.

Ms C. Mills, General Manager, Racing.

Mrs A. Maurice, Senior Policy Adviser.

[Witnesses introduced.]

**The CHAIR:** This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available tomorrow. Members may raise questions about matters relating to the operations and budget of the off-budget authority. Off-budget authority officers are recognised as ministerial advisers. The Chair will ensure that as many questions as possible are asked and that both questions and answers are short and to the point. If an adviser needs to answer from the lectern, will they please state their name prior to their answer.

The minister may agree to provide supplementary information to the committee, and I ask the minister to clearly indicate what supplementary information will be provided. I will then allocate a reference number. Supplementary information should be provided to the principal clerk by Friday, 30 October 2020. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

I give the call to the member for Churchlands.

**Mr S.K. L'ESTRANGE:** Thank you, Madam Chair. I refer to page 306 of budget paper No 2, volume 1. We are dealing with future asset investments in the top paragraph. Can the minister give us an update of when he expects the sale of the TAB to take place, and where his priorities sit for the expenditure of any proceeds from that sale?

**Mr P. PAPALIA:** The sale has been paused. The infrastructure fund allocation associated with the sale is obviously not happening right now. The intention is for RWWA to conduct, outside of that process, whilst the sale process is paused, a midyear review in January—which is an unusual event, it does not normally do that; it does it at the start of the financial year—and assess all clubs with regard to the post-COVID environment and consider additional distributions, if necessary, with reference to things like additional support.

[12.50 pm]

**Mr S.K. L'ESTRANGE:** Does the minister have an update about the expected sale figure in this current environment?

**Mr P. PAPALIA:** No. The process has been paused. The member is probably aware that a key potential proponent for the sale was Tabcorp Holdings. It is in a completely different environment, as are we all. The intention is to assess the environment. I have to tell the member that with respect to the sale, the Treasurer is the responsible minister. It is not me. I am a participant and obviously an interested party, but the Treasurer is leading it as the minister responsible. If the member really wants to get more detail around that process, he should ask him.

**Mr V.A. CATANIA:** On page 306, in part 4, Racing and Wagering Western Australia, under “Works in Progress” is “Racing Systems, Infrastructure and Minor Capital”. I notice that there is a decline over the forward estimates. Can the minister give a breakup of the investment, particularly into regional racetracks and clubs? Is there a capital works program for those, and could the minister itemise the capital works programs for regional racing?

**Mr P. PAPALIA:** That line item does not refer to the sort of expenditure that the member is considering; it is actually about RWWA’s investment. It is about TAB systems and the like.

**Mr V.A. CATANIA:** Regarding the investment by RWWA into regional race clubs, what investment is occurring in terms of upgrading the systems right across regional tracks?

**Mr P. PAPALIA:** As I indicated earlier, this year we got the biggest distribution to the racing industry ever. In January, Racing and Wagering Western Australia will be conducting a midyear review, assessing all clubs and their status in the post-COVID world and determining whether it will give an additional distribution to meet requirements in this environment whilst all the other processes associated with the sale and creation of the infrastructure fund are on hold.

**Mr V.A. CATANIA:** There will be some race club consultation from now until January by RWWA to ascertain what is needed?

**Mr P. PAPALIA:** It will conduct its assessment in January. It is undertaking outreach sessions now, but, by necessity, through that process it will engage with all the clubs and begin the assessment of critical infrastructure requirements.

**Mrs A.K. HAYDEN:** The line item that the member referred to, “Racing Systems, Infrastructure and Minor Capital”, is only to do with TAB software, not anything to do with tracks?

**Mr P. PAPALIA:** Yes, it is things that are owned by Racing and Wagering Western Australia, not the clubs and the industry.

**Mrs A.K. HAYDEN:** Is the minister able to point to somewhere on this page or in this book where it actually refers to the infrastructure upgrades for regional and also metro tracks, I might add?

**Mr P. PAPALIA:** That is specified in its annual report as normal practice, but the distribution this year was the highest that has ever occurred, and the industry is fully aware of where that money goes.

**Mr S.K. L’ESTRANGE:** I refer to budget paper No 2, volume 2, page 567 —

**The CHAIR:** Sorry, again, that is not —

**Mr S.K. L’ESTRANGE:** I will relate it back to page 306, because page 567 relates to grants to Racing and Wagering Western Australia.

**The CHAIR:** We are not on that budget —

**Mr S.K. L’ESTRANGE:** I know, and the minister has acknowledged that he knows —

**Mr P. PAPALIA:** Yes, but even if I know what the member is talking about, it may not be in the right area.

**The CHAIR:** What is the question, member for Churchlands?

**Mr S.K. L’ESTRANGE:** I am just trying to ascertain why no grants have been allocated in the forward estimates to Racing and Wagering Western Australia.

**The CHAIR:** I do not think it is in this division, member.

**Mr P. PAPALIA:** That was the termination of a different model. The member would be aware that we reached an arrangement on the point-of-consumption tax. There is a distribution to the industry as a consequence of that and it is the most generous in the country. The funds that might in the past have been distributed from that particular allocation are replaced by, or in fact exceeded by, a point-of-consumption allocation.

**Mr V.A. CATANIA:** Is the minister sure?

**Mr P. PAPALIA:** Yes, absolutely. Do not worry. Find a club that is not happy with the current point-of-consumption distribution.

**Mrs A.K. HAYDEN:** I refer to page 307. I am guessing we are referring to the greyhounds.

**The CHAIR:** Member, you are again referring to the wrong budget section.

**Mrs A.K. HAYDEN:** Does greyhounds not come under racing and wagering?

**The CHAIR:** No, not under this division.

**Mrs A.K. HAYDEN:** I thought they were part of racing and wagering, the three codes.

**The CHAIR:** You are referring to a line item that is not being considered in this division.

**Mr P. PAPALIA:** What do you want to ask?

**Mrs A.K. HAYDEN:** In part 4.

**The CHAIR:** The one you are dealing with is on page 306; that is where questions are relating to at the moment.

**Mrs A.K. HAYDEN:** Under part 4, RWWA is responsible for the three codes of racing: trotting, thoroughbred and greyhounds. I do not understand why the minister cannot answer it under RWWA, given it is responsible for the code.

**The CHAIR:** Because you are referring to —

**Mrs A.K. HAYDEN:** I will put it on notice, otherwise, which will be more paperwork.

**Mr P. PAPALIA:** Yes, I think the member will have to. I am not trying to complicate it; it is just that the Western Australian Greyhound Racing Association is responsible. The member is on the right page, but wrong time.

**Mrs A.K. HAYDEN:** Can I go back to —

**Mr P. PAPALIA:** If you want to give us a question on notice.

**Mrs A.K. HAYDEN:** Yes, I will submit —

**Mr P. PAPALIA:** Anything about greyhounds, I will answer. It is actually transparent.

**The CHAIR:** We are running out of time. Any other questions on Racing and Wagering Western Australia?

**Mrs A.K. HAYDEN:** I am just wanting to get some feedback on the sale of the TAB and the impact it has had on RWWA. I know the staff are working hard with pivoting its whole business for TAB. Now they are having to regain that ground. Has some money had to be spent extra to make up for all the work that has been going on? I know they have been working really hard on that for quite a long time. It has come to a grinding halt. Some funds must have been used that are now not available for other things that RWWA would want to be doing?

**Mr P. PAPALIA:** It is not like taking from an activity and dedicating it to this new activity; it is actually ensuring that the capacity to continue to generate revenue for the industry and grow the business is available. That is what is happening. The sale of TAB would have transferred that responsibility to a private operator; it has not happened; it is not yet happening. If the member wants to find out more about the actual process, ask the Treasurer. We have probably got to pass not just this item but also the other two items.

**The appropriation was recommended**

**Division 43: Biodiversity, Conservation and Attractions — Services 2 and 6, Tourism, \$126 100 000 —**

**The appropriation was recommended.**

*Meeting suspended from 1.00 to 2.00 pm*

**Division 37: Local Government, Sport and Cultural Industries — Service 1, Local Government; Services 2 and 3 and 6 to 15, Culture and the Arts, \$215 160 000 —**

Ms S.E. Winton, Chair.

Mr D.A. Templeman, Minister for Local Government; Culture and the Arts.

Mr D. Ord, Director General.

Mr G. MacMile, Acting Executive Director, Local Government.

Ms S. Sherdiwala, Director and Portfolio Chief Financial Officer.

Mr R.D. Didcoe, Acting Executive Director, Culture and the Arts.

Mr M.E. Cunningham, Director, Investment, Research and Policy, Culture and the Arts.

Ms D.S. Merritt, Acting Director, Strategic Initiatives.

Mr G. Hamley, Chief of Staff, Minister for Local Government; Culture and the Arts.

[Witnesses introduced.]

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

The minister may agree to provide supplementary information to the committee, and I ask the minister to clearly indicate what supplementary information will be provided. I will then allocate a reference number. Supplementary information should be provided to the principal clerk by Friday, 30 October 2020. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge that through the online questions system.

I give the call to the member for Nedlands.



**Mr W.R. MARMION:** I refer to page 549, service 1 at the top of the page, “Regulation and Support of Local Government”. I was just wondering whether the minister can explain the slight increase in budget estimates for 2020–21 over the actuals in the previous year of approximately half a million dollars. I know that to some extent it may be explained by the first note on page 552, which talks about additional grant money for program delivery, but could the minister explain specifically what the approximately half a million-dollar increase in the budget is above last year’s actual, please?

**Mr TEMPLEMAN:** I thank the member for Nedlands for the question. As the member would be aware, the appropriation for the department comes through a range of funding services or funded services. They include regulation in support of local government, culture and arts industry support, asset infrastructure support services to client agencies, regulation of gambling and liquor industries and sport and recreation industry support. In relation to the increase, these appropriation increases are mainly due to the WA recovery plan that the government announced as part of its recovery plan for COVID-19, and they include items that are introduced during the 2020–21 budget. The impact of some of these grants is that there are timing issues. The timing of grant payments to recipients will vary because they will vary from project to project and between years, resulting in variable appropriations. Essentially, the appropriation increase is attributable to the increased appropriations as a result of the WA recovery plan.

**Mr W.R. MARMION:** I move to the forward estimate for 2021–22, which is pretty similar in all three years, actually. There is nearly a \$2 million reduction in these years, which is a substantial reduction. Can the minister explain why there is such a big jump downwards in the forward estimates, and will that impact on staffing as well?

**Mr TEMPLEMAN:** I will answer the member’s last question first. No, there is no impact on staffing with regard to those variations. As highlighted there, the appropriations change because of grant funding and time lines, but I might ask the director general just to make a very quick comment in regards to those specific figures.

**Mr D. Ord:** They are just reductions in relation to the specific appropriations for recovery.

**Mr TEMPLEMAN:** They have been expended.

**Mr W.R. MARMION:** Because it is a \$2 million drop, that is significant. The actual for 2019–20 was over \$15 million, and in estimates it is roughly \$15.5 million, dropping down to below \$14 million. It seems like there must be a sort of major reduction in some operational aspect. If indeed it is a reduction from just the budget to the forward estimates, it must have still been there the year before, because, basically, the actual for 2019–20 is very similar to the budget.

**Mr TEMPLEMAN:** I am advised the increase included an appropriation for the introduction of the puppy farming proposal.

**Mr W.R. MARMION:** That seems so here; I get that. A lot of work has been done on puppy farming, so the appropriation was boosted to cover that. That makes sense. Following through on the staff numbers, were staff numbers in the actual 2019–20 and also 2020–21 boosted? Did that increase in those two years?

**Mr TEMPLEMAN:** I will ask the director general to make some comment regarding staffing, but as the member would be aware, there are elements relating to inquiry positions or inquiry requirements. There is some capacity to, if you like, access staffing in terms of inquiry that are actually accounted for. I think it is the liquor and gaming component of the staffing. However, if a local government, for example, has an authorised inquiry, the skill set of those who are involved in liquor can be attributable to that skill set for an authorised inquiry. I understand that that has happened.

**Mr D. Ord:** Members will notice that for the first time, the department has a new set of key performance indicators. Those were developed in consultation with Treasury and the Auditor General as a result of the machinery-of-government changes. In consolidating those, there are KPIs related to regulatory functions, and part of the local government regulatory functions were incorporated in a single KPI so the staff were actually allocated in that area. There are 55 FTE for local government, of which five are now caught up in the regulatory section or in the regulatory side of this budget, and the remaining 50 are recorded in the local government staff numbers. It is just simply a change in the way that Treasury has laid out the appropriation. There is no change in staffing numbers in this particular section of the budget. We have, in fact, received some additional FTE to deal with the national redress program, which is in the minister’s culture and arts area, and we have also received an FTE to deal with additional infrastructure-related COVID recovery. They are in the forward estimates period for a period of years and then drop away once those programs end. Otherwise, we are at the same FTE level that we were at last year.

**Mr W.R. MARMION:** I note that on page 552, under the key efficiency indicators, it does say 55 staff actual in 2019–20, which the director general mentioned, and the budget is 50. That leads to another two questions. Will that 50 FTE that is in the budget carry through for the three years? That is one question. It means that in the local government area, there is a reduction of five, even though I think it was said that they can pinch staff from other sections that might have increased. Could the minister explain that?

[2.10 pm]

**Mr D.A. TEMPLEMAN:** I will answer the first question. Those figures remain for the forward estimates. As the director general has highlighted, because there is a change in the KPI requirements, staffing resources appear in another line item under another budget, but are utilised within the department’s core requirements including, of course, in the local government area.

**Mr W.R. MARMION:** That leads to the other area. One of the big areas that the department has had a lot of work to do over the last four years has been inquiries, which the member mentioned, and I asked a question on the staffing numbers in that area. I understand there are nine that specifically work in that section, and they have been very busy because I think only one of the 12 inquiries were outsourced. They are obviously working overtime. One question is: can the department use other staff, or is it looking at increasing the number of staff in that area so that inquiries can be finished in a quicker timespan? That is, I guess, my question.

**Mr D.A. TEMPLEMAN:** First of all, in answer to the question regarding authorised inquiries, I want to make it very clear that authorised inquiries are the normal business of the agency. They are not extraordinary. An authorised inquiry is initiated by the department by the director general. We have had a number of authorised inquiries, as the member is aware, in regards to the last couple of years. The nature of the inquiries from council to council vary. Some of them are complex or require complex investigation and, therefore, a more enhanced response, if you like, from the department; others may be of a more minor nature. We cannot really compare an inquiry from one council to another, but I am confident the resources of the department are able to cater for the demand. I want to acknowledge the expertise of the investigating officers within the department; they are very effective and efficient officers who do a very difficult job. As the member would be aware, there are always two sides to any story when you are investigating a whole range of matters. Many of the officers are drawn from professions in which investigation is their bread and butter. I just want to dispel anything about authorised inquiries being something out of the ordinary; they are not. They are one of the key areas of business for the department, and the director general, and his officers, of course, allocate resources according to need.

**Mr W.R. MARMION:** Just following on from that, I understand it is the normal course of business, but the question relates to allocating staff. There are nine people in that branch that does inquiries. The question was: has the director general considered increasing the number from nine to, say, 12? The answer that the minister gave me to question on notice 6115 gave me a time frame of when each inquiry started and finished, and the one that was outsourced, which was the Wiluna one, was basically finished in three months. That was the main workload, but it was not reported on for, you know, nearly two years. I assume that it was ready to, I guess, be signed off by the staff, but that they were busy doing other inquiries. This is just a suggestion. I am wondering whether the department has considered increasing the number or moving some staff from one section of the Department of Local Government, Sport and Cultural Industries into that area to pick up the peaks and troughs.

**Mr D.A. TEMPLEMAN:** I am happy for the director general to make a comment.

**Mr D. Ord:** Thank you, Chair; thank you, member. Yes, as the member has described it is exactly as it happens. The department initiates authorised inquiries through matters that come to our attention through complaints or through referrals from other agencies—the Public Sector Commission, the Corruption and Crime Commission and the like. It is the only mechanism by which we can in fact utilise investigators to go in and demand information. By nature, they are often complex and, if we are working with other agencies, we have to work within their domains in terms of information management and the like. An investigation is not always able to work through a continuum, because it might need to stop for a period while we return information and then we are given further instructions to go on. We have, in fact, six FTE in the local government investigations team paid for through the Department of Local Government, Sport and Cultural Industries' appropriation, but we have drawn on the broader capabilities that we have in the department through Racing, Gaming and Liquor as it has a significant inspectorate. We have bolstered those numbers, particularly during COVID, because there was less work to do. The casino was closed for a long period so we were trying to advance, I guess, the closure of a number of inquiries that had been open for some time. We certainly do use contractors, but they are pretty well limited to forensic-type analysis, when the matter might relate to financial mismanagement, potential financial mismanagement or procurement matters. Dealing with behavioural matters or complaints against process in the act itself needs specialists with knowledge of the act and, as I said there was quite a significant backlog of matters to be dealt with. Due, I think, to the City of Perth being such a high-profile case, we had a period when a lot of people wished to bring matters to the attention of the department about their own local government, so it has been a very busy work period. But, as resources are available, we move them around within the department, and we are very confident that we are coming to the tail end of that heavy workload and we have adequate resources to meet any demand over the next financial year and the forward estimates.

**Mr D.T. PUNCH:** I refer to page 545, line 25, "Stop Puppy Farming Centralised Registration System". I ask the minister to please expand on the purpose of the funding.

**Mr D.A. TEMPLEMAN:** I thank the member for the question. As the member is aware, the government's policy commitment to stop puppy farming has been introduced into the Parliament. The legislation has passed the Legislative Assembly and is currently in the Legislative Council for debate. The figures that appear in the budget relate to the centralised registration system. This is an important component of the policy initiative to stop puppy farming, because it is through a centralised registration system that the government will have the capacity to track a pup from birth through to its demise. Of course, it is a centralised system; therefore, no matter where someone may be in the state, there will be a record of a particular pup's birth. That also provides information on breed, et cetera. There have been queries—I think the member for Moore may have asked a question—regarding who is to pay for

the centralised registration system. I have said continuously that the centralised registration system is to be paid for by government and that there is an appropriation for that centralised system to be able to be delivered. This is a policy area that we are very, very committed to. We are very keen to see the stop puppy farming legislation pass before the end of this year, before this Parliament concludes, because it will mean that we will see a substantial impact on the inhumane practice of puppy farming in Western Australia. It will also enhance the importance of responsible pet ownership. People who own pets have a responsibility, and we believe that the policy levers in regards to the stop puppy farming initiative are well founded and very strongly supported through a strong consultation process. There has been criticism by some elements, but we believe that this system is fair and equitable. There is a commitment to some exemptions, particularly for working dogs, but the central registration system is a key component. To water that down or to allow that to be dissolved in any way in terms of its importance or impact would, effectively, gut the legislation's policy initiative. There is money in the budget for the centralised system.

[2.20 pm]

**Mr W.R. MARMION:** “Stop Puppy Farming Centralised Registration System” under new initiatives on page 545 has, I am presuming, ongoing recurrent costs in the forward estimates for the operation of the system. I note in the forward estimates year 2021–22, it is \$1.8 million. Firstly, can the minister confirm that that \$1.8 million is included in \$13.844 million for the first line item of the service summary on page 549?

**Mr D.A. TEMPLEMAN:** Yes, that is correct.

**Mr W.R. MARMION:** Thank you. When I asked the question earlier about a \$2 million reduction in the forward estimates from \$15.6 million down to \$13.8 million, it is really closer to a nearly \$4 million reduction of the current operations. It is quite a substantial reduction from what it is now because that figure of \$13.8 million includes nearly \$2 million for the stop puppy farming register. Is that true?

**Mr D.A. TEMPLEMAN:** It is how the budget appears. It incorporates the commitment for a centralised system under that puppy farming regime.

**Mr W.R. MARMION:** Yes. The point I am making is that there will be a more than \$2 million reduction in the last two years of the forward estimates. That has just been confirmed. It would be nice to know exactly what that reduction is in.

**Mr D.A. TEMPLEMAN:** I will ask the director general to respond.

**Mr D. Ord:** Member, it relates to that matter we picked up earlier around the KPIs. Some of the appropriations moved into the other area in which we are capturing the KPIs. It has not been as clearly enunciated in the papers as it might have been. We will certainly take that up with Treasury. The money is there, but some of that salary is in the other appropriation, which pays for those five extra staff.

**Mr W.R. MARMION:** With approximately \$1.8 million or \$1.6 million in recurrent costs in the future for maintaining a registration system, how many FTEs will that involve?

**Mr D.A. TEMPLEMAN:** The establishment or construction of a centralised system will be in place or commence once the legislation has been passed. Of course, there will be a period in which the registration system will be established. I am not across exactly what that might mean in additional FTEs. Mr MacMile, are you happy to make a comment?

**The CHAIR:** Mr MacMile?

**Mr G. MacMile:** Thank you, Chair. Thank you, member. Once the stop puppy farming bill is approved, there will be an initial increase in FTE for a contract to basically front-end the program—to take all the data from local governments and get the system up and running. That is for a period of only 12 months, so that is why there is an initial increase. In the subsequent out years of the forward estimates, it levels off to the ongoing administration and governance FTE of the system.

**Mr W.R. MARMION:** I went to the stop puppy farming briefing, and they said the numbers of extra staff. Can the minister say how many people will be dedicated to that?

**Mr D.A. TEMPLEMAN:** Yes. I am happy for Mr MacMile to give the member the detail.

**Mr G. MacMile:** There will initially be three contract positions for the 12 months in the ramp-up to implement the system. Then there will be five FTEs ongoing to run the system.

**Mr W.R. MARMION:** In the forward estimates, where there are 50 staff, will that be changed in next year's budget to 55 FTEs to add the five for the puppy farming legislation?

**Mr D.A. TEMPLEMAN:** That would be for publishing in the next budget, I would assume, yes.

**Mr W.R. MARMION:** I am trying to get it all together. I am assuming the dollars are in here, but the FTEs are not yet in?

**Mr D.A. TEMPLEMAN:** That is correct.

**Mr W.R. MARMION:** I refer to covering the costs of the registration system. I understand that \$1.2 million is for establishment, contractors, and the ongoing cost to the department. Has the cost to the councils of running their end of the registration system been considered?

**Mr D.A. TEMPLEMAN:** I am happy for Mr MacMile to respond.

**Mr G. MacMile:** Thank you, Chair. Thank you, member. The system allows for the vast majority of the registrations to come through. Initially, all the local government information will be migrated across to the centralised system, and the vast majority of registrations from the go-live date will come directly through the centralised system. It will not prohibit the person who is used to and may not be proficient with online payments from still going into their own local government and paying across the counter as they might have done for a very long time. Through the system, there will be a periodical reconciliation between the centralised system and the local governments so that we make sure that we keep the records up to date and the financial aspects balanced.

**Mr W.R. MARMION:** My understanding is that when someone registers their dog or registers it as a breeding dog, there will be a payment made at the council, so that there will be a cost recovery mechanism for the council. Is that correct, minister?

**Mr D.A. TEMPLEMAN:** Yes. For the breeder registration, it is a one-off payment.

**Mr W.R. MARMION:** How is that fee set, who sets it, and what is it?

**Mr D.A. TEMPLEMAN:** Mr MacMile, did you want to make a comment on that, because there have been some discussions around that area?

**The CHAIR:** Mr MacMile?

**Mr G. MacMile:** Thank you, Chair. Thank you, member. Yes, there has been some modelling as part of the business case. The fees are very similar to the fees that are currently paid. What we have seen is that the South Australian government has had a centralised system in place now for around four years, and it has found that over time everyone gets used to paying centrally. The vast majority—up to 80 to 90 per cent of people pay online. There still is a remanent small number of people who like to pay across the counter at their own local government. The system allows for both, and then, regardless of whether or not the fees are paid through the centralised system, or over the counter, there is a reconciliation between the two areas on a periodical basis.

**Mr W.R. MARMION:** My understanding is one of the reasons that the Western Australian Local Government Association is not 100 per cent happy with the bill is because the fee, as I understand it, is set by the department, not by each council. I think they have taken some umbrage over that. Can the minister confirm whether that is his view of what the situation is?

**Mr D.A. TEMPLEMAN:** Obviously, WALGA has a position on some of these matters, but the fees have been focused on affordability, but also cost recovery.

**Mr W.R. MARMION:** I think one of the issues is for some councils—say, out in the regions—it may be a more expensive exercise than in a metropolitan council. Does the minister have a comment on that?

**Mr D.A. TEMPLEMAN:** Well, dogs and cats are core business of local government. It is something that local governments do and have done for some time. In fact, it is an important role for local governments. Local governments will need to comply obviously with the arrangements around the centralised system. Remember that this system will assist local governments to have greater capacity of understanding and control of some of the issues that impact on pet ownership and, indeed, inappropriate pet ownership. I think this policy initiative will also have great benefits for our local governments in order to do their core business of dog and cat management—in this case dogs—even more efficiently.

[2.30 pm]

**Mr D.T. PUNCH:** All the planning is in place; the budget is in place. Are we just waiting on the other place to finalise the legislation?

**Mr TEMPLEMAN:** As I said at the beginning, this was an election commitment. We took this to the election in March 2017 and we have not hurried this legislation. We did not race it through in the first or second year because we wanted to get it right; we wanted to make sure that the consultation process was thorough. A significant number of people responded to the various mechanisms of consultation. It is quite remarkable that when we talk about pet ownership and, indeed, appropriate pet ownership, and issues affecting cruelty to animals and cruelty to pets, it raises the ire of the general public and, in fact, it raises the ire of the general public over and above many other issues. We believe this policy is a good one. We believe this initiative has been well devised, researched, and consulted on. The legislation is in the other place. We have had further conversations with some of the cross-party membership and minor parties in the other place, but we are keen that when this bill comes on for debate that it is passed before Christmas, because it will send a very strong signal to those people who practice puppy farming or engage in those practices or, indeed, engage in inappropriate and inhumane practices, that they have been targeted. We do not want to see that happening anymore. As I said, I think, more broadly, this will enhance people's understanding of the

importance of responsible pet ownership as well, and that is a good thing. We only need to look at the Christmas period, for example, when huge numbers of dogs and cats are abandoned or dumped after Christmas. The shelters, of course, are faced with that problem of re-homing. This initiative also includes, as the member would be aware, a focus on people adopting and re-homing pets as well. It is a good policy and I hope the opposition parties support it in the upper house when it comes for debate before the end of the year.

**Mr R.S. LOVE:** That is a lengthy answer to the member for Bunbury. It was a very good answer.

**Mr D.T. PUNCH:** It was a very good question!

**Mr R.S. LOVE:** Yes. It certainly explained the minister's position well.

Can the minister explain the cost and fee structure of the centralised register a little bit more? When people who register the animal and pay the fee centrally rather than through the local government, what percentage of the fee is returned to the local government to assist with the administration of the task of managing the dogs that they have within the area, given that ranger costs are a substantial part of a local government's annual budget?

**Mr TEMPLEMAN:** Member, thanks for the question. Registration means that there is now a designated record of that particular dog. It is the responsibility of local governments now to address issues around pet ownership. We are not creating a new role for local government; that is a role for them now. The centralised registration system is the mechanism to capture the data. There will be a transfer of data when the centralised registration system is established and all local governments will have their data. I cannot remember the term Mr MacMile used. It was not "transition".

**Mr G. MacMile:** Migration.

**Mr TEMPLEMAN:** The data will migrate across to the centralised system. That means that the traceability is established. The ongoing role and responsibilities of rangers for overall dog management and regulation continues; it remains the same. They will continue to respond to barking dogs, pet concerns and dogs getting through fences. All those sorts of issues will be ongoing as they have been currently.

**Mr R.S. LOVE:** Is the minister's view of the fee that is currently charged for a licence that it is to pay for only the maintenance of the local government's register of the existence of the dogs, not to assist with the management of dog issues within the local government area? What do you think will offset the cost of the fees that the local government sector will lose?

**Mr TEMPLEMAN:** As the member is probably aware, when people register their dog currently they can register with a one-off registration for that dog. That is from memory. I am just thinking about my past dog that passed away. We are doing this for a centralised registration system. The reality is that rangers in the member's seat of Moore and the shires or the councils around there will continue to respond to issues associated with dogs as part of their ongoing practices. It is a core business. This centralised registration system pays for that centralised registration system to be put into place. As I said, in my view, there will be very strong benefits for local governments in terms of ongoing controls, accessibility to data, traceability and response to issues that might cause concern.

**Mr R.S. LOVE:** I will tackle it a different way.

**The CHAIR:** Through the Chair, member for Moore.

**Mr R.S. LOVE:** Through the Chair, I have a further question. We have here the expense of the centralised system and there is only a very general understanding of the income from fees and fines, the sales of goods and services for the whole department. Is there a figure for the expected revenue inflow to the department from the fees that will be charged?

**Mr TEMPLEMAN:** I might ask Mr MacMile whether he would like to make a response to that. Director general?

**Mr D. Ord:** Yes. I was just confirming that the modelling that was done does take in those fees and the net cost of running the central system is the appropriation. The registration fees are not intended to recover the cost of running the central system. Savings that will accrue to local government will obviously be that they will not be responsible for managing the registration of dogs. That saving could be accrued to other management of animals, as the minister has alluded to. It had been modelled, so it is a net appropriation. Revenue associated with the licence fees will not accrue into the budget until it is implemented.

**Mr R.S. LOVE:** Is that modelling available now? I know that there was some concern from local governments that they had not seen the modelling. Is that now able to be released?

**Mr TEMPLEMAN:** I would need to seek advice. I am happy for Mr Ord to respond.

**Mr D. Ord:** We are not able to release the modelling at this moment of time because of procurement issues, but as soon as that has been completed, I will advise the minister that it is ready to be released.

**Mr R.S. LOVE:** Will the minister undertake to release the modelling when that has been done?

**Mr TEMPLEMAN:** If there are no commercial sensitivities or anything of that nature, I see no problem with that. As the director general has highlighted, there are some procurement issues associated, which the director general has highlighted. I have no problem with releasing that modelling when it is available for public release.

[2.40 pm]

**Mr R.S. LOVE:** Okay, thank you.

**Mr W.R. MARMION:** The member for Moore has picked up a very good aspect. We were told in the briefing that it is currently the business of local governments to register dogs. I actually was quite surprised to get an answer that there were three dogs registered in Balgo Mission. I was quite surprised that Halls Creek had three dogs there. Apparently 80 per cent of dogs are registered. I would imagine it is lower in Halls Creek. With the modelling that the member for Moore just talked about in terms of income generation of this new system, does the department have a rough idea of what percentage of breeding dogs will be registered? I guess it will increase over time. Is it close to 80 per cent? Only 80 per cent of all dogs are registered now. What is the likely modelling showing the registration of breeding dogs?

**Mr D.A. TEMPLEMAN:** I think the member has touched on an interesting issue about remote communities and a general lack of capture, if you like, of the numbers of dogs there. This is not a new challenge, as he would probably be well aware. A centralised registration system will assist in, first of all, capturing that. We recognise that we will need to work closely and collaboratively with remote communities. We recognise that. That is an important aspect that will be required. As the member is probably aware, there are voluntary organisations that have worked in remote communities for some time. Teams of vets and allied veterinarian experts go into remote communities and work with those local communities to sterilise dogs. From my understanding, that includes checking on the health and wellbeing of those dogs as well. Those activities will not discontinue. We would encourage that to continue. It is an issue that we are aware of. There are some sensitivities and issues around remote communities, and we will work closely and collaboratively on the implementation of the stop puppy farming initiative. We recognise that we will need to work closely with those communities.

**Mr W.R. MARMION:** To get an answer to the question, given that there is an 80 per cent take-up of dogs being registered now, in the modelling that the minister will release when he gets the clearance, the take-up must have been worked out, because otherwise the revenue could not have been worked out. The government must have an idea of what the percentage take-up will be. I would guess that it will probably increase over time. It would be handy to know a rough idea of what capture it will get. We are going to get the information eventually.

**Mr D.A. TEMPLEMAN:** I am happy for Mr MacMile—I was going to call him Mr McGowan!—to respond, but, obviously, the aspiration is to capture in an increasing capacity as much as possible going forward. This initiative has been carefully planned and carefully considered. I would expect that we would be able to increase the capture over time. I do not know whether it is worthwhile putting a figure to that, but I am happy for Mr MacMile to make some comment, if that is appropriate.

**The CHAIR:** Mr MacMile?

**Mr G. MacMile:** Thank you, Chair. Thank you, member. Certainly 80 per cent, I think I made reference to the South Australian centralised system that has now been operating for four or five years, and it has taken that time to get to around about 80 per cent. From some of the modelling, and even just anecdotally, we understand that there are several local governments where dog registrations are much lower than 80 per cent, unfortunately, so it will take time. Through a promotional campaign that will come with the launch of a new system, the community recognising that it is easy to use the system to keep their information up to date, and, as dogs that are not registered eventually die out, we will see a generational change of increased registrations.

**The CHAIR:** Member for Nedlands, you have a new question?

**Mr W.R. MARMION:** Thank you. Which one will I pick? The first dot point under “Significant Issues Impacting the Agency” on page 546 mentions a City of Perth inquiry report. Can the minister advise what departmental resources were involved in the City of Perth inquiry, and what cost to the department was—or a rough idea?

**Mr D.A. TEMPLEMAN:** If the member is referring to the panel inquiry, he would be aware that that is a judicial inquiry that was established through a decision by me back in November 2019—sorry, it was May 2018. Essentially, the panel inquiry is not an authorised inquiry. The panel inquiry is a judicial inquiry with an inquirer. In this case it was Mr Power who was engaged along with his team to initiate and carry out, under terms of reference, the panel inquiry into the local government known as the City of Perth. Previous to that decision, there were, as the member would be aware, back in the time of his government, issues that the department was responding to with regard to the City of Perth. Those resources, of course, would have been, as I said, responding to concerns that were being raised, and they were part of the department’s work. The cost for the City of Perth inquiry are well known. It cost \$7.5 million. That was an appropriation to a judicial process that the department, essentially, is not engaged in unless there are queries or questions about the department from the inquirer and their investigating officers. I think it is very important to make that differentiation between an authorised inquiry that is authorised and carried out by the department versus a panel inquiry that is very much a separate judicial inquiry undertaken by an appointed inquirer.

**Mr W.R. MARMION:** I asked the question in two parts. The minister has sort of addressed the second part. I was trying to get a breakdown of what the impact on department resources was. Separately, the inquiry, as the minister just said, cost \$7.5 million.

**Mr D.A. TEMPLEMAN:** Yes.

**Mr W.R. MARMION:** So just dealing with that one —

**Mr D.A. TEMPLEMAN:** It was \$7.75 million. I am just correcting that answer for Hansard.

**Mr W.R. MARMION:** Is it possible to get a breakdown of the different allocations of that \$7.75 million in terms of where it went? It did not all just go to the commissioner.

**Mr D.A. TEMPLEMAN:** Yes, if the member puts that on notice.

**Mr W.R. MARMION:** If it is a question of notice, we will not get it in the time frame. Can I get it through a supplementary question?

**The CHAIR:** Minister, what do you agree to provide?

**Mr D.A. TEMPLEMAN:** It is supplementary information that provides an outline of the breakdown of costs for panel inquiry—I want to make sure it is the panel inquiry—the panel inquiry into the City of Perth.

*[Supplementary Information No B3.]*

**Mr W.R. MARMION:** So just to finalise that line of inquiry, who will be paying for those costs?

**Mr D.A. TEMPLEMAN:** The government has always made it clear that under the act it has the capacity to recover those costs. That will be part of a negotiation, and, essentially, once the decision is made, an order to the City of Perth.

[2.50 pm]

**Mr W.R. MARMION:** The City of Perth issue obviously went back to the previous government. Department resources were used—that is, the section that deals with inquiries in the normal course of business. Is that where the department would have incurred ongoing costs prior to the review, for staff in that section?

**Mr D.A. TEMPLEMAN:** Those costs would have been part of the normal business; for example, inquiries, complaints and issues come in to the department about various councils and are assessed on their seriousness or whether any further information is required to be looked at. That is part of the business of the department. We do not allocate a dollar to every complaint. That is part of the department's core business, so I do not think we would be able to say to the member that there was X allocation of officer time to the City of Perth prior to the panel inquiry being established.

**Mr R.S. LOVE:** I have a further question on the City of Perth costs. At this point, has the \$7.75 million been paid by the government?

**Mr D.A. TEMPLEMAN:** Yes, it has.

**Mr R.S. LOVE:** Was that money paid from the minister's department or from Treasury?

**Mr D.A. TEMPLEMAN:** The director general.

**Mr D. Ord:** The department paid for the inquiry. The inquirer and those parties assisting the inquirer were contracted through the State Solicitor's Office, but we paid the incurred costs and the costs associated with setting up the inquiry, the headquarters and equipping it to perform its duties. In prior budgets, we received an appropriation towards the costs of the inquiry, which were in previous budget papers over the last two years. The department met, out of its own resources, any costs over and above the amount that we were appropriated by Treasury, and we will be recovering that as part of the total cost. We have costed those direct costs for the inquiry only from the time the inquiry started until its conclusion.

**Mr R.S. LOVE:** Is the breakdown of the current or expected return located in any of the income statements or is it in some other document? Where in these documents does it state the return of the \$7.75 million?

**Mr D.A. TEMPLEMAN:** As the director general said, in previous budgets, there was an appropriation of \$4.2 million. The additional balance was met by the department, but the full recovery, as under the act, is able to be retrieved via an order from myself as minister, and those figures appear in the balance sheet. Mr Ord?

**Mr D. Ord:** It is a receivable on the balance sheet, so it does show as money owing to the agency.

**Mr R.S. LOVE:** Okay. Would a more detailed balance sheet show it?

**Mr D. Ord:** Yes.

**Mr W.R. MARMION:** On that same point, when the allocation was put in previous budgets, was it allocated directly to the department as a separate item or was it allocated to service 1?

**Mr D. Ord:** It was identified as a separate item, from memory.

**Mr W.R. MARMION:** That may explain why there is almost a \$4 million gap between the last two years' expenditure and the forward estimates.

**The CHAIR:** Do you have a new question, member for Nedlands?

**Mr W.R. MARMION:** Yes, I do. The first item under “Significant Issues Impacting the Agency” on page 546 refers to the Local Government Act review panel report. It is similar to the question about the City of Perth. Can the minister advise what departmental resources were involved in the Local Government Act review report, and how much did that cost to the department?

**Mr D.A. TEMPLEMAN:** As the member would probably be aware, the government has been reviewing the 1995 Local Government Act. The early phases of the consultation included an expert panel—sorry, not an expert panel; a panel with expertise—from a broad cross-section of stakeholder representation varying from the WA Rangers Association, WALGA and LGPro, through to CCI et cetera. That was the early phases. The key focus of that working group, if you like, was to distil a whole range of issues associated with the existing act and current and future challenges for the sector going forward. That allowed and also initiated extensive feedback through a range of community consultation processes, be they by submission, be they by hearings or be they by meetings et cetera. I then appointed the Local Government Act review panel to essentially take a greater look at the information that had been collated in the first two phases. The expert panel comprised five people with varied experience, including elected representative experience, and an academic who has extensive experience in local government and the evolution of local government policy. It was chaired by the member for Balcatta, David Michael.

The panel essentially consolidated and distilled a lot of the information, issues and pertinent focuses into a report. The status of that report is that it is under consideration by government. That is because we are now focused on, in our second term if re-elected in March, effectively developing a green paper. As the member knows, a green paper or a green bill involves further consultation with stakeholders and further development until we have a consolidated bill to present to the next Parliament. That is the intention. The panel report, which canvasses a range of recommendations, will be considered by government. The director general and the department have had solicited and unsolicited feedback on the report by David Michael’s panel, and they crossed issues ranging from the need for compulsory voting through to preferential voting, and through to a commissioner for local government. All of those issues are canvassed, and recommendations have been made. The government has not yet determined which elements we will take forward in a green bill, and some issues may be captured in election commitment policy.

**Mr W.R. MARMION:** To get back to the question, the question was what resources were involved, and what was the cost? I understand and thank you very much for your answer, but it was also about the dollars and the FTEs.

**Mr D.A. TEMPLEMAN:** Do you want to comment on that, Mr Ord?

[3.00 pm]

**Mr D. Ord:** The review panel began not long before COVID. We were managing the review panel within our existing staff allocation and appropriation resources. As a result of many other things not being able to happen, we in fact deployed staff onto the review, and, with the good grace of all who were participating, which included eastern states members, which we did online, we were able to complete the review. The only payments made, apart from normal staff wages—they prepared all the background papers for the review and research—were costs associated with the independent members. Those staff already salaried through their own institutions were not paid. I do not have the precise figure for the general cost but it would not be more than \$100 000 I would imagine.

**Mr W.R. MARMION:** The second part of my question was about the non-departmental costs, and Mr Ord has just mentioned that. Is it possible by way of supplementary to tell us who was the beneficiary of those? I understand the answer to the first bit, that you were trying to endeavour to use existing departmental staff to do the report. Can you say which branch did the review. It obviously was not the same people as those who did the inquiry. Was there another branch within the department that specifically did this particular review?

**Mr D.A. TEMPLEMAN:** Can I just clarify, because the question was not very clear. For the independent members of the five-person committee, there was some remuneration for those who were able to be remunerated under the appropriate arrangements; for Mr Michael, of course, as chair, there was not. I think you want those figures. The figures relating to those costs have already been answered, in my understanding, in a previous question on notice. However, we will seek to find the answer to that question on notice and provide it to you —

**Mr W.R. MARMION:** Via supplementary?

**Mr D.A. TEMPLEMAN:** Yes. We will do that via supplementary, but that is specific to the panel.

**Mr W.R. MARMION:** Yes.

**Mr D.A. TEMPLEMAN:** On the question about the officer costs, again, this is business of the department, so we will not be able to provide a specific “this is the cost for the staff”. We have policy people in the department, and their role is to inform on policy, and many of those were involved in the development of the papers and the preparation of information for the panel.

**The CHAIR:** Minister, could you just repeat for *Hansard* what you will be providing?



**Mr D.A. TEMPLEMAN:** We will seek to provide supplementary information about the breakdown of costs for the members who served on the Local Government Act review panel.

*[Supplementary Information No B4.]*

**THE CHAIR:** Thank you very much. Go ahead.

**Mr W.R. MARMION:** Just on the same area, page 546, under “Significant Issues Impacting the Agency”, is it possible for the minister to provide a breakdown of the structure of the department, specifically those in the first item, the local government area, and of the different branches? We know that five to nine people work in the review section. I am interested in the branch that actually does this review.

**Mr D.A. TEMPLEMAN:** That same information was provided to the select committee that undertook an inquiry into local government and recently handed down a report to the Legislative Council. That information is available in that context, and I would refer the member to that.

**Mr W.R. MARMION:** Further to that—

**Mr D.A. TEMPLEMAN:** Do some homework!

**The CHAIR:** This is still in relation to page 546—

**Mr D.A. TEMPLEMAN:** It has already been provided.

**The CHAIR:** The first item, about the City of Perth inquiry?

**Mr W.R. MARMION:** No. It is actually to do with the Local Government Act review panel report. Can the minister advise how many people work in the particular branch that is working on this section, because presumably the same people are working on a response to the report and also on developing a green bill or a review of the act. There might be three questions there, Chair.

**The CHAIR:** Three separate questions. Go ahead.

**Mr D.A. TEMPLEMAN:** The local government section has what is called “Strategic Initiatives”, which relates to the development of policy around the new act. That is the equivalent of 12.8 FTE. But again, I need to remind the member that there would be times when expertise might be brought across to inform specific elements of the review process.

**Mr S.A. MILLMAN:** Minister, my question refers to outstanding community assets that we all enjoy in our electorates. I am talking here about local public libraries. I have both the Dianella Public Library and the Inglewood Public Library. Can I refer the minister to page 546, “Significant Issues Impacting the Agency”?

**The CHAIR:** Happy.

**Mr S.A. MILLMAN:** Happy? I am happy. It is a great library, Inglewood. The eleventh point on page 546 refers to the implementation of the WA public libraries strategy. Can the minister please explain what this issue entails?

**Mr D.A. TEMPLEMAN:** Yes. I have a particular interest in—as many people have—but also a keen concern about our ongoing support of libraries across Western Australia. The interesting fact is that during the COVID period, a number of our local libraries, sadly, were closed by many of our local governments, but we then saw a number of local governments, particularly with our State Library of WA, do some tremendous thinking outside the square and create initiatives such as the click-and-collect regime and mystery boxes of books and all those sorts of things. We cannot underestimate the importance of libraries, because there was a time, not that long ago, when there was talk about the demise of libraries because of the rapid evolution of technology. That has not been the case. In fact, our State Library has been experiencing an uplift in memberships. During the COVID period, 5 000, from memory, additional memberships took place. I think all communities now have an even greater understanding of the important role that local government and public libraries play.

The public library strategy, which the member is referring to on page 546, entails the ongoing strategic partnership between the state government and our public libraries throughout Western Australia, including, of course, the large number of local government libraries. It is the third state partnership agreement to be signed, and it is focused on the provision of library services. As the member may be aware, I appointed Hon John Day to chair the State Library board. He, the Premier, myself, Mayor Tracey Roberts, and Mr Jamie Parry, the president of LGPro, signed that in September. It maps out the collaboration going forward in how we deliver library services throughout the state. It is a very important strategy.

During the COVID period in WA, a community resilience scorecard study was undertaken. That collected responses from nearly 8 000 residents in 120 local governments in a four-week period during June and July. That was a critical period during COVID, as the member might be aware. That consolidated the understanding of the important role played by local libraries. That strategy will help guide us into the future with regard to library services. Library services will, of course, be challenged by the evolving technological changes, but, in terms of resilience, our libraries are particularly resilient institutions and very, very important community institutions.

[3.10 pm]

**The CHAIR:** Member for Moore.

**Mr R.S. LOVE:** I have a further question on libraries, and I have another question after that. I refer to page 557 and the first note under “Explanation of Significant Movements”, which I think is the explanation or refers to the situation that the minister has just outlined. Does this mean that the local government authorities have been gifted assets of around \$43 million, that being for the collection of books held in their libraries; and does that then mean that there is no longer sharing of resources between different isolated local government libraries?

**Mr D.A. TEMPLEMAN:** In terms of the gifting, I understand that is correct, and it is that figure that the member highlighted of \$43 million, or the value of the \$43 million asset. I might ask the director general to answer the second part of the question in terms of the logistics of what that means.

**Mr D. Ord:** Thank you. Yes, the book stock is traditionally depreciated over a three-year cycle, so obviously in passing over that asset value it is written down and then local governments achieve the funds by way of grant and continue to purchase the stock. This is part of a library management agreement that maintains support for regional libraries and the tradition of people being able to go to a library and order a book that is on demand. That is centralised through the State Library system. It identifies where that book is in the system and then makes it available to regional libraries. The interlibrary loan system continues. All that has happened is that instead of the state centrally buying the books for each local government, or a portion, progressively the state is becoming a lesser and lesser provider of those resources. That is why local governments sought to get it in the way of a grant so that they could match it with their own expenditure on library resources in a more efficient way. Centralised buying of books is today not as economically viable as it was in the early days. Libraries could literally buy cheaper from Amazon, I think, than they could from the central buying system. The interlibrary loan system continues. It is a question of where that library resource resides, and the libraries all committed to continuing to move it, because each library, whether it is metro, regional or remote, is potentially a beneficiary of the interlibrary loan service.

**Mr R.S. LOVE:** Further to that, in the future will there be no central support for the purchase of more books?

**Mr D. Ord:** Our larger metro libraries will largely purchase their own resources. For remote and regional libraries, there is a remote and regional library support program, and the State Library will continue to provide those services of purchasing if the remote and regional libraries require them. Many of them actually do like the library to make up a show bag, if you like, of materials for them because they do not have the expertise necessarily to put into looking at a good, balanced program. The library is very adept at also identifying Western Australian publishers and books—we have the nation’s only Aboriginal book publisher—and in making sure those sort of materials are incorporated and then circularised to communities. For instance, Indigenous literacy is in big demand. Sourcing the right kind of Western Australian content is really important to those communities. So, yes, where the system requires it, the State Library will continue to provide a centralised service.

**Mr R.S. LOVE:** Is a fund established to enable that to happen? Is there a finite resource or an allocation each year? Is there a contestable system? How is it determined which of the small libraries can apply? At which level is there a cut-off to say they can apply or they cannot apply?

**Mr D. Ord:** The State Library gets its appropriation, as it did before, for the purchase of library materials. It now allocates that between the library system. That includes, obviously, an allocation specific for remote and regional. Those sums are then either acquitted by way of a grant or are identified for a programmatic response to the regions. There is also a working group underneath the Library Board, which has on it Public Libraries WA and a number of other people with expertise. That determines and works on how that distribution happens. It is done co-operatively and on a needs basis.

**Mr R.S. LOVE:** I refer to page 549. The first item under “Service Summary” is regulation and support of local government. I am talking about the actual figures for 2019–20 and I guess also the estimate for the coming year. In the previous financial year, we had the local government statewide elections. Under the new mandated training system, local governments will be rolling out training. I think they have one year in which to complete their training. Is that correct?

**Mr D.A. TEMPLEMAN:** That is currently underway.

**Mr R.S. LOVE:** Can the minister please outline what tracking is taking place of the councils to ensure that the training is undertaken, and what resources are allocated to that? Is there any expense to the department in carrying out that requirement for training?

**Mr D.A. TEMPLEMAN:** Under the universal training regime, any local government or newly elected local government member from the last election, which was 2019, would be required to carry out the training modules. There are five, from memory, and they cover issues around roles and responsibility, budgeting and finance et cetera. The requirement is for them to carry that out. We have been in discussions with WALGA about effectively the monitoring of compliance with that, so what percentage of elected members in the 2019 cohort have completed it.

It varies from my last figures. I think WALGA is updating. There was a request, because we have almost reached the anniversary, I think from memory, of that election of 2019. My understanding is that WALGA is updating and preparing and has had some discussions with its member councils about the actual numbers. From my last look at the numbers, they vary. There was certainly not 100 per cent take-up, but we are waiting on those figures. I understand, director general, that we are waiting on an update from WALGA on the latest figures.

**Mr D. Ord:** Which would explain what percentage of completed—

**Mr R.S. LOVE:** Why are we waiting on WALGA for the answers there? Why is the department as the regulator not aware of that? Is that because WALGA is the sole training provider, or are there other training providers?

**Mr D.A. TEMPLEMAN:** No, it is not the sole training provider.

**Mr R.S. LOVE:** Is the department actively monitoring the situation or—

**Mr D.A. TEMPLEMAN:** We are, remembering that WALGA ultimately was a strong supporter of the universal training regime. My personal view is that it is in the interests of all local governments that the universal training regime is carried out in good faith, because we want to see local government elected members charged with the latest and best information so that they can carry out their important role. We only need to see recent CCC reports and inquiries to know that there are concerns and issues about elected members understanding their role and responsibility vis-a-vis the role and responsibility of a CEO or a paid staff member of a council. So the training regime is an important one, and we are encouraging the uptake of that. The elected members whom I have spoken to who have completed the training—I saw one only the other day coming out of Parliament, actually, the member for Collie–Preston, and he said he was challenged about the training. However, he completed it. It was online. I would hope that, in good faith, people understand the reasoning behind having a universal system.

[3.20 pm]

**Mr R.S. LOVE:** Can the minister inform me how many training providers there are, and what steps were ascertained to ensure that the training was sufficient to meet the department's requirements?

**Mr D.A. TEMPLEMAN:** There are three. They are WALGA, and two TAFE establishments. The content, if you like, was devised within those five key themes or parameters. It was designed to be not overly onerous, but complex enough for a local government elected member to have an enhanced understanding of those five elements as they impact on them in their capacity as a decision maker. It is a competitive regime between those three providers, and there is choice. Local governments have exercised their choice of those three providers.

**Mr D. Ord:** I can add that because the content that they are providing was department content, they are providing the rates of enrolment and completion. Therefore, we have a direct ability to monitor the take-up rates. We are also being contacted by local governments which have members who for various reasons will not be likely to complete the training; and, if the reason is reasonable, we have been understanding of that. Given COVID, there are a number of people who were interrupted because they had to get on to other duties. They are clearly attempting to complete within the 12 months, and we think that in the circumstances of this year it would be reasonable to give some latitude to people who are nearing completion but have not quite completed. At this stage, the minister has indicated that members are overall pleased with the availability of the training, that it is available both face to face in regional and metro, as well as online, and that the content is relevant. It was focused heavily on the governance elements of being an elected member. There have been some suggestions that new units be developed to cover the role of local government planning, as members feel that further training in that regard would be advantageous. Therefore, further development of units might take place beyond this initial period of time. In terms of assessing the effectiveness versus breaches of the act or complaints to standards panels and the like, we will certainly be assessing whether people who have completed the training are less likely to incur minor failings of governance, which would obviously be the intent of the reform.

**Mr D.A. TEMPLEMAN:** Madam Chair?

**The CHAIR:** Yes, minister.

**Mr D.A. TEMPLEMAN:** Just for interest, the member for Nedlands asked about the costs for the review panel. I was aware that was actually a question from the member for Moore on 16 June—it was PQ 6222—and we have answered that. The total cost for the Local Government Act review panel was \$65 630.

**The CHAIR:** The member for Nedlands has the floor.

**Mr W.R. MARMION:** Thank you, Chair. I refer to page 549, “Outcomes and Key Effectiveness Indicators”. My final question is on the first outcome, just to wind it off. I know it is a new effectiveness indicator, and it is always hard to come up with a service indicator for the first time. I would like the minister to explain how this actually measures the effectiveness of this service. I have worked at the Auditor General and assessed these myself and also had to—

**Mr D.A. TEMPLEMAN:** Mr Ord can probably answer—

**Mr W.R. MARMION:** This is one I think the minister might want to have another look at.

**Mr D.A. TEMPLEMAN:** I am happy for Mr Ord to respond to that probing question from the member for Nedlands.

**Mr D. Ord:** Member, it has taken two years to work with the Office of the Auditor General and to agree on this. The previous measure was actually related to the number of local governments that had an action taken against them. Of course, that rather encouraged the department to do nothing in order to meet the measure, which is a worry, or not.

**Mr W.R. MARMION:** Or not, correct.

**Mr D. Ord:** So, needless to say that was not considered to be necessarily a sign of effectiveness. For a substantial number of local governments, actions were taken in support of compliance. That is really related to the proactivity with which the Office of the Auditor General is seeking for us to work, in support of its function now of auditing local government. It is, of course, auditing performance and finance measures in local government. Its belief is that the department should be proactive in providing services in support of measures that it identifies. This 40 per cent was identified based on the audits of the last couple of years by the AG as being appropriate—if we could show that we were engaged with 40 per cent of the local governments in support of strengthening their governance and performance, it would indicate that we as an agency were doing our job. Clearly, if we were engaged with less—there are 137 of them—the concern would be that by not being engaged, we may be letting the sector down. So, essentially, that is how this number has been arrived at.

**Mr W.R. MARMION:** The sentiment is right. The problem is the word “action”. It does not define what the action is. If the action is related to, say, an Auditor General’s report, that is probably a bit more defined. An action could be a phone call, which would be terrific. In fact, if someone rang up a local authority with a problem and it could be answered with a phone call, terrific. If it has to be answered through an inquiry, it is not so terrific. The action can be minimal, or great, in terms of effort, but the outcome we want is a good outcome for the local authority. The sentiment is heading in the right direction but I think it needs to be more defined. That is my comment anyway.

**Mr D.A. TEMPLEMAN:** Mr Ord is keen to respond.

**Mr D. Ord:** The Auditor General is insistent that we evidence actions. In this case, we would expect that we would be able to document the action related. It might be correspondence entered into over a matter. We get a lot of people asking for advice on a particular part of the act, and we would reply in writing generally to such replies. There have been a lot of informal matters between the Department of Local Government in the past that were never recorded. That probably has not helped give the Auditor General comfort that the agency is doing its job. He does require us to actually establish that it is a formal action, and it would take many different forms, from an officer visit to an inquiry, a response to the integrated planning reporting, a response to annual reports—all sorts of matters—but they will have to be tracked and logged so that they can meet this KPI.

[3.30 pm]

**Mr P.A. KATSAMBANIS:** I refer to page 544, item 79, the Western Australian Museum Boola Bardip. I note that last year in estimates the minister suggested that it was expected that 300 000 to 500 000 people would visit the new Museum in its first year. The minister subsequently announced free entry for the first 18 months, which is appreciated and welcome. Given that we are living through the COVID pandemic and the associated restrictions, has that number been revised in relation to the anticipated visitors for 12 months? What are the numerical restrictions likely to be in both stage 4 and stage 5 restrictions for visitation to the Museum?

**Mr D.A. TEMPLEMAN:** I thank the member for the question; it is an important one. As the member knows, the new Museum, Boola Bardip, will open on 21 November and effectively under phase 4 restrictions. The projected numbers, of course, are influenced by the fact that the government has determined that admission will be free for the first 18 months, and obviously that will be monitored very closely, but influenced by any COVID-related requirements. The design of the new Museum actually does allow strong visitation numbers because of the nature of the footprint of the actual Museum itself. As members are aware, there are art galleries and large connecting spaces, so the capacity to deliver to a COVID-safe plan is within the consideration of the operation of the new Museum. I will ask the director general to make perhaps a comment about the ongoing review of potential numbers, but we expect that under a phase 5 situation there would be close to the expectation of those numbers that were previously recommended.

With the opening, for example, we have got a nine-day festival-related opening regime from 21 November to the end of November, and under the COVID safety plan has been designed to allow people to go through in numbers that will have them experience the galleries, but not in a free-for-all situation. We are going to monitor that over that nine-day period and we would expect that those arrangements in terms of numbers being carefully controlled under a COVID-safe plan, will continue up until certainly in towards Christmas. But of course if we enter phase 5 any earlier, then that opens up the Museum to even greater numbers. Bearing in mind as said, the footprint of the Museum is quite unique in that it is a space that can accommodate even under the two square metre rule, significant numbers at any one time. But that has got to be carefully monitored over the period from opening, through to the next phase. I will ask the director general just to make a comment about the modelling of numbers under various scenarios.

**Mr D. Ord:** Thank you, minister. To manage the COVID situation we have put in a ticketing system for the new Museum. Even though it will be free, people will require a ticket to attend. Recognising strong public interest, we ran a ballot for the nine-day festival and we had over 75 000 people seek to take up that offer, which indicates that

the numbers that we are predicting for the first 12 months we should achieve comfortably on the enthusiasm of people to come and see the Museum. The Museum will use a timed visit strategy to get numbers through, so although the numbers in the building have to fit the two square metre rule under phase 4, we are managing that through ticket allocations with a period and we will therefore get a number of visits through in a single day based on a periodic time-based ticketing allocation.

At this stage, we would be expecting the Museum, as I said, to meet its targeted numbers. The Museum is so large that the two square metre is probably pretty close to normal capacity in reality. The difference is obviously that we are going to manage ingress, egress, and the numbers of people in any particular gallery at any particular time through the flowthrough model we have arranged for the managing of operating in a COVID-safe way.

**Mr P.A. KATSAMBANIS:** What is the magic number under the two square metre rule and what would the magic number be if that rule was not there?

**Mr D.A. TEMPLEMAN:** It is a good question.

**Mr P.A. KATSAMBANIS:** It is also a fair question because you are venue managers.

**Mr D.A. TEMPLEMAN:** I do not have the exact square metreage of the total footprint of the Museum including its open spaces and the sitting room down below.

**Mr D. Ord:** The Museum will have those numbers.

**Mr D.A. TEMPLEMAN:** Yes, the Museum will have those numbers. We are happy to provide that.

**Mr P.A. KATSAMBANIS:** So, can we take that as supplementary information?

**Mr D.A. TEMPLEMAN:** Just an example, the city room, which is the large space that leads to the old jail, under COVID phase 4 can accommodate 500 under the two square metre rule. To answer the question of the member, I am happy to provide supplementary information with regard to the maximum occupancy of the Museum under modelling for phase 5.

**Mr P.A. KATSAMBANIS:** And phase 4.

**Mr D.A. TEMPLEMAN:** Phase 4 and phase 5. We can provide that.

*[Supplementary Information No B5.]*

**Mr P.A. KATSAMBANIS:** On page 559, under service 13 “Public Sites, Public Programs and Collections Accessed On-site” there is a list of full-time equivalent employees and between 2018–19 and 2019–20 that grew from 71 to 84, and then it grows significantly in 2020–21 to 127. Is that an indication of the additional staff required for the WA Museum, or is there another explanation for it?

**Mr D.A. TEMPLEMAN:** Effectively it is all new Museum staffing, so those additional FTEs are to staff the new Museum.

**Mr P.A. KATSAMBANIS:** Boola Bardip—the minister might pick where I might be coming from on this one. A long-term exhibit that has been held by the WA Museum is going to be enhanced and that is actually a plaster-cast model of a significant portion of the Parthenon Frieze. I think it is recognised as the most complete copy of the Parthenon Frieze that exists in one place. Thanks to the minister, who has provided both briefings and visits for me and the member for Mount Lawley and others, I know that that frieze has been worked on and has been looked after and improved. Can the minister or the director general outline the intention in relation to display of that frieze? How is it going to be displayed and what leverage is it likely to be used in order to attract more visitation to the Museum, perhaps in the future from overseas and interstate?

[3.40 pm]

**Mr D.A. TEMPLEMAN:** To answer the first question, as the member is aware, the frieze features prominently in the Jubilee Building, which of course has been extensively restored. It is a heritage building, and it lines, if you like, the upper part of the Jubilee Building. It has been enhanced in terms of its display, and also interpreted, so there is an interpretation that is available for those people who come into the Museum. It will add to a number of exhibition assets of the new Museum Boola Bardip that we will be able to showcase to not only Western Australian and Australian visitors but international visitors when it is safe for them to come. It is also an important element of the worldly aspect of some of our exhibition pieces that the Museum of Western Australia is custodian of. The member is right, it is an opportunity that can be exploited in the positive context for showcasing to international visitors in particular. Of course, given that it is obviously a strong Greek influence, it is an important element of our multicultural Western Australia. I want to highlight that the Boola Bardip is very much a museum that showcases the stories of Western Australia in all of its contexts, including of course the very rich Indigenous history of Western Australia, but also the celebration of the very multicultural nature of the Western Australian population, and the history of migration in our Western Australian history is very, very prominent.

**Mr P.A. KATSAMBANIS:** Just on this issue —

**Mr D.A. TEMPLEMAN:** The member is very passionate about these.

**Mr P.A. KATSAMBANIS:** Yes, we are.

We have discussed this issue before about the opportunity to leverage perhaps loan exhibits from other museums, particularly the many museums in Greece. Has any further work been done on that? I know it is a difficult time with travel, but again I repeat my offer through my capacity as president of the World Hellenic Inter-Parliamentary Association to assist with my contacts within the Greek government, and generally within those museum spaces, to enable an exchange where I think it is just as valuable as bringing pieces here to exhibit to move and exhibit our own wonderful history, including our Indigenous history internationally, especially at those very heavily visited museums overseas. So, again, has any work been done on that?

**Mr D.A. TEMPLEMAN:** One of the great advantages of the new Museum for Western Australia is, of course, that we have a temporary exhibition gallery in the new Museum that will be able to showcase touring exhibitions. Those sorts of exhibitions will be paid ones, where people will be able to go and see exhibitions that might be toured from the British Museum, for example, or other museums from Europe, or other parts of the world. Mr Coles, who is the director of the Museum, of course is a former British Museum curator, I think from memory, and so our Museum is within a network of international networks that look at the touring of major exhibitions that are of world class and world status. Yes, we would be happy to take up the member's offer as an ambassador of the Hellenic association that he represents.

**Mr P.A. KATSAMBANIS:** Hellenism, yes.

**Mr D.A. TEMPLEMAN:** I am sure that we will announce soon the first of the temporary exhibitions for next year. But the scope for our Museum to showcase Greek artefacts, for example, Roman artefacts, or world Indigenous artefacts will be absolutely possible and part of the programming of the new Museum going forward.

**Mr P.A. KATSAMBANIS:** Perhaps we will talk offline about that.

**Mr D.A. TEMPLEMAN:** I know the member is very passionate about it.

In terms of the capacity of the Museum under phase 4—this is the same as for phase 3—the Museum is constrained by building and fire regulations which are not code-related, but are associated regulations. That total number is 2 500, so it is very significant.

**Mr P.A. KATSAMBANIS:** That is under phase 4?

**Mr D.A. TEMPLEMAN:** Yes.

**Mr P.A. KATSAMBANIS:** How about under phase 5?

**Mr D.A. TEMPLEMAN:** Under phase 5 it is 2 500.

**Mr P.A. KATSAMBANIS:** It will be the same.

**Mr D.A. TEMPLEMAN:** Yes.

**Mr R.S. LOVE:** I refer to service 3 on page 553, "Asset and Infrastructure Support Services to Client Agencies". I have no idea what this section refers to.

It seems to be a new allocation. Could the minister explain the purpose of this support service?

**Mr D.A. TEMPLEMAN:** The department provides asset maintenance functions to the Culture and the Arts portfolio and the buildings it directly manages. A majority of the 64 buildings are heritage-listed so obviously there is ongoing asset and infrastructure services required to maintain those buildings. The department primarily delivers this service through the Department of Finance's maintenance service arrangement. The member may be aware that the department has recently taken on responsibility for additional assets in recent years, including the Perth Cultural Centre. Previously, the Metropolitan Redevelopment Authority oversaw the Perth Cultural Centre—that is now the department's responsibility and realm—and also the old Sunset Hospital in Nedlands. The asset and infrastructure support service maintenance programs continue to address issues on those sites and they include compliance, safety and functionality for their continued use. So that is what that refers to.

**Mr R.S. LOVE:** Would the minister be able to provide a more detailed breakdown of the spending of that particular service area by way of supplementary information?

**Mr D. Ord:** We can provide it. Maybe I will answer the question. Yes, the asset maintenance division has that as the headline budget. Underneath that is a committee which has a various portfolio with the Perth Theatre Trust, the Art Gallery, the State Library, and the Museum on it, and of course we administer a range of buildings, places, on behalf of the minister. We have some 64 different buildings in the cultural portfolio. They establish an annual maintenance budget, so a strategic asset management plan is put in to Treasury every year and underneath that is the maintenance program. The maintenance is prioritised based on critical needs and then works programs are established under that.

As the minister indicated, we are part of the CUA through the Department of Finance, so there is a company that does small level property maintenance, minor electrical work, plumbing and the like, and then more major works,

such as the replacement of particular pieces of equipment or a lift facility, something like that, or a membrane on a roof will be contracted out by way of tender through the maintenance division going to contract. So we can provide the budget.

**Mr D.A. TEMPLEMAN:** I am happy to provide the member for Moore supplementary information that outlines the asset and infrastructure support services to the assets overseen by the department.

*[Supplementary Information No B6.]*

[3.50 pm]

**Mr Y. MUBARAKAI:** A final resting place for a loved one is a very emotional journey for Western Australian families. Page 546, part 2, refers to a combined review of the Cemeteries Act and the Cremations Act, and it is quite interesting. Could the minister please provide us with information about this project and its review process and what it entails for all Western Australian families?

**Mr D.A. TEMPLEMAN:** I am pleased the member asked this question. As he is aware, the department oversees through the Metropolitan Cemeteries Board a range of cemeteries, including Karrakatta Cemetery which, of course, has been utilised for a significant period of time. The current acts that oversee, if you like, issues around burial services and issues associated with a person's passing are essentially governed through the Cemeteries Act 1986 and the Cremations Act 1929. They have not been substantially reviewed since their passing through the Parliament. We do know that circumstances and issues, whether they be cultural, whether they be religious, whether they be the will of families, have actually changed over time.

In recent months I announced a review of the Cemeteries Act and the Cremations Act because there are elements of both of those acts that need to be carefully considered. The aim is that the legislation or the review will undertake some key issues—whether there is adequate regulatory oversight to support a private cremations industry, because there has been a move for private entities to move into that particular aspect of cemetery and cremation operations, and to ensure that regulatory oversight provides the community with confidence that cremations are conducted to the highest possible standards, because as the member said in his preliminary comments, these are matters that are very sensitive for people. When a loved one passes, obviously a family, that person's loved ones, are dealing with a very emotional period of their lives, and we need to have confidence that the highest possible standards are delivered to the families and, indeed, to the deceased. We also need to ensure that regulatory oversight and powers to provide for the creation, monitoring and enforcement of industry standards and codes of practice and mechanisms to protect consumers from unscrupulous operators also is considered.

We need to make sure that the existing acts are fit for purpose for modern Western Australia. We do draw on the experiences of other operations, both nationally and internationally, and it comes to that other issue which I know has some community sensitivity, which is around the renewal program which operates at this point in time through Karrakatta. A renewal program essentially is a program that extends the capabilities of Karrakatta to continue as a cemetery. In other words, it utilises space within the cemetery under a renewal program. Groups such as Saving Graves WA, Facebook organisations and entities raise this issue continuously with the Metropolitan Cemeteries Board, and have raised it with ministers of local government, current and previous. But we are actually reviewing the act now, and it includes that renewal program.

There are some implications if the renewal program was to be ceased totally, and those implications would effectively see Karrakatta as we know it closed. That is a reality of ceasing the renewal program. If we were to cease the renewal program as of today, unless someone has actually purchased a plot and that plot still exists or exists for their demise, there would be no further activity within that—it would become effectively a closed cemetery. There is still some room in the mausoleum aspects of Karrakatta Cemetery, but effectively that is what would happen. There are implications for that. There are implications in terms of jobs; there are implications for businesses that rely on the Karrakatta services to continue. I know this is a longwinded answer, but it is important to get this on the record: there are also implications for, of course, heritage and historic graves and important gravesites, such as those men and women who served the nation in conflict. A memorandum of understanding exists between the Metropolitan Cemeteries Board and the Office of Australian War Graves, which is a commonwealth entity. It is a very important memorandum because there are very clear processes that are in place with regard to returned service personnel. Some of them in the past who may have been buried at Karrakatta have actually been relocated with the family's support to the Australian war graves site that exists on Smyth Road in Nedlands.

I hope that those people who are concerned—I do not have a gripe with them in terms of their concern—would take this review in good faith and that they would actually participate in the review in terms of the issues that they have concern about, because a lot of misinformation, I have to say, has been unfortunately heightened and, in fact, impacted on people's lives unnecessarily because there has not been clarity and misinformation has been put out there. The review is going to take place; it has commenced, and I am confident that the issues around renewal, the issues around how we sensitively and respectfully address issues around burial, cremations, going forward for Western Australia are done in that sensitive and appropriate way and that issues around cost and all those things, which are indeed important issues for people and for families, are considered as part of that review.

**Mr W.R. MARMION:** I congratulate the minister on doing a review; it is a very good idea. It is an opportunity for people to voice any concerns. One of the concerns the minister touched on was the MOU for the commonwealth, which I have been advised means that the commonwealth will maintain war graves. I am not sure if that is what it says, but that is what I have been told. But an issue that I hope the review looks at is the ongoing maintenance of Karrakatta Cemetery and the graves. One component of that would be war graves. If they are actually maintained by the commonwealth, that would be terrific, so they will be looked after. But I guess the ongoing maintenance of headstones is an issue that will come up in the review. They are historic as well and I think a lot of people are having renewed interest in headstones because they are looking at their ancestry and looking at their family and they want to have a photo of the headstone. That is, I think, a renewed interest. I hope the review, which is a cost, looks at how we can keep all cemeteries maintained, including the headstones. There are some elements of Karrakatta where the headstones are very old and they are not looked after and there are trees growing through there and branches and shrubs. The review needs to consider the ongoing maintenance of the whole cemetery. Can the minister comment on that?

**Mr D.A. TEMPLEMAN:** Yes, I am happy to do that. As we know, and as has existed for a long time, the current arrangement for the time in which a plot is effectively owned and available is a 25 year —

**Mr W.R. MARMION:** Twenty-five plus 25, I think.

[4.00 pm]

**Mr D.A. TEMPLEMAN:** Yes. Ultimately the argument is who pays or who should pay? If the member is suggesting that the government or the taxpayer should pay for everyone's ongoing maintenance of monument works —

**Mr W.R. MARMION:** No, I am suggesting the review should consider.

**Mr D.A. TEMPLEMAN:** I am not saying that is what the member is suggesting, but it does come back to this issue of ultimately who is responsible or should be taking responsibility. In terms of the gardens, grounds and those matters, the MCB continues to do that, but as we know, gravestones and monuments deteriorate over time. If that person is considered significant, then there is an issue about who ultimately should, in perpetuity, continue to uphold the state of that particular monument.

**Mr W.R. MARMION:** Like East Perth Cemetery, for instance—that whole cemetery is historic.

**Mr D.A. TEMPLEMAN:** Yes, because it is a heritage-listed site and the National Trust is responsible. But I think there is an important debate that needs to take place about ultimate responsibility. One of the challenges is the enhanced interest in genealogy, in people seeking their family histories and all those sorts of things, and naturally a cemetery is a very important place. The MCB has a very strong presence in the digital area in terms of digitalising the records and/or the plots, if you like, of people which is then open and accessible to the general public if they are researching the family or seeking to find out where a loved one or a family member in fact rests. This is what I suppose particularly those people have been campaigning for, and in some ways I and previous ministers have been targeted. I hope that the passion is targeted towards a genuine participation in the review, and that it is done in a way that focuses on what are the solutions. But there are implications and, look, internationally when we compare what happens in Western Australia to some of the other countries. The member for Hillarys has Greek ancestry. It is interesting to look at what happens in the cemeteries in Greece, for example. Quite often, my understanding is, there is a removal of a lot of those remnant memorials and some places around the world do that regularly because once that time is up —

**Mr P.A. KATSAMBANIS:** Since the minister is asking questions instead of providing answers, that is not technically quite right, because prior to the removal, axiomatic to burial is exhumation of the bones and storage offsite from the burial plot.

**The CHAIR:** That would be the member for Hillarys asking another question.

**Mr P.A. KATSAMBANIS:** I was goaded!

**Mr D.A. TEMPLEMAN:** I suppose the point I am making is that the approach to and perception and management of cemeteries differs, even within Australia. Other states and jurisdictions do it differently from how we do it here. Of course, the other thing is that even with renewal, Karrakatta will eventually reach finite capacity, which is why the Metropolitan Cemeteries Board is planning for additional cemeteries in other parts of, in this case, the metropolitan area. Sites are actively being pursued in the south east metropolitan area and further north, I think, in the north east area. It is a fascinating area.

**Mr D.T. PUNCH:** It is a grave area.

**Mr P.A. KATSAMBANIS:** Given that discussion, has any consideration been given to introducing some of the ways that other cultures deal with the need for burial, and then renewal of the site? Clearly, in my religion, burial is the preferred and customary option. For instance, families can exhume remains and store them elsewhere, usually adjacent to the cemetery, allowing the family to re-use a plot as a regular family plot with appropriate memorialisation. Is that something that could be considered to extend the life of cemeteries like Karrakatta in the future? I am not asking the minister to commit on the spot, obviously.



**Mr D.A. TEMPLEMAN:** I think it is very open for the review to consider those alternative ways of extending, dare I say, the life of a plot. I think the review is very timely. It will give us an opportunity to reflect on and question a whole range of issues associated with what is a significant part of the life cycle. I want it to be a review that engages all aspects. Australia is multicultural. The current act essentially does not take into account more modern methods whereby people want to, for example, be returned to the soil with a tree. I have seen some interesting models proposed that use the human body to nurture a tree. There is a whole range of things for which the act is essentially not fit for purpose. Yes, I am sure we could consider the member's suggestion in this review process. I just hope it is done in good faith.

**Mr P.A. KATSAMBANIS:** It is a suggestion rather than a recommendation.

**Mr D.A. TEMPLEMAN:** I look forward to the member's submission.

**Mr R.S. LOVE:** I have no understanding about the situation at the Art Gallery of Western Australia, but an article in *The West Australian* on 18 October pointed out that a significant percentage of the collection is being stored offsite in rented accommodation, so to speak. It also reported that there is some concern about the risk to the collection, and referenced the art gallery's annual report. Has work been done to minimise the risk to the collection, and is there any move to seek a long-term solution to that situation?

[4.10 pm]

**Mr D.A. TEMPLEMAN:** I am happy to comment, and I am sure the director general will be able to provide some additional comments. We have a substantial state collection. It is an asset to the state and it needs to be appropriately and safely stored. Currently, a significant part of the state collection is stored within the confines of the art gallery itself. That is not necessarily ideal, but it is safe, because, as members will be aware, the gallery, by its very nature as an A-class gallery, is a storehouse because it is an exhibit house. Our state collection is safe; however, the department, the director general and I as Minister for Culture and the Arts recognise that it is highly desirable to find appropriate long-term storage facilities outside of the gallery, because that would open up the space in the gallery that is currently being taken up as storage.

In terms of progressing an option, ongoing work is being done on that. The options will be subject to business cases and a submission to Treasury and ultimately to government. I want to reassure members that the state collection is safe; however, we recognise that we have a requirement for more adequate future storage. We have looked at some options, including the storage facility for the Western Australian Museum, which is out in Welshpool. There is some potential to use that facility, as a lot of the artefacts and assets from there have now gone to the new Museum. I will ask the director general to add to my comments, if he is able to.

**Mr D. Ord:** Thank you, minister. One of the KPIs in the *Budget Statements* is around the art gallery maintaining its standard of storage. That relates to the conditions in which art is stored, because whether it is stored onsite at the art gallery or offsite, it has to fit within that parameter. We meet that outcome annually, so we are ensuring that the artworks are kept in an appropriate A-class gallery and maintained to the highest standards. When it was built, the art gallery was provided with storage for its collection, but that collection has grown significantly to nearly 19 000 objects. As a consequence, we are using some spaces that were previously used for exhibitions for storing works. We have a plan to undertake a new storage solution for the art gallery and we have completed a business case for that. A previous government purchased the site at Welshpool for the holding of state collections. Of course, we have had to use that site to hold the whole of the collection that was previously in the Perth Museum. An opportunity to potentially utilise some of the Welshpool collections area for art gallery storage will become available once the new Museum opens and a significant amount of the collection is moved into Perth. In the following budget, we will be able to put forward a business case taking into account the fact that we will be able to progress a storage solution of that type, so we will certainly be in a position to bring such a proposition to government. In the meantime, as the minister said, we are maintaining the collection in appropriate storage.

Some of the Auditor General's reports on the matter related to the gallery's ability to deal with the ongoing maintenance of the collection, and the recommendations made by the Auditor General around a more organised program of maintenance of the collection have actually been put into effect. Although these matters were picked up by the Auditor General some 18 months or so ago, they have already been largely addressed. The final part of the recommendations is to provide long-term adequate storage facility for the collection; however, certainly, at the moment, we are confident the collection is appropriately stored and secured.

**Mr P.A. KATSAMBANIS:** I refer to page 544 and "Delivery of Services" in particular the line item for Perth Theatre Trust. I note that there was a significant increase between the budget allocation and the actual spend for the Perth Theatre Trust in the 2019–20 financial year; it was up 26 per cent from 9.2 million to 11.6 million. There is then a further increase in the current year of about nine per cent to 12.7 million, but there is a significant 40 per cent reduction in each of the out years. Can the minister explain that increase and what it relates to, and why there is a significant decrease in the out years?

**Mr D.A. TEMPLEMAN:** I am happy to do that. As the member is aware, Perth Theatre Trust operates a range of cultural institutions, and, of course, whether it be His Majesty's Theatre, for example, or the State Theatre Centre of Western Australia, those institutions were impacted by COVID. The increase in the actuals was due to the

supplementary funding received by the trust to cover the loss of own source revenue, because, obviously, during the COVID pandemic, there was a significant loss of own source revenue. At that time, all those venues were closed, and even under phase 4—not 4A, which we have just moved to, which increases the capacity to 60 per cent—the two-square-metre rule was imposed, which meant that those venues were operating on vastly reduced numbers, which, of course, impacts on revenues. The pandemic response has been delivered, which is why there is an increase. As members are aware, when audiences are restored back, Perth Theatre Trust will again have a revenue stream. The budget estimate for 2021 includes additional funding to cover the expected loss of own source revenue during the pandemic. It is very much related to COVID-19. As we move out of that situation, the revenue streams that Perth Theatre Trust relies upon are expected to recover. Member for Dawesville. Sorry, Mr Ord.

**Mr D. Ord:** Yes, thank you. I am very proud to have been elected; thank you, minister! The decline from, if you like, \$9 200 to \$7 500 reflects that from 1 December this year, the new Perth Theatre Trust operating model will come into effect. That is essentially creating a not-for-profit representing all the resident companies. It will operate His Majesty's Theatre, the State Theatre Centre of Western Australia and the Subiaco Arts Centre, similar to the way that WASO and WA Venues and Events operate concert halls. It has been a very successful model. Revenues that would normally accrue to the trust that are actually company revenues—they come into the state books and get paid out again—are not reflected. This shows the actual appropriation for managing and/or owning those venues on behalf of the government.

**Mr W.R. MARMION:** Just for clarification, I refer to page 544 and the overall allocation of funds to deliver services. I guess my question fits under either under the item “Western Australian Museum”, or the item “Library Board of Western Australia”. I refer to the allocation of funding for the Royal WA Historical Society, which is a library and museum that can hold a substantial collection of heritage artefacts, books and essential Western Australian history. I would like a general comment from the minister on what sort of support the government is providing. That is not the only museum; there are all sorts of museums all over the state. There is the Western Australian Medical Museum. I note from page 545 that there is also an allocation of \$6 million for a holocaust museum. Could the minister explain how other museums might get an allocation of funding; and, in particular, any support that the Royal Western Australian Historical Society in my electorate could get in the future.

[4.20 pm]

**Mr D.A. TEMPLEMAN:** I will make some general comments, and then the director general may wish to conclude on this item. When we came to government, one thing we did through the Western Australian Museum was fund a program of digitalisation and essentially capturing the collection of agencies throughout Western Australia, whether they be small museums or collection entities in rural towns or larger entities in perhaps regional cities or regional places. There has been an ongoing program to assist in the training of volunteers and also to assist those entities to capture their artefacts and assets digitally. That delivery continues to be progressed. Essentially, that means that if a collection agency has migrated its assets onto a digital portal, anybody anywhere can access this program and find out what sort of artefacts might be in the Norseman Historical Museum, for example. There are some very, very impressive museums in WA; for example, Wagin has a remarkable village-style museum that has a whole range of collections from that area. That is one way in which the WA Museum has sought to assist those collection agencies. In terms of direct funding, there are opportunities through other funded agencies such as Lotterywest to assist organisations such as the Royal Western Australian Historical Society, which is on Broadway in Nedlands, from memory, and which I visited early on when I became Minister for Culture and the Arts. There is also an allocation of \$150 000 for a pilot for the WA storage grants program in the 2020–21 financial year, and this may inform a broader initiative in the lead-up to the 2020–29 bicentenary. I understand that in 2019, the Royal Western Australian Historical Society developed a feasibility study and business case for the redevelopment of its existing facilities in Nedlands and that this received some Lotterywest support, so that organisation has already accessed some support.

**Mr W.R. MARMION:** It is ready to go.

**Mr D.A. TEMPLEMAN:** I have seen its collection and I am impressed.

**Mr W.R. MARMION:** Yes, it is fantastic.

**The appropriation was recommended.**

**Division 44: Planning, Lands and Heritage — Service 3, Heritage, \$14 525 000 —**

Ms L.L. Baker, Chair.

Mr D.A. Templeman, Minister for Heritage.

Mr V. Davies, Acting Director General, Heritage and Property Services.

Ms A. Siew, Acting Assistant Director General.

Mr M. Hanrahan, Chief Finance Officer.

Mr G. Hamley, Chief of Staff, Minister for Heritage.

[Witnesses introduced.]

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

The minister may agree to provide supplementary information to the committee, and I ask the minister to clearly indicate what supplementary information will be provided. I will then allocate a reference number. Supplementary information should be provided to the principal clerk by Friday, 30 October 2020. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge that through the online questions system.

The member for Hillarys.

**Mr P.A. KATSAMBANIS:** I refer to pages 743 and 744, the total cost of services of the Heritage Council of Western Australia, and then the explanations of significant movements. I note that both the cost of services and the income generated from those services has reduced significantly between budgeted and actual, and it is the same for this coming year. The explanation states —

The decrease in Total Cost of Service ... is due to the Heritage Works program, which has encountered various delays and feasibility issues during the year resulting in no expenditure being incurred in 2019–20.

Can the minister explain what those various delays and feasibility issues were, and whether they will be ongoing into 2020–21 and beyond?

**Mr D.A. TEMPLEMAN:** I thank the member for the question. I believe that the member is referring to note 1 under "Explanation of Significant Movements". I will ask Mr Davies if he can make some comment in answer to your question.

**Mr V. Davies:** Thank you. A number of projects were identified for the heritage works program in the previous budget. There were some delays and some projects did not get done. Through the heritage works program, essentially, we are doing works on state-owned places on the register that are administered, owned or managed by other departments. There are a variety of reasons a number of those projects do not get done. It may be the other department's capacity, willingness or appetite to get the works done. Those departments obviously have asset sales programs that they need to carry forward, and the assets that we identify might not match up with their asset sales program, so sometimes it is just a timing issue. The three projects that we had identified were exactly that—there were issues around the timing of those.

[4.30 pm]

**Mr P.A. KATSAMBANIS:** Are we able to get a list of those projects, or can the adviser tell us what those projects were?

**Mr V. Davies:** There were three projects.

**Mr D.A. TEMPLEMAN:** We are just seeking out the three projects that were impacted.

**Mr V. Davies:** Sorry, it was two projects. It was Maylands Brickworks and the Highgate ventilation stack. An amount of \$1.1 million was identified for Maylands Brickworks and \$480 000 was identified for the Highgate ventilation stack.

**Mr P.A. KATSAMBANIS:** Does that account for the reduction in income as well? There is an anticipation that there will be a contribution to the upkeep from the agency responsible for those and some contribution from the Heritage Council of Western Australia; is that a fair explanation?

**Mr D.A. TEMPLEMAN:** Yes.

**Mr W.R. MARMION:** I refer to page 741 and the total appropriation for heritage. I refer to heritage buildings, and I am specifically thinking of Harvey House, which is shown on the \$50 note. Was there any involvement by the Heritage Council of Western Australia to support its famous turrets? Harvey House is on Department of Health land, but it is a very significant building. Some funding has been allocated. Was that funding allocated through the Heritage Council or the health department?

**Mr D.A. TEMPLEMAN:** The member is referring to Harvey House, which of course sits within the confines of King Edward Memorial Hospital for Women. I am not 100 per cent sure of the site's current status. My understanding is that it is on the register, but I do not know which register; I am not 100 per cent sure whether it is municipal or state. I ask Ms Siew to respond to the question on Harvey House.

**Ms A. Siew:** Harvey House is part of the registered curtilage of King Edward Memorial Hospital. In terms of grant funding, which I believe was the member's question, the land is not owned by the Heritage Council or the department. I believe the Department of Health is managing that at the moment.

**Mr W.R. MARMION:** I refer to the adviser's expertise. Did she have any involvement or support the Department of Health in allocating the substantial funds to preserve the historic facade of Harvey House?

**Mr D.A. TEMPLEMAN:** I am happy for Ms Siew to respond to that question.

**Ms A. Siew:** Through the department's heritage officers, we provided some heritage expertise and advice.

**Mr P.A. KATSAMBANIS:** I refer to page 751 and the National Trust of Western Australia.

**The CHAIR:** That is a bit later. You are as enthusiastic as I am, member for Hillarys, but it is too soon.

**Mr W.R. MARMION:** I am very interested in the expenditure on the Sunset Heritage Precinct. I know that there was previously a revenue source through, I think, one of Andrew Forrest's foundations. Has that revenue source stopped, and what is the future for Sunset hospital?

**Mr D.A. TEMPLEMAN:** I need to point out that this is not a line item for this current division. As I mentioned in the previous division, it is now the responsibility of the Department of Local Government, Sport and Cultural Industries. However, I can truncate, to give you an answer. There are ongoing negotiations on lease arrangements over the Sunset Heritage Precinct that, if ultimately achieved, will include not only commitments for activation of a cultural and artistic nature for the site, but also heritage restoration of additional buildings that have not already been restored. There are still significant buildings to be restored, and ongoing negotiations are taking place with the Minderoo Foundation and others to achieve an outcome for not only culture and arts, but also heritage.

**Mr R.S. LOVE:** I refer to page 743, "Outcomes and Key Effectiveness Indicators". Under "Outcome: Conservation of cultural heritage places in Western Australia, for the benefit of present and future generations" there is a measure on the bottom line, "Percentage of additional private investment generated from grant-assisted conservation projects". That was at 170 per cent for the actual in 2018–19 and the budget for 2019–20, but was only 48 per cent for the actual for 2019–20. The budget target for 2020–21 is 100 per cent. Can the minister explain the variances in those measures?

**Mr D.A. TEMPLEMAN:** Yes. Member, in the previous budget, the heritage grants—I think that is the correct title—for that year were directed towards restoration works and important conservation works for Fremantle Prison, because it was identified that some urgent works were required there. For that period, there was a redirection of those heritage grants for that year to those urgent works. Subsequent to that, in this budget period, there have been announcements of \$1.6 million additional funding for Fremantle Prison, as well as an allocation to the Roundhouse, which is obviously an important significant heritage site in Fremantle. Through the Fremantle Prison strategy or strategic plan, we have also been seeking a contribution from the federal government, because some important works will be required at Fremantle Prison in the coming years to ensure that not only the important conservation works are completed, but also opportunities for additional activation of Fremantle Prison can take place. There is a strategic plan that I think I released earlier this year, before COVID, which maps out the future conservation requirements and also activation opportunities for Fremantle Prison.

**Mr R.S. LOVE:** Therefore, that means that most of that money is government money of some sort or other, hence the fall in the contribution from the private sector?

**Mr D.A. TEMPLEMAN:** Yes, that is right, because it is matched. Normally, it is matched, so if a site is the successful recipient of a heritage grant, there is a matching requirement from the owner.

**Mr R.S. LOVE:** I am trying to find the section that deals with those small grants that are made; I think it is \$1.2 million each year. It is page 742, "Significant Issues Impacting the Agency", the second point under "Heritage Grants Program", with an allocation of \$1.2 million for those grants. That is ongoing. Has that actually increased at any stage in recent times, or is that the same amount of money that has been available for a long time?

[4.40 pm]

**Mr D.A. TEMPLEMAN:** My understanding is that the \$1.2 million annual heritage grant has been stable at that amount for some time.

**Mr R.S. LOVE:** There were some changes to the Heritage Act, going back. I think the minister introduced those changes.

**Mr D.A. TEMPLEMAN:** Yes.

**Mr R.S. LOVE:** I understood that there would be some further assistance where required, because this was about making sure that sites were kept at a better level. I understood from that discussion that there would be an increase in available funding. Correct me if I am wrong, but that does not seem to be happening.

**Mr D.A. TEMPLEMAN:** Look, I suppose in going forward, considerations of increasing grant programs directly related to assisting owners in the upkeep of the maintenance of their heritage homes and/or assets is a consideration for the government from budget to budget. But the reality is the grant program currently in place has not had any additional moneys added to that for some time, but that is not to say that the consideration of increasing that cannot be made in future budgets.

**Mr R.S. LOVE:** Is any information available that the minister could provide in terms of how much application is made to that fund and how much is left disappointed, if you like, in a particular year?

**Mr D.A. TEMPLEMAN:** It is quite often a highly contested grant program, from memory, and I think it is important to note that an owner may be a successful grant recipient, but they pay over and above what the grant is and sometimes 10 times as much. It really is a grant program that allows some leverage for the recipients to complete or undertake important restoration or conservation. It is a grant program that is very much a leverage program, but it is highly contested from memory. I think it can be a highly contested grant program from year to year. I could not tell you the number of applications. We could provide a snapshot of perhaps the 2018 year, if you would like that, as supplementary information. I am happy to provide, Chair, supplementary information of the number of applicants and successful applicants for the 2018–19 period.

**Mr R.S. LOVE:** Perhaps we could have the dollar values of the requests?

**Mr D.A. TEMPLEMAN:** Yes. That would be on there, so it would be the amount of money per the successful applicants.

*[Supplementary Information No B7.]*

**The CHAIR:** Members, looking at the time, we are dealing with division 44.

**The appropriation was recommended.**

**Division 47: Heritage Council of Western Australia, \$1 377 000 —**

**The appropriation was recommended.**

**Division 48: National Trust of Australia (WA), \$3 892 000 —**

Ms L.L. Baker, Chair.

Mr D.A. Templeman, Minister for Heritage.

Mr J. Donaldson, Chief Executive Officer.

Mr M. D’Souza, Chief Financial Officer.

*[Witnesses introduced.]*

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

The minister may agree to provide supplementary information to the committee, and I ask the minister to clearly indicate what supplementary information will be provided. I will then allocate a reference number. Supplementary information should be provided to the principal clerk by Friday, 30 October 2020. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge that through the online questions system.

Are there any questions? Member for Hillarys.

**Mr P.A. KATSAMBANIS:** Thank you. I refer to page 751, “Outcomes and Key Effectiveness Indicators”, and it states the number of people accessing, engaging in attending trust places and receiving heritage services is quite significantly less than budgeted for and there is an explanation of significant movements, and note 2 clearly says that the decrease in the number of people accessing and engaging in attending trust places compared to the budget number is due to closure of our places because of the COVID-19 pandemic in the latter half of the year, which resulted in no visitations, events and education programs.

I note that the target for 2020–21 does not differ substantially from what was actually achieved in 2019–20, so there is still going to be quite a lower number of people accessing these assets, the trust venues, compared with the number that accessed them prior to the COVID-19 pandemic hitting us. What sort of assumption is this 2020–21 target based on? Is there an assumption we will be under ongoing COVID-19 restrictions on visitation for quite some time?

**Mr D.A. TEMPLEMAN:** I am happy to make some initial comment, then I will ask Mr Donaldson if he would like to respond. Member, my understanding is, of course, national trust places vary in terms of obviously location and capacity. Sitting alongside a number of the National Trust places are important programs, be they education or be they community. Indeed, some festival that the Australian National Trust—sorry, the Australian Heritage Festival, for example, seeks to enhance and build on the understanding of the importance of our built heritage. When COVID struck, of course, all of the National Trust sites effectively closed and were closed for a significant period, which we saw reflected in terms of patronage. The other thing is, even as we move out of COVID into phase 4, as we are

in now, and potentially phase 5, there is a lag with regard to attendances, and there are various reasons for that. My feedback from some schools is of course timing of terms. When schools schedule visitations, they can vary. There are peak times for schools. Indeed, some schools now, it seems, are looking at incursions rather than excursions. I think that is disappointing.

**Mr P.A. KATSAMBANIS:** That is sad, thinking back to my own childhood and school days.

**Mr D.A. TEMPLEMAN:** It is very sad, so I think that is an issue for us all to be concerned about. No doubt COVID has had a direct impact and, as we move out of that, there is that lag. But I think in terms of the projection and the reasons behind it, I am sure Mr Donaldson might answer that.

[4.50 pm]

**Mr J. Donaldson:** The minister has pretty well covered the main reasons. The assumption is based on the fact that we have also remained closed beyond the financial year turnaround period, so we have only recently reopened our sites. Bearing in mind, and in deference to our aged but fabulous volunteer cohort, who are elderly, we have held back because they have felt most susceptible to the COVID health regime, so there is a lag. We have held back opening our places and we have been particularly affected with the education program. We are hoping that as the year turns, we will receive greater visitation but that of course will be only a short period until the balance of the financial year.

**Mr P.A. KATSAMBANIS:** Does that have a financial implication and how has that been addressed?

**Mr D.A. TEMPLEMAN:** Yes, it does, and I am sure that the chief executive financial officer will be able to answer that question.

**Mr M. D'Souza:** Thank you, minister. Thank you, Chair. Because of COVID-19, there has been a financial impact on two aspects. One has been the own source of revenue for lack of rental relief, which was given, from 30 March to 30 September, and lack of visitations. For visitations, we have fees and charges that are being charged. On an average for an adult it is \$10 per entry, so, automatically, the reduction in the number of visitations has a financial impact. Last year, the financial impact due to the visitations was \$59 000. This financial year, we have anticipated \$119 000. By God's grace, fortunately, Treasury has given us supplementary funding to cover those costs as the trust is not in a position to absorb all those revenue losses.

**Mr P.A. KATSAMBANIS:** Still on page 751, I notice there was an allocation in the 2019–20 year for an extra two full-time equivalent employees, and that was not taken up and it has not been allowed for in the current year. Is there an explanation around that?

**Mr D.A. TEMPLEMAN:** I am sure there is. I might look to Mr Donaldson to answer.

**Mr J. Donaldson:** I think I will defer to my CFO.

**Mr M. D'Souza:** There is no reduction in the FTEs. The two outcomes and service indicators, which are conservation and management of build heritage and heritage services to the community, are allocated FTEs. The allocation of corporate services FTEs is allocated to these two service outcomes. So the total number of FTEs the trust has is 28. When Treasury do their calculations, because we have part-timers as well, it is 28.25, so they round it up to 29, so that is one FTE difference between the budgets and the actuals, but there has been no change in our FTEs.

**Mr W.R. MARMION:** I refer to page 755, "Statement of Financial Position", in particular "non-current assets and the heading "Property, plant and equipment". I am interested in the real property. Firstly, is it possible to get a list? I notice there is \$102 million worth of non-current assets under that item. Is it possible to get a list of the real property assets, and the valuation of them?

**Mr D.A. TEMPLEMAN:** Yes. I am happy to provide supplementary information that outlines the property, plant and equipment.

**Mr W.R. MARMION:** No, just real property.

**Mr D.A. TEMPLEMAN:** It will be for just the property, the non-current assets of property as highlighted in the line item in the budget.

[*Supplementary Information No B8.*]

**Mr W.R. MARMION:** I know it is a difficult task for the trust because when I was a young lad and went to all these a lot of these facilities, mostly managed by volunteers, are significant assets and it is probably a very tricky thing for the trust to manage in these times. In relation to one particular property, Gallop House, which has been renovated and I understand is subject to an artists-in-residence program, I was just wondering whether the minister could outline how that is going and if there is revenue being generated to support Gallop House?

**Mr D.A. TEMPLEMAN:** Gallop House is on the banks of the Swan River overlooking Nedlands, Madam Chair, in case you have not been there.

**The CHAIR:** I have not.

**Mr D.A. TEMPLEMAN:** It is a significant heritage asset, with significant heritage values and there is currently auspiced by the trust for an artists-in-residence program, and we have had a number of them. There have been musicians and visual artists.

**Mr J. Donaldson:** Mainly musicians. There is a composer in residence.

**Mr D.A. TEMPLEMAN:** Mainly musicians. Mr Donaldson will give you a snapshot of what currently occurs and its impact in terms of revenue.

**Mr J. Donaldson:** So Gallop House was conserved with a very generous grant from the Feilman Foundation some five years ago and subsequent to that has been a part of a national program called the Prelude program which was managed by the Bundanon Trust. Moreover, it was founded at the Peggy Glanville-Hicks house in Paddington. Peggy Glanville-Hicks was a composer who said that a composer can get by in life by going to exhibition openings and concerts and living off wine and canapés, but it is really hard paying the rent. So she gave her house to the City of Sydney, which created the Peggy Glanville-Hicks trust. Gallop House is modelled on that idea. A commonwealth government program provides the national trust with around \$15 000 a year for some upkeep and maintenance on that site. The composer is paid a small stipend as well, and we enjoy the fact that the house is used, the community can access the house, and it is the origination of new Australian music through the composer-in-residence program.

**Mr D.A. TEMPLEMAN:** Who is there currently?

**Mr J. Donaldson:** Rachael Dease, a Western Australian composer, and an announcement will be made in the next week when the recruitment of next year's composer is concluded.

**The appropriation was recommended.**

**Division 16: Primary Industries and Regional Development — Services 6 and 7, Agriculture and Food, \$157 255 000 —**

Ms M.M. Quirk, Chair.

Mr D.A. Templeman, Minister for Local Government representing the Minister for Agriculture and Food.

Mr R. Addis, Director General.

Mr N. Grazia, Deputy Director General, Industry and Economic Development.

Ms H.G. Brayford, Deputy Director General, Sustainability and Biosecurity.

Dr M. Sweetingham, Acting Deputy Director General, Primary Industries Development.

Mr B. Mezzatesta, Executive Director, Operations and Compliance.

Ms M. Carbon, Acting Executive Director, Biosecurity.

Mr C. Binning, Managing Director, Capability and Performance.

Dr B. Mullan, Director, Livestock Research and Industry Innovation.

Ms A. Taylor, Chief Financial Officer.

Mr G. Hamley, Chief of Staff, Minister for Local Government.

Mr C. Thurley, Chief of Staff, Minister for Agriculture and Food.

[Witnesses introduced.]

[5.00 pm]

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

The minister may agree to provide supplementary information to the committee, and I ask the minister to clearly indicate what supplementary information will be provided. I will then allocate a reference number. Supplementary information should be provided to the principal clerk by Friday, 30 October 2020. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge that through the online questions system.

Members, we are dealing with division 16, the Department of Primary Industries and Regional Development. I give the call to the member for Bateman.

**Mr D.C. NALDER:** Thank you, Chair. Minister, I refer to budget paper No 2, volume 1, page 237. I will just give you a chance to find it. Towards the top, under "Works in Progress" there is a project called agricultural science

research and development fund and related expenditure in 2019–20 and 2020–21. However, I cannot locate the project in the previous year's budget paper No 2. Why is this? Is it actually new works, or is the a rebranding of existing ones?

**Mr D.A. TEMPLEMAN:** This relates to the agricultural science research and development fund. The information I have is that a capital carryover of \$280 000 from 2019–20 to 2020–21 was required as a result of COVID-19 restrictions. The member for Bateman's question relates to where did the allocation —

**Mr D.C. NALDER:** What was the name of it before?

**Mr D.A. TEMPLEMAN:** In the previous budget?

**Mr D.C. NALDER:** Yes, this line item is not in the previous budget.

**Mr D.A. TEMPLEMAN:** I will ask Dr Sweetingham to respond.

**Mr D.C. NALDER:** Unless I am mistaken and I have missed it somewhere.

**Dr M. Sweetingham:** Member, I have always known this as the agricultural science research and development fund, and it is a program that has been running for about four years under the Seizing the Opportunity Agriculture royalties for regions program, and it effectively terminated other than a little bit of carry over because of COVID-19. I am afraid I do not have the previous *Budget Statements* to refer to. But, as I say, I have always known it as the agricultural sciences research and development fund.

**Mr D.C. NALDER:** I cannot find any record of this budget line item in the past.

**The CHAIR:** That is a statement, not a question.

**Mr D.C. NALDER:** Therefore, is there anything that you can provide or take on notice or something, to provide assurance that this is something that did exist and has not just simply changed names. I cannot find it, so it might be my mistake.

**Mr D.A. TEMPLEMAN:** Come forward to the lectern and tell us where this lost fund is.

**Ms A. Taylor:** The program has always been a recurrent funded program, so it is not a new program so it will not show in the spending changes table for this year's budget. Dr Sweetingham is correct, it has been funded for a number of years. The amount referred to is just the capital component and at some point we were able to revert recurrent funding from that program into capital funding to allow us to buy some equipment that was related to that agricultural research program.

**Mr D.C. NALDER:** I understand, thank you.

**Mr D.T. PUNCH:** Thank you, Chair. I refer to page 227 in budget paper No 2 and the food and beverage fund. Can you outline how this important program will deliver jobs and economic activity for the agriculture business sector?

**Mr D.A. TEMPLEMAN:** The member is referring to the food and beverage fund. As he is aware, the value-added agriculture and goods processing sector in Western Australia is the second smallest in Australia after Tasmania. It comprises just eight per cent of a \$127 billion market. But, of course, there is huge potential to grow and create jobs in the regions. Through the WA recovery plan, there is an investment of more than \$40 million into WA's primary industries to grow the state's food sector and create local jobs. One of the key initiatives in this food and beverage fund is \$16.7 million, which will drive jobs and statewide investment through grant funding, to agrifood businesses for capital expansion for relocation or feasibility studies to grow local processing. The first component of the initiative is the value-add investment grants. This is a commitment of a \$6.5 million investment scheme that has focused on supercharging the agricultural value-adding and processing from across metropolitan and regional WA. Local food and beverage businesses can access the matching funding to expand processing operations, taking WA's wonderful high-quality produce and turning it into a processed product for market. That can include scoping from breweries to bakeries, to abattoirs and to canning facilities, so there is a broad scope. It builds on a similar program that has supported agri-businesses in regional WA that generated about \$22 million in private sector investment—very important—and an estimated 300 jobs were delivered through that initiative. So, member, it is a very significant investment, and very important with regard to value-adding to our food and beverage markets.

[5.10 pm]

**The CHAIR:** Member for Moore, you are next on the list, or is this to do with this point here.

**Mr R.S. LOVE:** I prepared for this particular division being service areas 6 and 7.

**The CHAIR:** You are wasting time, member.

**Mr R.S. LOVE:** I am not wasting time, because if we are going to actually branch into the whole of the department's business, we are actually talking here about biosecurity and integrity and natural resource management, not industry development. I could have prepared for all the other sections, but I have not.

**The CHAIR:** I am sorry that I did not pick that up.



**Mr R.S. LOVE:** My question refers to paragraph 2.6 page 235 of the asset investment program finalisation of the current phase of the wild dog action plan. I am asking about funding for the future control of wild dogs. What funding beyond that particular allocation will there be for wild dog control?

**Mr D.A. TEMPLEMAN:** I am happy to ask the appropriate person to respond or if there is an officer that may support that. The wild dog action plan has included royalties for regions funding of \$16 million through to 2021, and a range of allocations have been made with regard to delivery of works associated with that. The plan considers the economic and environmental social impacts of wild dogs. The government has invested \$21 million over four years to manage the impacts of wild dogs and support the re-introduction of small livestock into parts of the state. This includes funding for the action plan and for the extension of the state barrier fence. I might also highlight that a midyear review budget submission in October 2020 requesting new funding for wild dog control priorities from 2021 will help ensure project continuity. That is in process in terms of the midyear review.

**Mr R.S. LOVE:** When I look at the budget line item for this particular matter, “Wild Dog Action Plan”, which is on page 237, under “Works in Progress” with the funding of \$6.477 million attached this year, I see no further funding for this program in the forward estimates. Can the minister confirm that this program also supplies the funding for the ongoing employment of eight full-time equivalent doggers at the moment, or 11 actual persons doing that eight FTE work? Will there be an ongoing program to assist in the employment of these persons?

**Mr D.A. TEMPLEMAN:** I will ask Ms Carbon if she could respond and come to the lectern. I thank the member for the question.

**Ms M. Carbon:** The current wild dog action plan finishes at the end of June next year, 2021, and we are currently in planning for the next iteration of the wild dog action plan, which includes funding at the moment out to the end of 2024, that does include continued employment of the licensed pest management technicians recognised biosecurity groups.

**Mr R.S. LOVE:** If the government has an intention to continue on with the plan, why is there no allocation of some sort in the forward estimates?

**Mr D.A. TEMPLEMAN:** As highlighted, the current program concludes in July next year, so July 2021. A case is being put forward to be considered during the midyear review for a new strategy or a continuation strategy through to 2024. The government recognises very clearly that wild dogs continue to be of concern for the industry, and that is shown through the commitment to putting forward a proposal in the midyear review.

**Mr R.S. LOVE:** Has this intention to develop a further plan, and presumably attach some funding to it, been communicated to industry, because that is not what I am getting back on the ground?

**Mr D.A. TEMPLEMAN:** I understand Ms Carbon may be able to make some comment in regard to that.

**Ms M. Carbon:** Yes, it has, that plan is being developed in consultation with industry.

**Mr R.S. LOVE:** Okay, thank you I will take that on face value.

**Dr D.J. HONEY:** Thank you, Chair. If we go to the table at the top of page 234 and look at a couple of metrics in that table, we are seeing, compared to 2018–19 the budget target, there’s a 23 per cent increase in the cost of the service overall. We are seeing FTEs increase by seven per cent, a 28 FTE increase, but also in terms of the efficiency indicator it appears that we are having a reduction in efficiency with a 13 per cent increase in the cost of average cost per hour to deliver those services. So can you explain what seems to be a significant growth in the reduction in efficiency of the department?

**Mr D.A. TEMPLEMAN:** Member, are you referring to table 6 or table 7?

**Dr D.J. HONEY:** I am referring to the table at the top of page 234. It is under 6, “Agriculture and Fisheries Biosecurity and Integrity”.

**Mr D.A. TEMPLEMAN:** I will ask Mr Addis to make comment on the increase and the efficiency issue.

**Dr D.J. HONEY:** I am comparing with the 2018–19 actual.

**Mr D.A. TEMPLEMAN:** The employees you refer to are full-time equivalents, 387 in 2018–19?

**Dr D.J. HONEY:** There is an increase there of 28.

**Mr D.A. TEMPLEMAN:** It increases in 2020–21 to 415, but the member for Cottesloe is referring then to his concern around the efficiency indicator, and the increase in cost. Is there an explanation for those? From \$83.53 to \$96, is that right?

**Dr D.J. HONEY:** Yes, that’s correct, minister.

**Mr R. Addis:** From 2018–19 actual to 2020–21 budget. Through that period we have completed an organisational restructure that has been a realigning of our resources relevant to the biosecurity task. The 2019–20 actuals reflect not only the new structure but also the cost of incident responses of around about \$1.2 million for red imported fire ants and for, ongoing efforts for the eradication program of the Queensland fruit fly.

[5.20 pm]

**Dr D.J. HONEY:** I have a further question on fruit fly.

**Mr R. Addis:** I am not sure whether either the CFO or Ms Carbon have anything to add to that.

**Dr D.J. HONEY:** If we go to the table on page 237, when we look at “Other New Works: Boosting Bio-security Defences”, we see that the funding for that runs out. That does not seem to account for the difference in the sums, because I understood the explanation to be that this was around restructuring and boosting biosecurity. That does not seem to account for that amount. I am just intrigued by the difference in that it looks like the work is being done less efficiently. It is only \$800 000.

**Mr D.A. TEMPLEMAN:** Page number 237 I understand?

**Dr D.J. HONEY:** Yes.

**Mr D.A. TEMPLEMAN:** And you are looking at “Other New Works”, the cumulative total?

**Dr D.J. HONEY:** Yes, it is the second line item underneath, which is the “Boosting Bio-security Defences”. It does not seem to add up to the increase. I am trying to understand where the additional money has gone.

**Mr D.A. TEMPLEMAN:** There is an indication that it may relate to RforR. But I will let Mr Addis respond.

**Mr R. Addis:** The boost in biosecurity defence has been in the past an RforR funded program as part of the Seizing the Opportunity Agriculture program. It is coming to an end in the current budget year and it is the last spend of that \$800 000. Essentially, our biosecurity efforts are being rolled into sort of core activities rather than RforR funded activities.

**Dr D.J. HONEY:** Am I to understand that the increase of the 28 FTE, which is quite a significant rise, seven per cent, is purely due to beefing up resources to deal with the issue of fire ants and Qfly, is that correct or not?

**Mr D.A. TEMPLEMAN:** Mr Addis?

**Mr R. Addis:** I will seek some complementary comment from my colleagues. Certainly in the early days of our integration of the department, and pre our restructure, which was completed in November last year, it is fair to say that the numbers in the early days and the basis for the 2018–19 allocation were not as accurate as perhaps we would have liked them to be, but based on the best information available. As we have gotten through that we have sharpened that and certainly the biosecurity area has been a high priority for us to maintain effort. I think that will be the primary explanation for that shift along with a couple of items that I outlined earlier.

**The CHAIR:** I think, Mr Addis, you were going to get your colleague to say anything else, or are you right?

**Mr D.A. TEMPLEMAN:** Ms Carbon?

**Ms M. Carbon:** The only thing I would add to that is that part of that increase is a change, basically a move of costs from professional services into salaries to account for the fact that the royalties for regions boosting biosecurity defences has moved from project-based funding to operational funding.

**Mr S.A. MILLMAN:** My question is to both the minister and Mr Addis. Mr Addis referred to the risk of the Queensland fruit fly outbreak, which I noticed is the eighth significant issue on page 226 of budget paper No 2. Can I please ask the minister to outline, firstly, how the government is responding to the Queensland fruit fly outbreak, and, secondly, why it is so important that we eradicate that pest?

**Mr D.A. TEMPLEMAN:** Yes, I can. I have a great interest in fruit fly because I grow apricots. On 26 March this year, the Department of Primary Industries and Regional Development declared a Qfly outbreak in Dalkeith, and this outbreak was the largest since 1989, so it is very significant. The quarantine area has been declared, and as of 13 October was 2 049 hectares covering 13 607 premises. The response is a significant undertaking. For the period 5 to 10 October, the average total staff day was 236, so there is a significant investment in trying to address this problem. Between 28 September and 18 December 2020, it is estimated that 286 staff currently employed for the Qfly response will visit 12 500 premises. The focus in the current response is on eradication; and, if this is unsuccessful, WA will lose its area freedom designation for Qfly, so the ramifications are very significant. The flow-on economic impact is not just at the farm gate, but includes the supply chain from distributors, processors and exporters. If WA loses its Qfly area freedom status, it would see import volumes increase, putting downward pressure on domestic market prices and this would create immediate losses for WA producers within the domestic market. The state would lose access to international markets, such as avocados to Japan and strawberries to Thailand. If Qfly were to establish in WA, it is estimated it could cost the state \$38 million per year, which is why the department is doing everything it possibly can. Do not let them get to Mandurah and get into my Fireball apricots, please!

**The CHAIR:** Is there anything more on biosecurity defences or are we on to different questions?

**Mr D.C. NALDER:** I have one within that context, but it is a different question.

**Mr R.S. LOVE:** I want to ask about biosecurity because that is one of the two service areas, but it is a different question.

**Mr D.C. NALDER:** This morning, I asked this question and they suggested I follow it up this evening. It is to do with the percentage of exotic terrestrial weeds.

**The CHAIR:** Have you got a page number?

**Mr D.C. NALDER:** It is page 229, and the “Outcomes and Key Effectiveness Indicators”. There are two line items for which a budget is set and then there are the achievements to do with exotic terrestrial weeds and invasive aquatic pests. The question is twofold, and Mr Addis might remember this. Firstly, we are setting a target of 60 per cent, and I did get a response but I will just confirm the minister’s understanding of this. Why would we set only a 60 per cent target? If they are invasive species, whether aquatic or terrestrial, why would we not be trying to eradicate them altogether? I will help a little bit here. It was suggested this morning that it takes longer than 12 months to get it. If there is carryover from the previous year, and they should have been approved, why have they not been added to it so that it could be greater than 100 per cent in certain years, or are they totally written off and forgotten about? What processes are in place to ensure total eradication, and that these things are followed through to the end point, because this does not demonstrate any example of that?

**Mr D.A. TEMPLEMAN:** The member is referring to the percentage towards the bottom half of that table on page 229. I ask Ms Carbon, as our biosecurity officer with expertise, to respond to the line of inquiry.

**Ms M. Carbon:** I am executive director, biosecurity. The measure that we are using is successful eradication or response within one year. Unfortunately, our pests and diseases do not really respect our reporting time frames, so we obviously often have to go over a year on those; equally, we might get something in May or June and that will carry over into the other year and that can skew the numbers quite significantly. It is certainly not the case that if a response goes on for more than a year, then it is not followed through. If the determination is made that it is both technically feasible and cost beneficial to eradicate, then we will undertake an eradication program, regardless of how long that will take.

[5.30 pm]

**Mr D.C. NALDER:** You said that it is financially viable to eradicate, so if a decision is made to leave a toxic weed or pest in place because it is not economically viable, how do we see that? Does the broader public understand the department’s positioning when all we are shown is that in the 12 months 60 per cent have been eradicated? How much of the other 40 per cent is therefore just not economically viable? That is part of the question, but the other part is: how does anybody have any visibility of the outcomes that the department achieves on following things that take longer than 12 months?

**Mr D.A. TEMPLEMAN:** I am happy for Ms Carbon to respond to this line of inquiry.

**Ms M. Carbon:** The 40 per cent does not indicate that we do not eradicate those 40 per cent. It may indicate that it is taking more than one year to do so, If there is no detection and declared incident and eradication within a year’s period, it may take longer.

**Mr D.C. NALDER:** The witness has just provided the same answer.

**Ms M. Carbon:** When a disease is exotic to the country, the decision on whether it is both technically feasible and cost beneficial to eradicate is made at a national level, including with industry. When it is at a state level, it is made by state government with industry. Some pests are not feasible to eradicate and some pest industries find it is not in their interest to eradicate.

**Mr D.C. NALDER:** How do we have visibility of the outcomes?

**Ms M. Carbon:** We report all outcomes.

**Mr D.C. NALDER:** Publicly?

**Ms M. Carbon:** Yes.

**Mr D.C. NALDER:** Where? Sorry, minister.

**Mr D.A. TEMPLEMAN:** I am happy for this line of inquiry to be concluded.

**Mr D.C. NALDER:** I am just trying to understand where this is.

**Ms M. Carbon:** We work very closely with our industry partners. We have advisory committees with our industry partners. They are always aware of our biosecurity responses. They are involved in the decision-making and they are involved in the outcomes.

**Mr D.C. NALDER:** Where are they published? Is there a public place where these are published?

**Mr D.A. TEMPLEMAN:** If Ms Carbon is able to answer that question, I would ask her to do so.

**Ms M. Carbon:** I believe they are published in our annual reports.

**Mr D.C. NALDER:** I will check.

**Mr Y. MUBARAKAI:** Our WA farmers have faced stiff competition.

**The CHAIR:** Which page?

**Mr Y. MUBARAKAI:** I draw the minister’s attention to page 240 of budget paper No 2.

**Mr D.A. TEMPLEMAN:** It is grains information.

**Mr Y. MUBARAKAI:** Yes, it is grains. It is regarding the funding for the Australian export grains innovation centre. Is that a different division, Chair?

**The CHAIR:** Yes, it is division 19.

**Mr D.A. TEMPLEMAN:** I can see the member for Moore stewing there.

**Mr R.S. LOVE:** It may have some relevance. Let us hear the question.

**Mr D.A. TEMPLEMAN:** Is the member asking for update?

**Mr Y. MUBARAKAI:** I am asking for an update, yes.

**Mr D.A. TEMPLEMAN:** I am happy to give that.

**The CHAIR:** It is still division 16.

**Mr D.A. TEMPLEMAN:** Just to clarify, our grain producers are facing unprecedented competition, particularly from producers in the Black Sea and Argentina so to ensure that WA remains competitive, long-term investment in agriculture research and development is critical. The WA government is supporting that research effort through investing nearly 60 million in grains research and development. It complements the core business of DPIRD to support this vital aspect of Western Australia's primary industries. It includes \$12 million over four years in core funding for the Australian export grain innovation centre, or the AEGIC. The AEGIC is jointly owned by DPIRD and the commonwealth government. We have also committed an additional \$2 million towards that organisation's grains market research projects. The two-year projects will continue to generate a better understanding of the market requirements for the emerging bakery, cake and biscuit market; explore opportunities for novel oat, rice and noodle products; and examine avenues to promote Australian wheat for use in wholegrain products into the Asian market. The government, as I said, is investing significantly in this area, and I am very proud that this government recognises the importance of this.

**Mr R.S. LOVE:** I refer to page 237, or, alternatively, page 241. Under "New Works" on page 237 there is an amount of \$4.75 million for modern biosecurity and product integrity.

**The CHAIR:** That is actually under "Other New Works", and it is the second last line item, minister.

**Mr R.S. LOVE:** Yes, that is correct; thank you. What is the purpose of that expenditure? I remember some issues we had trying to get our product back in the market. I think it was the Tokyo problem with the psyllid. Is this the type of arrangement that this funding refers to? What is the purpose of the funding?

**Mr D.A. TEMPLEMAN:** The modern biosecurity and product integrity line item has an allocation of \$4.75 million. The project is focused on helping provide the systems and resources in place that will enable DPIRD to respond to increased biosecurity risks and meet state, national and international biosecurity obligations. It focuses on building capacity and increasing innovation in four key areas. The first aspect is preparedness to respond to recover from an adapted pest and disease incursions; the second is detecting high priority pests and diseases; the third is responding to biosecurity threats; and the fourth is collaborating with key stakeholders. This allocation of \$4.75 million is allocated from the 2020–21 budget to the 2023–24 budget. Mr Addis looks like he would like to make some sort of comment. I ask Mr Addis to do so.

**Mr R. Addis:** To pick up on the member's point, four years ago, we were dealing with tomato potato psyllid. Since then, we have had to deal with citrus canker and a range of other incursions and problems. We are now dealing with Qfly, which is a very significant burden on the system. That means that our biosecurity function has been under constant pressure and in response mode. This is a dedicated specific initiative over and above that base load to make sure that we are thinking and building to make sure we are not just keeping up; we are trying to get in front of the game because we know the game continues to accelerate, if that makes sense. I think this is a really important part of us making sure we have the sorts of modern biosecurity capabilities that we will need to keep up with the faster world.

**Mr R.S. LOVE:** The structure of the expenditure will be initially in developing some sort of plan or capacity that does not exist at the moment, and there is about \$1 million a year for a couple of years in the forward estimates. What is the anticipation of the ongoing commitment? What level of commitment of personnel will be required to keep that capacity at some sort of state of readiness level?

**Mr D.A. TEMPLEMAN:** I am happy for Mr Addis to respond.

**Mr R. Addis:** This is not intended to be new capacity. This is intended to make sure that we are constantly evolving our existing effort to do it in the most efficient and effective way possible to keep up with modern innovations in how biosecurity is being done in the best ways across the world. We are constantly fine-tuning our very substantial resources deployed to biosecurity. We would expect that that is not going to be a short-term process; we will need to continue to put in effort to continually keep in front of the curve, if that answers the member's question.

**The CHAIR:** Members should be mindful that we have to deal with division 19 as well before we adjourn.

**Mr R.S. LOVE:** Could I ask for some clarity on that, Chair? Do we have to pass divisions 16 and 19 prior to the dinner break?

[5.40 pm]

**The CHAIR:** Yes.

**Dr D.J. HONEY:** According to this, it goes over the break.

**The CHAIR:** I am sorry; I withdraw that. Yes, it can go over.

**Dr D.J. HONEY:** I suggest it makes sense because I doubt we are going to hold things up with the Western Australian Meat Industry Authority.

Note 1 on page 234 refers to commonwealth income for the southern forest irrigation scheme. I understand there are delays in that project, but would the minister be able to give some update on

**Mr D.A. TEMPLEMAN:** Is the member referring to the \$0.4 million for the southern forest irrigation scheme under “Explanation of Significant Movements”?

**Dr D.J. HONEY:** Yes, the \$0.4 million., I am trying to find out when we expect that scheme to be implemented.

**Mr D.A. TEMPLEMAN:** Yes, I can give the member that background and the update. The scheme comprises a 15-gigalitre storage dam and associated works in the Manjimup–Pemberton area. The local interest from the shire continues to grow to see some form of purpose-built tourism facilities constructed as part of the project. That aspect is not currently funded. Some concerns have been raised by the community. It is expected, however, that this project will create some 225 jobs and stimulate around \$54 million in on-farm developments. It will also offer the potential for broader community recreation and amenity through the creation of Record Brook dam. The government is supporting local growers who have established a cooperative to lead the development and own and operate the SFIS. Does Mr Addis have anything to add?

**Mr R. Addis:** Yes.

**Mr D.A. TEMPLEMAN:** Mr Addis can provide further information.

**Mr R. Addis:** I think the key part of this process is the Environmental Protection Authority approvals, which are in train. There have been some moderate delays due to some extra information that has been requested by the EPA. We now expect to have the EPA approvals and recommendations in the middle of next year, which will allow the Minister for Environment to make final decisions in that regard.

**Mr R.S. LOVE:** I refer to page 244 and the appropriation for the regulatory fees. I see that there is a significant jump from the actual amount in 2018–19 through to 2019–20 and then a subsequent reduction in 2020–21. I just want an understanding of why those figures jump up and down like that. Is this also where I can find information on the biosecurity levies that are raised in areas where there are regional biosecurity groups; and, if not, where will I find that?

**Mr D.A. TEMPLEMAN:** I will ask Mr Addis to answer the second part of the question. The decrease in regulatory fees and fines income from the 2019–20 budget to the actual in the 2020–21 budget and through the out years is due to the decrease in regulatory fees and rates under the declared pest accounts. In October 2016, as part of the cabinet submission on implementing the Western Australian wild dog action plan, DPIRD sought an increase in regulatory fees from RBGs, with a corresponding increase in appropriation under the Biosecurity and Agriculture Management Act to match this funding. Those rates were erroneously overstated, and together with a review of other levied rates, an adjustment was made to correctly reflect the reduction in regulatory fees. I understand the figure is \$6.9 million—the BAM act appropriation of \$6.9 million and \$782 000 in 2020–21. Over the period from 2019–20 to 2022–23, there is a reduction of \$13.7 million in expenditure resulting from the wild dog action plan adjustment. The further decline of \$15 million, which incorporates \$4 million in 2020–21 over the forward estimates, was due to an incorrect revenue allocation resulting from an increase in commercial fees being applied to the regulatory fees account. Funding has not been reduced; it has just been reallocated to the commercial access fees. I hope that answers the member’s question. Mr Addis may want to answer the second part of the question.

**Mr R. Addis:** Is this about where the income from the regional biosecurity groups regulatory fees hits the budget? The answer is yes.

**Mr R.S. LOVE:** Yes, I think that was clear from the minister’s response. Have the overpayments that were made by the landowners in those RBG areas now been refunded in full or is there some sort of credit? What happened to those who have left the industry? Were they refunded?

**Mr D.A. TEMPLEMAN:** I will ask Mr Addis to respond.

**Mr R. Addis:** My understanding is that the fees charged to the landholders were not overstated. The budget forecast for that revenue is overstated, and that is the nature of the adjustment that was sought in the budget process.

**Mr R.S. LOVE:** So there was no overcharge of the fees?

**Mr R. Addis:** That is correct.

**Mr R.S. LOVE:** They feel that they have been overcharged.

**Dr D.J. HONEY:** On page 234, under service 7, “Agricultural and Fisheries Natural Resource Management”, the table summarises some key bits of data, including income, the number of FTEs and efficiency indicators. If I compare the efficiency indicator from 2018–19 with that in the 2020–21 budget, it indicates that it is going to cost 36 per cent more per hour for the delivery of service. Note 2 under “Explanation of Significant Movements” says that that is because there will be lower receipts because of waivers and offsets due to COVID, but the income has been reduced by only 16 per cent. Equally, there is a similar story for service 6: that is, the number of FTEs will go up by 39 over 2018–19 from 321 to 360, which is a 12 per cent rise in the number of FTEs. If were to look at the table superficially at least, it would seem to be a very substantial degradation in the efficiency of the delivery of the service, and I wonder whether the minister could explain that, please.

**Mr D.A. TEMPLEMAN:** Yes.

**Dr D.J. HONEY:** That is not explained by the reduction in income.

[5.50 pm]

**Mr D.A. TEMPLEMAN:** The average cost per hour in the 2020–21 budget target is higher than the 2019–20 actual, and that is a result of the lower expected income following the deferral and/or waiver of licences and fees due to COVID-19. That is my understanding. That is mostly in Fisheries.

There is also a lower FTE allocation following the organisational redesign program, which is highlighted in that aspect. I think that explains that change in the efficiency indicator, but Mr Addis may wish to add to that.

**Mr R. Addis:** Consistent with my earlier comments about our allocation of dollars and FTEs in the early years post-integration, they were best estimates based on information available at the very early stage in our new department, and before the organisational restructure, which was completed last year. I suspect that at least some of the low figure at the start for the number of FTEs will be explained by what was essentially inaccuracy in estimating back in those early times.

**Dr D.J. HONEY:** I hear the answer, but I do not believe that it matches the data there, because we are seeing only a 16 per cent reduction in fees over the 2018–19 actual. We see a substantial rise in the number of FTEs, and we see a 36 per cent increase in the cost of delivering the service per hour. It does not even make arithmetic sense in terms of the increase in the number of FTEs. The income has gone down by only 16 per cent, but the cost per hour over the 2018–19 actual—this was when people were actually doing the work—has increased by 36 per cent. It really does seem like there is a significant efficiency decrease in that area.

**Mr D.A. TEMPLEMAN:** I do not have any response. I understand that the member has a concern, but I think we have answered that question as best we can with the information available.

**Mr R.S. LOVE:** I refer to service 6 on page 234, “Agricultural and Fisheries Biosecurity and Integrity”. The opening lines of the first paragraph say that the activities span a range of research, monitoring, analytical, educational, assessment and policy activities in both legislated and non-legislated aspects of biosecurity. That brings me to a couple of issues with the current BAM act—the legislated framework for the carriage of a lot of the biosecurity in this area. Is the Biosecurity and Agriculture Management Act under review? Where is the review of the BAM act currently at? Can the minister give me some idea of what is happening with the BAM act?

**Mr D.A. TEMPLEMAN:** I will make a brief comment and then pass to the relevant officer to make some additional comments. Officially, the review of the Biosecurity and Agriculture Management Act 2007 will commence in 2020. The Department of Primary Industries and Regional Development has developed a plan that details the scope and approach for the review and is commissioning an independent analysis of modern biosecurity legislation across other jurisdictions. Work has already been undertaken to identify issues for inclusion in the review, including post-border and border biosecurity arrangements, management of environmental biosecurity threats, cost-sharing arrangements, penalties, and the roles and priorities of governments, communities and industry groups established under the act. Work has already been undertaken to identify those key issues. That has been covered. I have done outstandingly well.

**Mr R.S. LOVE:** In fairly recent times, we have seen the expansion of the regional biosecurity groups in the pastoral areas out to cover a lot of agricultural areas and a range of different pest situations. That has been predicated on the basis of matching funding from the department. Can the minister give me some indication of whether the current matching funding will at least be continued as part of the consideration of the act and we will not go backwards from the current position?

**Mr D.A. TEMPLEMAN:** It is my understanding that that is the intention. The review of this act and the implications of it are very important. I am sure there will be strong considerations for government in terms of funding. I ask Mr Addis to respond in addition.

**Mr R. Addis:** It is also worth making the point that the management of these sorts of biosecurity pest issues is shared with the community and with industry. The RBG process has been, I think, a broadly fairly successful evolution. It will take ongoing work to keep it improving and evolving, but the notion of a shared contribution to managing pests is a really important one, given that it is always going to be bigger than the ability of the state to fix it on its own.

**Mr R.S. LOVE:** The rollout into agricultural areas has not always been very smooth, because it is a much more diverse landscape with many more different landowners, sizes, operations and purposes of the land and a bigger range of pest species. Will there be some clearer consideration, or some clearer guidelines for the purposes, of a group and the support that the community has for both the plan going forward and the creation of the group in the first place? The feedback I am getting on the ground is that a lot of people are dissatisfied and they do not support the formation of a particular group and that there is a fault in the plan that will manage that group. They are expressing to me their dissatisfaction with the whole process and the transparency of that process. Will there be a more transparent process as part of that review and clear guidelines for the trigger points that will have to be reached to make some changes?

**Mr D.A. TEMPLEMAN:** I think I mentioned earlier that the work that has already been undertaken on the review is looking at the roles and priorities of the government, community and industry groups. Part of the consideration is how best to move forward, taking into account the roles and priorities of those key stakeholders. I think the member can get some assurance that those issues will be looked at in that context.

**Mr R.S. LOVE:** One of the key problems with the current wording in the act is that the minister has to be reasonably satisfied that there is support. There is no indication of how she goes about that, and this is causing a lot of concern. I just put that on the record.

**Mr D.A. TEMPLEMAN:** Mr Addis will have the last word before six o'clock.

**The CHAIR:** Who died and made you Chair?

**Mr R. Addis:** As the regional biosecurity groups have expanded in new sorts of areas with more mixed land use and the like, it has become more challenging. I think that would be acknowledged and I think the review is a good opportunity for us to take stock and look at ways we can better manage that.

*Meeting suspended from 6.00 to 7.00 pm*

**The CHAIR:** Members, let us get started. We are still on division 16. Member for Cottesloe.

**Dr D.J. HONEY:** I refer to paragraph 2.6 on page 235 and the comments on the wild dog action plan. I understand from the earlier answer that there is going to be reconsideration in the middle of next year. Do we have any metrics that indicate whether that program is succeeding in the sense that wild dogs are less of a problem in the pastoral industry and the outer agricultural areas, or is it getting worse? The reason I ask that is that I hear anecdotes from people in the pastoral industry and some of the outer agricultural areas that the wild dog issue is getting worse, but equally I have heard different comments from some pastoralists who say no. I am intrigued about whether there is any metric of success for that program, given that the government is going to review with a view to extending funding.

**Mr D.A. TEMPLEMAN:** Obviously, the program is an important one, and the \$6.5 million commitment to the wild dog action plan was a significant investment. We do not have any information with us tonight, but I might Mr Addis whether the department keeps numbers on the dogs captured, culled et cetera? I will ask Ms Carbon to respond.

**Ms M. Carbon:** There are eight different projects under the wild dog action plan, all of which do quite different things, so there are different measures for each. We can certainly provide on notice some outputs from those projects if that is what the member would like.

**Dr D.J. HONEY:** I assume that one of those metrics has to relate directly to the number of dogs in those areas. I would have thought that it is not a trivial exercise, but, in a technical sense, is a straightforward exercise to count and ascertain whether there has been a reduction in the number of wild dogs in those areas. Is that one of the metrics? I am grateful for the offer to provide the information which I will be very keen to see, but is that one of the metrics that is considered?

**Mr D.A. TEMPLEMAN:** I am happy for Ms Carbon to respond.

**Ms M. Carbon:** There is some focus on the numbers of wild dogs. Of more importance is the measure of the impact of wild dogs, because we know that in some parts of the state where wild dogs are not in close contact with livestock, particularly small livestock, they are not so problematic. One of the challenges of measuring is, for example, the control method such as baiting. It is very different from the older control method of shooting because we do not necessarily know whether we have been successful. Having said that, we obviously have data capture points, particularly associated with some of our research outcomes, that use things like motion sensor traps to capture wild dogs.

**Dr D.J. HONEY:** I am sure that the minister is aware that there could be a chicken and egg argument here. Because of the wild dogs, people have stopped stocking sheep, so there is less interaction between sheep and wild dogs, but that perhaps is not where we are heading in wanting to maximise the output of that industry. That is just a comment that there is the potential if it is just interaction, it could be a statistic that does not measure the problem.

**Mr R.S. LOVE:** I refer to page 227 and the eleventh paragraph that discusses the expectation around animal welfare. It states that the department will strengthen the animal welfare framework and undertake appropriate compliance activities to improve animal welfare outcomes. I wonder whether there is any actual line item or an amount that the minister can point to in the budget that will enable those matters to be addressed? Is there an increased allocation for animal welfare outcomes, given that animal welfare is one of the issues addressed in service area 6?

**Mr D.A. TEMPLEMAN:** I am happy for Mr Addis to respond.

**Mr R. Addis:** Thank you, minister. I will make some initial comments and Ms Carbon might have some additional comments. Essentially, we are putting more effort into compliance and enforcement in various areas in the animal welfare space, which is starting to have an impact. It sends a clear message that we are very serious about maintaining high standards around animal welfare. At the same time, animal welfare regulations are put in place, as has been ongoing for a while, and there is a commitment to review the Animal Welfare Act that will give us an opportunity to improve that. Ms Carbon might have some additional comments.

**Ms M. Carbon:** We have very significant legislative reform underway in the animal welfare space. In terms of compliance activities, they have now been embedded into our operations and compliance part of the business to give them much more support than they had previously. There is no specific line item as such, because those parts of the business are embedded in both biosecurity and operations in compliance.

**Mr D.A. TEMPLEMAN:** Essentially, there is a number of initiatives that deliver to the state's animal welfare framework. They include endorsing the Australian Animal Welfare Standards and Guidelines; regulations, which have already been mentioned; the implementation of on-farm standards for sheep and cattle, again through regulations; the mandated use of appropriate pain relief when undertaking painful procedures; and implementing the Western Australian welfare standards and guidelines for dogs by way of regulation, which, of course, supports the government's stop puppy farming initiative. There is an expectation that, depending upon the government's response to the review of the Animal Welfare Act, the department will require additional resources to support the implementation of the review's recommendations. There has also been the establishment of a community animal ethics committee, which, again, adds to the initiatives that focus on the framework for the government's approach to animal welfare.

**Mr R.S. LOVE:** The paragraph I refer to under significant issues impacting the agency specifically indicates the undertaking of appropriate compliance activities to improve animal welfare outcomes. The minister has also spoken about the establishment of a group. What will be the cost of those activities and that extra compliance activity?

**Mr D.A. TEMPLEMAN:** Essentially, those will be embedded in the department's responsibilities and work. There will obviously be some support of the animal ethics committee. In my understanding, that will essentially provide an advisory role, but I could be corrected. Ms Carbon is looking at me perplexed, so I might ask her to add to that. But, initially, the elements that have been mentioned will become important operational work of the department. Ms Carbon, please correct me if I have overstepped the line.

**Ms M. Carbon:** The animal ethics committee specifically looks at the use of animals in science, so it is for the assessment of research.

**Mr C.J. TALLENTIRE:** I return to page 235 and to the point that the member for Cottesloe was referring to about the wild dog action plan. I am just wondering whether there has been any work looking at the effectiveness of the program, especially in relation to the fragmentation of packs of dogs as a response to the various animal destruction programs, and whether that fragmentation has a greater negative impact on grazing animals than was previously the case when there was a strong pack structure?

[7.10 pm]

**Mr D.A. TEMPLEMAN:** I will ask Ms Carbon to make some initial comments. This question is similar to one asked earlier by the member for Cottesloe in regard to what data supports the effectiveness or otherwise of the program in more broad terms.

**Ms M. Carbon:** There are a number of research components under the wild dog action plan that are assessing various different aspects of wild dog controls and their outcomes. Whether there is anything specific around fragmentation, I do not know. Certainly, that is something we will be looking at under the cell fencing project because a requirement of cell fences is that small livestock are put back into those regions. That will provide us with a very good measure of some of these impacts.

**Dr D.J. HONEY:** I refer to page 237, "Works in Progress" and specifically the shark monitoring network. It is about fourth from the bottom under "Works in Progress".

**Mr R.S. LOVE:** It is not in this area.

**Dr D.J. HONEY:** No; it is agricultural and fisheries biosecurity and integrity.

**Mr R.S. LOVE:** There we go!

**Mr D.A. TEMPLEMAN:** I can give you a quick answer to that in terms of the amount of —

**Dr D.J. HONEY:** There obviously has been major expenditure on that, but it seems to be flatlining. Is that just a place holder? I would have thought that that would have been an expectation of expanding the shark monitoring network. I am just wondering whether there are any plans on that or whether the network is what it is now and it is effectively going to stay there.



**Mr D.A. TEMPLEMAN:** Essentially, there is an \$895 000 commitment for the shark monitoring network in this line item. This funding will provide buoys and telemetry equipment to improve the coverage of shark monitoring. Obviously, there is an existing network of monitoring elements that the government has implemented over its term of government, and this commitment will assist in improving the coverage of the shark monitoring network. I am not sure whether Mr Addis or another adviser may wish to make some comment.

**Ms H.G. Brayford:** Just confirming the numbers, it is to look at the shark monitoring network and the buoys and telemetry equipment, as the minister said. We currently have 32 receivers in the network, including the two most recent ones in Bunker Bay, which happened, I think, last Friday.

**Dr D.J. HONEY:** Does the 2020–21 budget and the forward estimates reflect maintenance of the network as it is now or does it reflect an allowance to expand that network?

**Mr D.A. TEMPLEMAN:** I will ask Ms Brayford to respond.

**Ms H.G. Brayford:** Yes, it is largely maintenance to make sure that the buoys are up to date and working as part of the integrated monitoring network for the shark program.

**Mr R.S. LOVE:** I refer to page 240, the details of controlled grants and subsidies, specifically the line item “Agricultural Senior Officers Committee Natural Resource Management Groups”, which has a stream of funding going forward. I also refer to page 237 and the “Regional Natural Resource Management Program”, which has some funding. I want to understand what those two streams of funding pertain to. The minister can do it one at a time, if he likes, but I thought they might be interrelated so I brought them together to ask some questions.

**Mr D.A. TEMPLEMAN:** The “Agricultural Senior Officers Committee Natural Resource Management Groups”, is that the one the member mentioned?

**Mr R.S. LOVE:** Yes, that is the first part. The second part was another funding stream on page 237.

**Mr D.A. TEMPLEMAN:** The one that I have just mentioned relates to payments to contribution from the department to the commonwealth Agriculture Senior Officials’ Committee, specifically for the animal welfare group and natural resource management group. That is what I am advised is the appropriation.

**Mr R.S. LOVE:** Can the minister provide a bit more explanation of what that actually means?

**Mr D.A. TEMPLEMAN:** It is my understanding that the payments, as highlighted under that section, are the Department of Primary Industries and Regional Development’s contribution to the commonwealth Agriculture Senior Officials’ Committee.

**Mr R. Addis:** It is for animal welfare and for natural resource management.

**Mr D.A. TEMPLEMAN:** Mr Addis can conclude.

**Mr R. Addis:** It relates to the work done under the auspices of the national Agriculture Senior Officials’ Committee, both for natural resource management and for animal welfare. Ms Carbon will be able to describe in detail the animal welfare side of that and the natural resource management side would be similar.

**Mr D.A. TEMPLEMAN:** The other one that the member mentioned was the regional natural resource management program.

**Mr R.S. LOVE:** I think Ms Carbon was going to provide an explanation.

**The CHAIR:** Sorry; going to you, Ms Carbon.

**Ms M. Carbon:** The funding for animal welfare under that is for the national animal welfare task group, which is the task group that develops and consults on the national Animal Welfare Standards and Guidelines. It is a cost-shared activity for all Australian governments.

**Mr R.S. LOVE:** And the natural resource management part of it?

**Mr D.A. TEMPLEMAN:** The member mentioned page 237.

**Mr R.S. LOVE:** Before we get there, I think the answer I just got was about the Agriculture Senior Officials’ Committee, which is the part to do with animal welfare. What is the other part?

**Ms M. Carbon:** It is the national resource management group.

**Mr R.S. LOVE:** So that is the large groups like the Wheatbelt Natural Resource Management and the Rangelands NRM. Are those the groups that Ms Carbon was referring to?

**Mr D.A. TEMPLEMAN:** The appropriation of \$9.811 million, which is highlighted in the budget papers in that line item, refers to the regional natural resource management program and specifically relates to the state barrier fence. That is my understanding. This project provides funding to improve the state barrier fence, including the purchase of fencing materials required to either upgrade the existing fence or extend the fence in strategic locations.

There is a carryover of \$361 000 from the 2019–20 budget to the 2020–21 budget, which has been required due to the delays in works as a result of COVID-19 restrictions. That is what that particular program relates to. Mr Addis has more to add.

**Mr R. Addis:** I think the minister might have moved on to the second part of the question referring to page 237. I think the member is still seeking clarification in relation to the ag senior officers' committee contribution for NRM.

**Mr R.S. LOVE:** Yes, indeed.

**Mr R. Addis:** Ms Carbon outlined that for animal welfare, there is a group established under the Agriculture Senior Officials' Committee to progress what are essentially standard regulations for animal welfare across the country. I am not across the details of the natural resource management work, but it is essentially that development of national priorities and animal issues, not the level of funding that the member talked about back down on the ground to NRM groups in WA. That is under a separate line in the overall program.

**Mr R.S. LOVE:** With respect, I think we are talking about different levels of hierarchy and groups. I will perhaps put some questions on notice on this area to try to get some clarity on it, because it is a bit confusing.

If we go back to what I asked about on page 237—with the forbearance of the Chair—it is my understanding that the regional natural resource management program used to provide funding for those various land care groups et cetera around the state for their management and for community grants. Is that right? What is happening?

[7.20 pm]

**Mr D.A. TEMPLEMAN:** I know the one that the member is referring to. I need to seek clarification about when the NRM comes into it.

**Mr R. Addis:** This page is just for capital.

**Mr R.S. LOVE:** I am talking about page 237, “Works in Progress”, specifically the second last bottom line, “Regional Natural Resource Management Program”. There is a funding allocation for this year of \$2.42 million, which tails off to not much at all in the forward estimates.

**Mr D.A. TEMPLEMAN:** The member is referring to the capital allocation and, as I said earlier, the capital allocation relates to the state barrier fence initiative.

**Mr R.S. LOVE:** So that is the state barrier fence?

**Mr D.A. TEMPLEMAN:** That is right.

**Mr R.S. LOVE:** To follow up on that, I am trying to get to the bottom of the natural resource management program. Is there a program of ongoing support for natural resource management groups in this particular budget under this section, under the Department of Primary Industries and Regional Development?

**Mr D.A. TEMPLEMAN:** We have one in our area, and my understanding, member, is that that funding from the state budget is through the royalties for regions allocations, not from this particular division.

**Mr R.S. LOVE:** It is my understanding that the natural resource management program resides within the old department of agriculture section of the Department of Primary Industries and Regional Development. Service 7 that we are dealing with is about natural resource management, so why is that not where the government is administering that fund?

**Mr D.A. TEMPLEMAN:** I can refer to the royalties for regions expenditure. It is obviously not in this part of the budget, but there is a line item on page 180.

**Mr R.S. LOVE:** Yes, I have that line item.

**Mr D.A. TEMPLEMAN:** The member will see a figure for the natural resource management program listed there.

**Mr R.S. LOVE:** Yes. But is that not administered by this department?

**Mr D.A. TEMPLEMAN:** Is that correct?

**Mr R. Addis:** Yes.

**Mr R.S. LOVE:** Is it under service 7, “Agricultural and Fisheries Natural Resource Management”? Who is administering this fund?

**Mr D.A. TEMPLEMAN:** I will seek some clarification, but in terms of funding for the natural resource management program and the entities that the member mentioned, they appear under the royalties for regions expenditure and are listed amongst a range of initiatives, many of them effectively appearing with some environmental projects or programs. I will ask Mr Addis to assist.

**Mr R. Addis:** If we go to page 245, we see that it refers to administered transactions, which means it is the responsibility of the department. The state contribution to natural resource management totals about \$29 million over four years.

**Mr R.S. LOVE:** Can the minister outline how that fund will be distributed? What is the basis of its management and distribution?

**Mr D.A. TEMPLEMAN:** I will just seek some clarification, Madam Chair.

**The CHAIR:** Mr Addis, I have just been asked by Hansard whether you could both speak up.

**Mr R. Addis:** Sure. It is distributed through grants, NRM bodies and others, in a similar way to what's been the case in recent years. I understand it is done jointly by the three most relevant agencies, which would be ourselves, the Department of Biodiversity, Conservation and Attractions and the Department of Water and Environmental Regulation.

**The CHAIR:** Member for Bateman.

**Mr D.C. NALDER:** I refer to page 94 of budget paper No 3 and to the major changes in spending. I notice that there has been an increase over the last year and this year—it is only a small amount—for marine parks compensation. I do not have any clue what we would be paying compensation for, so I was wondering whether the minister could shed some light on what would be the basis for any compensation for a marine park.

**Mr D.A. TEMPLEMAN:** My understanding is that it relates to the buyout of the existing commercial licences. However, I am sure that the officer will give us some further clarification.

**Ms H.G. Brayford:** Yes, that relates to the Fishing and Related Industries Compensation (Marine Reserves) Act, the FRICMRA, in short, which provides for compensation when there is a reduction in market value for a commercial fishing authorisation upon the creation of a marine park. It is a legislated act that provides for compensation.

**Mr D.C. NALDER:** Is there a set time for that compensation to run?

**Ms H.G. Brayford:** It is quite complex because there is a number of relevant events for which compensation may become payable. Basically, we open a scheme and then we close a scheme, so each scheme has its own time frame. It is basically an offer and acceptance process based on the reduction in market value or a proxy if that is difficult to identify, and sometimes it is.

**The CHAIR:** Further to that, member for Thornlie.

**Mr C.J. TALLENTIRE:** Minister, I am interested to know whether any compensation was paid to those marine tourism operators who lost out when the Abbott government cancelled the marine parks in state and federal waters.

**Mr D.A. TEMPLEMAN:** That is a good question. I would like to know the answer to that question. Ms Brayford, do you have the answer to that question?

**Ms H.G. Brayford:** That relates to commonwealth marine parks. There is no similar compensation scheme or compensation act for commonwealth marine parks. There was a range of assistance measures and adjustment measures that the commonwealth government offered to affected fisheries, but it operates quite differently from our legislation.

**Dr D.J. HONEY:** I refer to page 239. In terms of income, I am not sure how we ascribe this to the various sections. Under "Income", the sale of goods and services is a minor amount in the grand scheme of the budget, but there is a sudden uptick in the sale of goods and services in the forwards estimates. I am just wondering why that increases so dramatically across the forward estimates? I appreciate that it is a relatively small sum in the scheme of the world.

**Mr D.A. TEMPLEMAN:** Mr Addis, do we have a response that we can propose?

**Mr R. Addis:** No.

**Mr D.A. TEMPLEMAN:** The member wants to know why there is an increase in the forward estimates.

**Dr D.J. HONEY:** There seems to be a sudden dramatic change across the forward estimates based on the historic and current figures. I wonder whether it reflects a program or —

**Mr D.A. TEMPLEMAN:** I think if the member places that question on notice, he will get an answer.

**Dr D.J. HONEY:** I will not get an answer!

**Mr D.A. TEMPLEMAN:** Oh no, we are very efficient.

**Mr R.S. LOVE:** I refer to page 234, service 6, "Agricultural and Fisheries Biosecurity and Integrity". I refer also to the amount of money in the budget for the cost of service in providing biosecurity and to the discussion about the Biosecurity and Agriculture Management Act that we had earlier on. I am just wondering whether there is any provision in the service area for the enforcement of the BAM act with regard to the control of stable fly, which has been an ongoing issue in many areas just outside the metropolitan area where there are substantial poultry farms and vegetable growing concerns. It is my understanding that the department has withdrawn from the enforcement of the BAM act in those areas, leaving it just to the shires. Can the minister outline whether there is any expenditure on enforcing the provisions of the BAM act in those areas where stable fly is a pest?

[7.30 pm]

**Mr D.A. TEMPLEMAN:** I think the member asked a question about stable flies during question time recently.

**Dr D.J. HONEY:** He did.

**Mr D.A. TEMPLEMAN:** Was it recently?

**Mr R.S. LOVE:** It is many times that I have asked this question; I never seem to get proper responses.

**Mr D.A. TEMPLEMAN:** I will try to continue the trend!

The Department of Primary Industries and Regional Development continues to support local government authorities to increase their capability to undertake compliance and educational programs with regard to stable fly management and control. There was an extension of funding for a compliance officer for the 2019–20 stable fly season. The objective was to enable LGA rangers to take the lead on inspections by the end of the 2019–20 season. I might ask Ms Carbon to add to the comments around stable fly management.

**Ms M. Carbon:** I think the minister has addressed that very well. The only thing I would add is that the department has undertaken six years of research and development of a new plan and compliance activity with a view to being able to hand over compliance activity to relevant local government rangers. That is now completed. The minister has already referred to the fact that we extended the compliance activity funding for a year, and that has now ended. We will obviously continue to work with government rangers to support them, but there is no specific funding for stable fly compliance. That will now be part of our general compliance offering.

**Mr R.S. LOVE:** It is my understanding that no support has been provided since the end of that particular funding, so to say that it is coming from general resources would appear to be incorrect. The feedback that I am getting is that there is not any support; rather, there has been a complete withdrawal of any activity in that area. Furthermore, is there any funding in this service to provide for the prosecution of persons who are potentially in breach of the act? In saying that there are compliance activities, does that include the handing over of prosecutorial activity to local governments as well? If so, how could they possibly do that? It is my understanding that enforcement of the BAM act provisions must be carried out by department officers.

**Mr D.A. TEMPLEMAN:** My advice is that the provision of full authorisation of LGA rangers to undertake those compliance activities means that they have been authorised. Is that correct?

**Ms M. Carbon:** Local government rangers, where they have applied to have so, already have some powers under the BAM act and we are working to give them full powers. It is not the case that somebody has to be an employee of the department; rather, they have to be gazetted as an inspector under the BAM act, which local government rangers can be.

**Mr R.S. LOVE:** Is there any funding in this service for local government to carry out those functions on behalf of the state in providing for the BAM act to be enforced?

**Mr D.A. TEMPLEMAN:** No, not at this point. That is not in this budget.

**Mr R.S. LOVE:** If there is a review of the BAM act, will the ability of local government to be funded, to receive some of the fines enforcement money or receive some other form of recompense for the time spent in carrying out these compliance measures and the prosecutions be part of that review?

**Mr D.A. TEMPLEMAN:** One of the interesting things that I have gleaned in the last little while is that the stable fly impacts on a discrete number of LGAs. It is my understanding that it is not a widespread matter that causes major issues for a large number of local government authorities. The department, from what I have gleaned, has been working with local governments, particularly the Shire of Gingin, I understand, which we earlier submitted had a significant existence of stable fly. My figures here show that of the 158 reports of stable fly between 1 October 2017 and 17 March 2020 in five LGAs, 149 were in the Shire of Gingin. Obviously, the department has worked with that local government in regard to the issues that impact on that particular LGA. The approach has been to appropriately move to give more authorisation to LGA rangers to undertake the compliance activities, and that is the approach that the department has taken on this matter.

**Mr R.S. LOVE:** My question was: has any funding been allocated to assist the shire to do that?

**Mr D.A. TEMPLEMAN:** Not to my knowledge, no.

**Mr D.C. NALDER:** Again I refer to page 94 of budget paper No 3. The line item for the COVID-19 WA recovery plan and other related spending is something that I referred to this morning. It seems to be a catch-all phrase because it appears in just about every agency, or at least every department, in both capital and operating expenditure. I am trying to understand what it specifically relates to. The spending for 2020–21 is forecast to be \$22.3 million. This is the major change in spending since the midyear review. Given that it is COVID related, I find it hard to believe that it can be anything before the last six months, and so I find it fascinating that in the out years, the reduction in expense is greater than the increase in expense in the former years. I do not know how that can occur. Can I get an understanding of how much of the \$22.3 million, if any, is related to food and fisheries, and what specifically it is for?

**Mr D.A. TEMPLEMAN:** I will just consult here. I think to provide the member with an appropriate answer, I ask him to put that question on notice. That is the best way of providing that information to the member.

**Dr D.J. HONEY:** Minister, I refer to page 243 and to the heading “Net Increase/(Decrease) In Cash Held”, which is near the bottom of the table. There is a dramatic drop in the cash held of around \$33 million between the 2020–21 budget estimate and the 2021–22 forward estimate. There is quite a dramatic reduction in cash assets held, and this seems to be consistent across all agencies. Is there a general instruction for agencies—these agencies in particular—to return cash to Treasury or is it a quirk of the budgeting process, because consistent across every agency that I have looked at are dramatic reductions in cash assets held, which I assume go back to Treasury for its bottom line?

[7.40 pm]

**Mr D.A. TEMPLEMAN:** I am advised that, no, there is not. There has not been a formal directive.

**Dr D.J. HONEY:** Then what is the reason for that drop, because it appears to have been consistent before and then there is a fairly substantial drop of \$33 million, or thereabouts, going forward?

**Mr D.A. TEMPLEMAN:** I am advised that the difference relates to the carryover of royalties for regions projects as carryover funds. We have gone through some of those projects; I understand that they were outlined this morning during the regional development divisions. That appears to be the reason for the trend that the member has highlighted in regard to this particular cash asset line item.

**Dr D.J. HONEY:** Does that mean that those carryover funds were simply allocated to other projects or areas, because those carryover funds must have disappeared for the \$33 million to disappear?

**Mr D.A. TEMPLEMAN:** The allocation was given for the 2019–20 period, but not spent.

**Dr D.J. HONEY:** So it was not carried forward?

**Mr D.A. TEMPLEMAN:** Yes, that is right.

**Dr D.J. HONEY:** Okay, fine. Thanks, minister.

**Mr D.A. TEMPLEMAN:** No, it was carried forward. I will get Mr Addis to answer.

**Mr R. Addis:** Projects that were initially budgeted to be expended in 2019–20 that were not expended for various reasons in 2019–20. Cash was carried forward from expenditure continued in 2020–21.

**The appropriation was recommended.**

**Division 19: Rural Business Development Corporation, \$233 000 —**

Ms J.M. Freeman, Chair.

Mr D.A. Templeman, Minister for Local Government representing the Minister for Agriculture and Food.

Mr R. Addis, Director General.

Mr N. Grazia, Deputy Director General, Industry and Economic Development.

Dr M. Sweetingham, Acting Director General, Primary Industries Development.

Mr C. Binning, Managing Director, Capability and Performance.

Dr B. Mullan, Director, Livestock Research and Industry Innovation.

Ms A. Taylor, Chief Financial Officer.

Mr G. Hamley, Chief of Staff, Minister for Local Government.

Mr C. Thurley, Chief of Staff, Minister for Agriculture and Food.

[Witnesses introduced.]

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

The minister may agree to provide supplementary information to the committee, and I ask the minister to clearly indicate what supplementary information will be provided. I will then allocate a reference number. Supplementary information should be provided to the principal clerk by Friday, 30 October 2020. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge that through the online questions system.

I give the call to the member for Moore.

**Mr R.S. LOVE:** I refer to the fourth item under “Significant Issues Impacting the Agency” on page 277 of budget paper No 2, which deals with the critical water deficiency situation across Western Australia. The last sentence states —

The declaration is generally made as a last resort when on-farm and community water supplies are at a critically low level. The Water Corporation will monitor the assistance being provided by the Western Australian Government.

What effect will the monitoring of the assistance being provided by the Western Australian government be? How will that monitoring be carried out and how will it be communicated to the Western Australian government?

**Mr D.A. TEMPLEMAN:** Member, can you clarify the question.

**Mr R.S. LOVE:** Again, I refer to “Significant Issues Impacting the Agency” on page 277. The fourth paragraph says that water supplies are at a low level, and states —

The Corporation will monitor the assistance being provided by the Western Australian government.

What form of monitoring is being done, and how will that manifest as advice or any sort of action?

**Mr D.A. TEMPLEMAN:** Mr Addis, I will ask you to respond.

**Mr R. Addis:** Are you looking at the first point, farm business development?

**Mr R.S. LOVE:** I am looking at the fourth paragraph under “Significant Issues Impacting the Agency” under the section relating to the Rural Business Development Corporation.

**Mr R. Addis:** Thank you. I think we have some problems with our page numbering.

**Mr R.S. LOVE:** It is page 277.

**Mr R. Addis:** Sorry for the confusion. It is showing as 276 on our document. The RBDC is closely monitoring the adverse climatic conditions that are impacting on the WA agricultural zone. As you well know, the last few years have seen drought-like conditions, very dry seasonal conditions experienced across large parts of the agricultural and pastoral regions of WA. I was driving back from the south coast through Narrogin and Brookton on Sunday and, while things have improved, certainly the dams remain very, very low. Fortunately for WA producers, demand for feed, grain and live animals in the east coming out of their drought has boosted WA farm incomes when they would otherwise be facing some extreme challenges but, nonetheless, they remain significant. The RBDC, together with the department’s climate and weather unit, provides regular updates both to industry and to senior leadership in the department and the minister to make sure that we are across it. You see that driving initiatives like the on-farm desal pilot projects, some of the water deficiency declarations that have happened through the Department of Water and Environmental Regulation in recent months, unfortunately. We know that there are significant challenges out there. We are hoping with the apparent shift in El Nina conditions, we might get a bit of turnaround on that front. We know we have some continuing challenges.

**Mr R.S. LOVE:** Just getting back to the idea that the corporation will monitor the assistance being provided by the Western Australian government, are you suggesting that the RBDC is in some way able to influence the decisions of the Western Australian government in terms of providing assistance to the farmers? How does that translate on the ground to helping the farmers?

**Mr R. Addis:** The way the department and the RBDC are working these days—it has been similar for a number of years—the RBDC has become more of an advisory and a connecting organisation. It provides a number of services, including the farm debt mediation scheme and the embedded rural financial counselling that goes with that. Essentially, their primary role in dry times is to both give us advice about where are the pain points, what sorts of initiatives might work, but also to help us to connect into the commonwealth’s evolving response approaches. You would be familiar with the commonwealth’s drought fund—the correct name escapes me—which works with us to help tailor our response and position in relation to those sorts of opportunities to convert that to solutions on the ground for WA farmers.

[7.50 pm]

**Mr R.S. LOVE:** When we talk about discussions with the commonwealth throughout the funding, why is it, as claimed by the commonwealth, that Western Australia seems to be the only jurisdiction that does not actually declare a place to be in drought? That seems to be an issue in terms of accessing funding from the commonwealth. Can you explain that please?

**Mr R. Addis:** It has been fairly well established in WA that we do not declare droughts, as is the case in some states in the east.

**Mr R.S. LOVE:** Is that all states?

**Mr R. Addis:** I could not confirm that. Certainly, my sense from involvement in the national discussions about drought response and drying climate is that Western Australia’s farmers have done an extremely good job of adapting and innovating to deal with drying conditions. To a great extent, I think we are the envy of some of our east coast industry stakeholders. They look to us as a state that has managed that resilience piece extremely well. It does not

mean there are not challenges, of course, but I think we have certainly shifted the focus to how we can help to be prepared and able to withstand dry conditions rather than responding the way that some east coast states have in recent years.

**Mr R.S. LOVE:** I am reading from that that there is a philosophical disinclination to use the word “drought” and to instead the words “drying climate”. Is that behind that?

**Mr R. Addis:** I do not perceive there is anything ideological about it, but I do know that it has been a fairly consistent way of thinking about our adaptation and resilience building for certainly over 10 to 15 years, starting from the early 2000s, so it has not been a political thing; it has been a pretty consistent and concerted effort.

**Dr D.J. HONEY:** At the bottom of page 278, which sets out the business development costs, the table shows a 50 per cent increase in the cost of administering loans. The bottom line shows the administrative cost as a percentage of loan advanced amount. It was 1.2 per cent in 2018–19, 1.2 per cent in 2019–20 and is forecast to be 1.8 per cent in 2020–21. I am aware of discussions that more loans would close. I am trying to understand what has changed. I am that assuming loans have been closed along the way. What is different about 2020–21 from the previous two financial years in relation to the number of loans being closed and the cost of doing that?

**Mr D.A. TEMPLEMAN:** The efficiency indicator was aligned with the RBDC’s activities as an agent for the commonwealth farm finance concessional loans and drought concessional loans schemes. This indicator has changed from the proportion of expenditure as administrative expenditure to the administrative cost per loan advanced amount. This indicator relates only to the administration expenses incurred on the loan schemes. The increase in the 2020–21 budget target, which is shown as \$6.296 million, to the 2019–20 actual of \$4.074 million reflects that the cost to discharge a loan is higher than to manage the loan during its term. During 2020–21, a considerable number of loans will be discharged. Therefore, the cost of loan administration will be higher. There is also considerable administrative cost associated with loans that go into a default situation. The deteriorating seasonal conditions have increased the risk of default.

**Dr D.J. HONEY:** Is this a scheme that was introduced or will the scheme come to a conclusion after its introduction? How long has the scheme been going? I still cannot understand why there is a sudden spike in the number of loans being discharged. It sounds as though there is a 50 per cent increase in the number of loans being discharged. I am interested in why we are suddenly seeing a large number of loans discharged.

**Mr D.A. TEMPLEMAN:** I will ask Mr Addis to comment on that.

**Mr R. Addis:** The concessional loan schemes have run in separate schemes, depending on seasonal conditions from year to year. There was a scheme for 2014, another in 2015 and another in 2017. That is when you get new loans into the scheme. I understand that loan schemes have not run in the last three years.

**Dr D.J. HONEY:** So it is lumpy?

**Mr R. Addis:** Yes, that is right. You are probably aware that the commonwealth has initiated the regional investment corporation, which is essentially a national concessional loans scheme that supplants the previous state-based schemes.

**Dr D.J. HONEY:** If we look above that, on the same page 278, under “Outcomes and Key Effectiveness Indicators”, we see a fairly significant drop in the satisfaction rating, from 89 per cent and then down to 77 per cent. I am wondering if that can be explained. I see that that is due to the amount of information required to be submitted online. Was there a change? What was the factor that caused that?

**Mr D.A. TEMPLEMAN:** To ascertain a response, an annual survey is conducted with the current loan account clients to assess customer satisfaction. That satisfaction is rated on a range of issues, including information requirements and the, processing and staff helpfulness. The target is to attempt to maintain at least a 90 per cent level of satisfaction. At the request of the Auditor General, the method of determining the level of satisfaction changed from 2018. In the past, applicants rated satisfaction on a scale of 1 to 5 on four questions relating to their satisfaction with responses aggregated into a weighted average. Although the RBDC views results of 3 and above as a satisfied result, the Office of the Auditor General determines “satisfied” would be 4 and above, so there has been a change in the actual mechanism of aggregating the response averages. This change ultimately contributed to the reduction in satisfaction levels in the years since 2018 compared with previous years.

**Dr D.J. HONEY:** In relation to the loans, what percentage of the loans end up being bad, as a matter of interest? I am just intrigued. Is there a fairly consistent repayment of the loans or we do see a reasonable percentage unable to be repaid?

**Mr D.A. TEMPLEMAN:** Our understanding is that it is a very low figure. I will give Mr Addis the last word.

**Mr R. Addis:** We work very closely with clients to make sure that any opportunity to avoid default is taken.

**The appropriation was recommended.**

**Western Australian Meat Industry Authority —**

**The CHAIR:** The Western Australian Meat Industry Authority is an off-budget authority. That completes the examination of the Western Australian Meat Industry Authority.

[8.00 pm]

**Fremantle Port Authority —**

Ms J.M. Freeman, Chair.

Mr D.A. Templeman, Minister for Local Government representing the Minister for Ports.

Mr C. Leatt-Hayter, Chief Executive Officer.

Ms T. Haria, Chief Finance Officer/General Manager, Commercial and Corporate Services.

Mr C. Thurley, Chief of Staff, Minister for Ports.

Mr G. Hamley, Chief of Staff, Minister for Local Government.

[Witnesses introduced.]

**The CHAIR:** This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. Members may raise questions about matters relating to the operations and budget of the off-budget authority. Off-budget authority officers are recognised as ministerial advisers. It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. If an adviser needs to answer from the lectern, I ask them to please state their name prior to answering.

The minister may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by Friday, 30 October 2020. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

Minister, I have been advised by the clerk that the correct to do this is to deal with each authority separately. Are we in agreement to that? I am happy to chair it as best I can if it goes off a bit.

**Mr R.S. LOVE:** Can we sort of leave it open?

**The CHAIR:** We are not supposed to. I will chair it as best I can so that we make sure it all occurs in a cordial manner.

**Mr R.S. LOVE:** Could I clarify something? This is listed as being Mid West, Pilbara, Southern, Fremantle and Kimberley Ports.

**The CHAIR:** Sorry; when you were out of the room, there was some discussion about Fremantle going first. After that, the member for Vasse said that she was sure the member for Moore would like to do Mid West as well. That is what happened. Your colleagues made a decision for you, member for Moore. I give the call to the member for Vasse.

**Ms L. METTAM:** I refer to page 153 of budget paper No 3, and the line item "Reprioritisation of Existing Asset Investment Program" under "Fremantle Port Authority" Why has there been a \$63 million reduction in spend in the port in 2019–20, and why has this not been reinstated in the forward estimates?

**Mr D.A. TEMPLEMAN:** I thank the member for the question. The figure for 2020–21 is \$25.8 million. Is the member asking why there has been no reinstatement of moneys previously?

**Ms L. METTAM:** Yes.

**Mr D.A. TEMPLEMAN:** That is a good question for the chief executive officer of the Fremantle Ports to respond to. I will ask him to respond.

[8.10 pm]

**Mr C. Leatt-Hayter:** Through our capital works program for the last year, a number of projects had to be deferred because of timing and other reasons. As an example, a land purchase was moved across from last year to this year. Some of those things came about because of the negotiations that were taking place with the landholder as an example. We applied, and got a carryover, for a number of projects from one year to another year.

**Ms L. METTAM:** More specifically, what work scheduled to be undertaken at the port is now not being commenced?

**Mr C. Leatt-Hayter:** As far as I am concerned, no works have been delayed or are not happening. The works are progressed as necessary. Where those works cannot be undertaken for one reason or another, we will seek carryover for those, but there are no works that are not been undertaken at our facilities at the moment.

**Ms L. METTAM:** Is it the case that the port is being deliberately run down to justify the case for an outer harbour at Kwinana?

**Mr D.A. TEMPLEMAN:** No, absolutely not. As the member would be well aware, the lifespan of the inner harbour is still 20 to 30 years, from my understanding. Inner harbour investments will continue in this budget and others to ensure that the port will be able to function appropriately with regard to demand.

**Ms L. METTAM:** Is it right that the capacity of the Fremantle port is less than 35 per cent or at about 35 to 40 per cent?

**Mr D.A. TEMPLEMAN:** I will ask the chief executive officer to respond.



**Mr C. Leatt-Hayter:** It depends how we measure that capacity. If we look at the physical capacity of the container terminals as an example—I presume the member is talking about the container trade —

**Ms L. METTAM:** Yes.

**Mr C. Leatt-Hayter:** Work has been shown that in those container terminals, there could be capacity within those facilities for, say, two million containers a year. However, the capacity of the port needs to look at a whole lot of other factors, including the road transport links and the freight links to and from the port. As has been shown for work that has been done by Westport, from that belief that seems to suggest that there will be congestion on those roads at a level that will not be able to be managed into the next decade, in the mid-2030s. If we looked at the trade at that time, if those bottlenecks exist, that would put a limit on the physical capacity of the inner harbour.

**Ms L. METTAM:** I note that there were limitations in what the Westport report actually looked at in relation to road networks. Why is the growth of container traffic at Fremantle port expected to be lower in the next few years?

**Mr D.A. TEMPLEMAN:** Is the member referring to a line item?

**Ms L. METTAM:** Yes. I am referring to “Expenditure in the Inner Harbour” under “Fremantle Port Authority” on page 639. That really refers to the capacity of the Fremantle port.

**Mr D.A. TEMPLEMAN:** I think the chief executive officer has already responded to the capacity question. What was the member’s specific follow-up question?

**Ms L. METTAM:** Given that we are looking at this investment in the inner harbour capacity, can the minister provide a breakdown of future projected growth at Fremantle port, including the container traffic?

**Mr D.A. TEMPLEMAN:** I will ask the chief executive officer to respond.

**Mr C. Leatt-Hayter:** Last year we saw that there was just about no growth in the container trade in the port; there was a slight decline. It showed some impact from COVID. Generally, around Australia, there has been quite a decline over the last couple of years in that trade. At the moment, forecasting the growth for this year and the next few years is difficult because we are in quite unique circumstances. We would expect that there would be moderate growth in the next few years, and that is carried forward in our forward budgets.

**Ms L. METTAM:** This line item is about the deepening of the inner harbour. What is the depth required for the current ships that bring roll-on, roll-off imports into Fremantle? I understand that they arrive at either Elizabeth Quay or Perth. I am specifically asking what the depth requirements are for roll-on roll-off imports.

**Mr C. Leatt-Hayter:** I am quite thankful that we do not have Elizabeth Quay under our responsibility.

**Ms L. METTAM:** Sorry.

**Mr C. Leatt-Hayter:** I was not being facetious. With regard to Victoria Quay, the driver for depth in the inner harbour is more around the container ships.

**Mr D.A. TEMPLEMAN:** A bit of policy development from you, member.

**Ms L. METTAM:** Yes.

**Mr C. Leatt-Hayter:** The container ships dictate the depths that are needed. At the moment we are able to handle 14.5-metre vessel drafts in the inner harbour. That is the same as what can be handled in the eastern states’ ports.

**Mr W.R. MARMION:** It is 14.5 metres currently. If it was deepened, what depth would it go to?

**Mr C. Leatt-Hayter:** The major part of the deepening was done a number of years ago. There is a small amount left in our budget provision. If we believe that there is a necessity to further slightly lengthen the container berths to handle the longer ships, there is a pocket in one corner that requires deepening to take it down to match the rest of it. That is what that provision is there for.

**Mr W.R. MARMION:** What size length ship will that take if those works are done?

**Mr C. Leatt-Hayter:** At the moment we are handling a 320-metre vessel maximum. We can go up to 340 metres. It really depends upon the fleet configuration that comes into the harbour. At the moment we are able to handle the ship sizes that ply the Australian trades.

**Ms L. METTAM:** I refer to the asset investment program on page 233 of budget paper No 3. Has the industrial dispute that occurred at Fremantle port and other ports around the country been resolved and did it have an impact on the fiscal position of Fremantle port?

**Mr D.A. TEMPLEMAN:** I am happy for the chief executive officer to respond.

**Mr C. Leatt-Hayter:** The industrial disputes that have been there recently Patrick Terminals and DP World are at a truce at the moment. I cannot say that they are absolutely resolved. The impacts that we had were relatively minor compared with what occurred on the eastern seaboard. We got some delays to trucks coming in and some delays to some vessels through the protected action that took place. At the moment, that action has ceased.

**Ms L. METTAM:** Is the port at a truce with the unions at the moment? What is the status of the situation?

[8.20 pm]

**Mr D.A. TEMPLEMAN:** The chief executive officer has just highlighted that the impact was minimal in comparison to other ports on the eastern seaboard. At the moment there is a stable relationship with the stakeholders.

**Ms L. METTAM:** Still staying on the asset investment program, where will the funds for the \$97 million outer harbour strategy come from? Specifically, what funds will be coming from the investment or directly from the Fremantle Port Authority?

**Mr D.A. TEMPLEMAN:** I am happy to ask the chief executive officer to respond.

**Mr C. Leatt-Hayter:** I am unsure about the \$97 million the member is talking about. Is that for Westport work?

**Ms L. METTAM:** Yes. What contributions, if any, will be coming from the Fremantle Port Authority?

**Mr C. Leatt-Hayter:** Financially, none. I think there are separate budget provisions for that. We will certainly contribute our work and our people towards the next stages of the work, but financial contributions are not provided for through our budget.

**The CHAIR:** Further question or a different question?

**Ms L. METTAM:** Further question. Has the Fremantle Port Authority provided any services or invested any services with Lockwood Consulting, or are there any plans to do so in the future?

**The CHAIR:** Minister.

**Mr D.A. TEMPLEMAN:** I am not sure whether there is a line item that relates to the member's line of inquiry. If the member could direct me to that line item, I might be able to respond.

**Ms L. METTAM:** Well, I think I could —

**Mr D.A. TEMPLEMAN:** I do not think the company the member mentioned is in this line item, or any line item.

**The CHAIR:** Do you want to come back to it, member? We will go to the member for Nedlands.

**Mr W.R. MARMION:** Similarly, this is to do with the table, "Works in Progress", which starts on page 639 and goes over to page 640. For the budget estimate, total funding is \$95.452 million. This is the whole works program, or budgeted works program. It shows that there will be funded borrowings of \$48.3 million. Under "Internal Funds and Balances" is an amount of \$47.102 million. As the minister just said, the actual costs of the Kwinana Bulk Terminal, in that same table, are \$9 million for infrastructure, \$3.8 million for an HV power system upgrade, and \$2.9 million for land acquisition in this budget estimate. Will that particular aspect of funding be from borrowings or internal funds?

**Mr D.A. TEMPLEMAN:** I am happy to ask the chief financial officer to respond.

**Ms T. Haria:** It would be a combination. We look at our borrowing capacity from a whole-of-business perspective, and depending on the programs from an operating perspective and a capital perspective, the borrowings are assessed as to what we would specifically assign the borrowings to.

**Mr W.R. MARMION:** As "Internal Funds and Balances" is funded to a level of \$47 million, can I ask what the balance of "Internal Funds and Balances" was at the beginning of 2020–21?

**Mr D.A. TEMPLEMAN:** I will ask the chief financial officer to respond. We are just referring to a document.

**Ms T. Haria:** It was in the order of \$170 million.

**Mr W.R. MARMION:** It was 170 million?

**Ms T. Haria:** Approximately \$170 million, rounded, yes, as at 30 June.

**Mr W.R. MARMION:** That helps to explain the forward estimate for "Internal Funds and Balances", for which the government is drawing down from that \$170 million of its current balance. Is that correct?

**Mr D.A. TEMPLEMAN:** I defer to the chief financial officer.

**Ms T. Haria:** Yes, it would be that, and additional borrowings.

**Mr R.S. LOVE:** I refer to page 639 of budget paper 2, and Fremantle Port Authority expenditure on "Inner Harbour", which is the third line item. There is also reference to work on the "Fremantle Waterfront Project". There will be expenditure of \$3 million in 2020–21, and \$12.2 million from 2020–21 through to 2023–24, subject to the authority being able to secure private sector interest. When I look at "Works in Progress" for that project, I see that it does not have that level of expenditure attached to it. That is the first line item under "Works in Progress". I just wonder if the minister could explain where the figures in the third line item are reflected in the budget or in the figures provided under "Works in Progress"? Is that involved somehow with the land acquisitions that are placed throughout the document?

**Mr D.A. TEMPLEMAN:** Preliminarily, obviously the member is aware that work on the Fremantle waterfront implementation plan continues and that various interests are being sought through a planned expression of interest

process, which has commenced or is about to commence, as I understand it. I will ask the chief executive officer to respond to the query around the differences in the figures, which is what the member is referring to in terms of the line item and its significance.

**Mr R.S. LOVE:** Just add to that, is some of the difference to do with the total project cost, if there was some sort of leveraging? Perhaps the minister could just include that in the discussion.

**Mr D.A. TEMPLEMAN:** I will ask the CEO to respond.

**Mr C. Leatt-Hayter:** Two line items relate to that project. The one the member referred to at the start is more specifically around the commercial precinct, which is an area in there that that relates to. Over the page, just before “Completed Works”, the last line item is “Victoria Quay Waterfront Implementation Plan”, and that spells out the money that is intended to be spent on that project.

**Mr R.S. LOVE:** Okay. So it is basically the same project, just two different little areas of the same project? Why are there two separate names?

**Mr C. Leatt-Hayter:** The first part is the commercial precinct, and access and services, and overall, this comes out of the implementation plan, as opposed to the commercial precinct plan, so it has been put separately in that regard.

**Mr R.S. LOVE:** Under “North Quay” on the same page—page 639—under “Works in Progress”, is the line item “Land Acquisitions”. Can the minister explain the \$25.4 million project in land acquisition, which will be \$19.74 million this year and \$5.5 million next year? What will that actually be for, and what it will achieve?

**Mr D.A. TEMPLEMAN:** I will ask the CEO to respond.

**Mr C. Leatt-Hayter:** The land that we are looking at acquiring is BP land. That is in the port area.

It is the last parcel of land; the rest in that precinct and harbour. Fremantle port owns freehold, so it is a strategic acquisition to buy that last piece of land.

[8.30 pm]

**Ms L. METTAM:** I refer to budget paper No 2, volume 2, page 640, and the heading “COVID-19 WA Recovery Plan”. Given the incident of two Australian people being allowed to disembark from the *Al Messilah* and travel to different regions to self-isolate, despite other crew members being tested positive for the virus, what measures are in place at this port, and others, to protect port workers and crew members?

**The CHAIR:** Minister. Is that in order?

**Mr D.A. TEMPLEMAN:** Well, I am a little concerned that the member may be seeking out a very long rope here. As we are aware, there are protocols and processes in place, some of which are the responsibility of the commonwealth government, of course. As the member would be aware, the Premier has highlighted in his comments on this over the last few days that the commonwealth government has a very clear responsibility for these matters and he has, of course, publicly called upon the commonwealth government to front up and actually respond, as it appropriately should. It is my understanding—the CEO may wish to make a brief comment—that a range of important protocols are in place for a whole range of safety measures at Fremantle port and other ports. I invite the CEO to make comment, if he wishes to, in that context.

**Mr C. Leatt-Hayter:** There are very detailed protocols, controls and systems in place to deal with vessels coming into the port and the COVID risk, and they are applied by us and a range of other state and federal agencies.

**Ms L. METTAM:** I note there is a lot of reference to COVID-19-related spending throughout the budget, so I think it is a fair reference to make. Are the quarantine arrangements that are in place at Fremantle port consistent across every port in Western Australia and the same as the arrangements?

**The CHAIR:** I think you will have to ask that to each port, member, when they come up.

**Mr D.A. TEMPLEMAN:** I think the public comments by the Premier have been very, very, clear.

**Ms L. METTAM:** It depends what day we are talking about!

**Mr D.A. TEMPLEMAN:** They have member.

**Ms L. METTAM:** Pots and kettles.

**Mr D.A. TEMPLEMAN:** If the member is going to pursue that line, what can be put back to her is, of course, her party’s stance on the hard border situation. Her party is flip-flopping about the hard border. The Premier has been very clear on that. The member’s party has been found out with regard to its inadequacies regarding our borders, and has demonstrated very clearly that it has not supported the Premier’s strong stance—which, I would like to point out, is supported by a significant majority of Western Australians who, unlike the member, understand that it is about the protecting the health and wellbeing of all Western Australians. That is what the Premier has done. His comments in recent times highlight the responsibilities of the commonwealth government with regard to the issues around courts. There are commonwealth responsibilities and he has asked the commonwealth to step up and respond.

**Ms L. METTAM:** Can I ask a budget question about whether the quarantine measures are consistent?

**The CHAIR:** You can ask it for each one, if you like, member for Vasse. The member for Moore.

**Mr R.S. LOVE:** I refer to the heading “Fremantle Port Authority” on page 153 of budget paper No 3, and the line item “WA Recovery Plan and Other COVID-19 Related Spending”. How much extra expense has been incurred by the port in preparing COVID protocols to protect workers et cetera? We have a situation in which the harbour master has to authorise certain activities in the port. Can we please have an understanding of just how much expense has gone into that and how regularly the government updates procedures to make sure those protocols are kept relevant and up to date in Fremantle?

**Mr D.A. TEMPLEMAN:** My expectation is that the appropriate advice is followed in Fremantle with regard to the delivery of protocols that are focused on health and wellbeing and safety. I am happy for the chief executive officer to make a further comment in relation to those operations, or protocols, and the resourcing for such protocols in the context of Fremantle harbour. I ask the chief executive officer to respond.

**Mr C. Leatt-Hayter:** I cannot give the member an exact figure for the cost of developing protocols, but with regard to dealing with the COVID cases that we have had and with preparation for COVID-19, and the changes to procedures and other things, last year we spent in the vicinity of \$450 000 on those matters. In terms of the protocols that are in place, right from day one, as they have been developed, we have continued to enhance them and review them with our staff, our service providers, and our customers, to make sure that they are fit for purpose. That continues to be done on a regular basis, in liaison with our regional port partners. On a national basis, we are continually reviewing all protocols that are in place.

**Mr R.S. LOVE:** The CEO of Fremantle Port Authority makes determinations about what appropriate protocols are in place at Fremantle. That may or may not be the same as other ports; it is different at each port, but there is an understanding between the different ports. Is there a sharing of knowledge and an understanding of the situation between the port authorities, or is it largely up to each port?

**Mr D.A. TEMPLEMAN:** My expectation would be that appropriate advice is given that guides the authority in its delivery of protocols, but the chief executive officer may be able to elaborate.

**Mr C. Leatt-Hayter:** There are certain protocols that are absolutely equivalent in terms of emergency management orders and other things like that that are in place. The other protocols, yes, we share, and in many cases they are very, very, similar. In many cases they are the same. I could not tell the member the extent to which some of those procedures or controls differ at all, but generally speaking, to a large extent, the sort of flowchart in terms of assessment of vessels and dealing with COVID and the practices that have been put in place with our workforces are all broadly similar.

**Mr D.A. TEMPLEMAN:** They would be aligned—correct me if I am wrong—with the ongoing health advice that is provided, and directives that are ultimately put in place by the Commissioner of Police.

**Mr W.R. MARMION:** I refer to page 639 of budget paper No 2, volume 2, and paragraph 1 under “Asset Investment Program”, which refers to supporting the economic growth of the state through the import and export of containers. In answer to an earlier question we heard that the capacity of the inner harbour is two million containers. My first question is: how many containers does it currently support?

**Mr D.A. TEMPLEMAN:** I am happy for the chief executive officer to respond as he refers to the annual report.

**The CHAIR:** Mr Leatt-Hayter.

**Mr C. Leatt-Hayter:** In 2019–20 our throughput for containers was 783 000 twenty-foot equivalent units.

[8.40 pm]

**Mr W.R. MARMION:** Further to the suggestion that the road network is a constraint on the possible two million containers, can the minister advise which aspect of the road network in particular is the main constraint—is it Tydeman Road, Stirling Bridge, the Leach Highway roundabout, or Leach Highway?

**Mr D.A. TEMPLEMAN:** My advice is that a combination of areas of the road network are ultimately impacted.

**Mr W.R. MARMION:** The road is like a conduit and obviously there is a place where it is constrained first, so surely it cannot be the whole network. It would be either Tydeman Road, because they cannot get through, or Stirling Bridge, because it does not have the capacity, or it could be other aspects of the network. I am a road design engineer and I have designed roads. There will be a first spot where there is a constraint and then there will be the second spot and the next spot and the next spot. There must be a key spot, and I am sure the minister will know the answer!

**Mr D.A. TEMPLEMAN:** The member may not know what my after-hours activities are—drawing up road networks!

**Mr W.R. MARMION:** I am sure the CEO knows the answer!

**Mr D.A. TEMPLEMAN:** As has been highlighted, there is a combination of impacts. The member referred to three examples that could contribute to the ultimate constraints, so the response is that a combination of those pressures will impact on the ultimate capacity that was highlighted in the previous question.

**Mr W.R. MARMION:** Given the minister's answer that it is a combination of the entire road network that leads to the port, has a net present valuation been done on the cost of upgrading the entire network to the port, compared with the net present value and timing of a new outer port?

**Mr D.A. TEMPLEMAN:** I am advised that there are currently some matters that are important for consideration in this context. They include, of course, issues around safety for both the community and transport providers. There is a potential impact on urban amenity, which is worthy of consideration, and I am sure we are well aware of some proposed projects that are examples of such. Leach Highway is currently the main freight route servicing the port, and modelling shows that once the highway reaches an operational tipping point, service levels will rapidly deteriorate, so we know that that is an issue.

**Mr W.R. MARMION:** Leach Highway is probably what I would have guessed was the main problem.

**Mr D.A. TEMPLEMAN:** Yes. We know that passenger vehicle numbers continue to increase across the metropolitan area, hence why the government is investing heavily in the metro network to try to ensure that more people are on public transport. The Anketell Road corridor links the port to a new modern freight corridor via Tonkin Highway, which is aimed at taking more trucks out of the suburbs and onto an efficient freight network. I am no road designer—I do not have that expertise—but I am advised that a combination of factors ultimately impact on the capacity that was highlighted in the previous question.

**Mr W.R. MARMION:** You do not have to be an engineer or anything, you have to be someone who can do the numbers—a finance person—because to do the net present value, you actually have to put a dollar value on all the things the minister just raised. You then analyse the different options and work out which one is the cheapest. You do not necessarily take that, by the way, but it is handy to know what all the options are with the net present value, and then you can make a decision. My question can be put another way: has the net present value been done for various options?

**Mr D.A. TEMPLEMAN:** I am not in a position to answer that question, and I am not sure that the CEO of the Fremantle Port Authority is in a position to answer that question, either.

**Mr W.R. MARMION:** The minister has not asked him.

**Mr D.A. TEMPLEMAN:** He is not in a position.

**Ms L. METTAM:** With regard to the containers that are currently going to Fremantle port on the road network—we asked earlier about the 783 000 TEU—how many are travelling to port by road at the moment?

**Mr D.A. TEMPLEMAN:** I am happy for the CEO to answer that question.

**Mr C. Leatt-Hayter:** The percentage going by road roughly at the moment is about 80 per cent of the containers, and 20 per cent by rail.

**Ms L. METTAM:** Could I get an indication of the number of vehicles travelling by road given that, as I understand it, we are becoming a bit more efficient with the loading of containers onto trucks as well? Could I get an indication of the number and the forward projections of the numbers of trucks that are going to Fremantle port by road, and that number going forward?

**Mr D.A. TEMPLEMAN:** My understanding is we do not have the figures the member has requested. The CEO may wish to make a comment.

**Mr C. Leatt-Hayter:** I do not have the precise number of trucks at the moment. That is something that we have, but I do not have it with me here at the moment.

**Mr D.A. TEMPLEMAN:** The member will need to put that question on notice.

**Ms L. METTAM:** Could that be provided as supplementary information? What are the current and future projections of trucks with containers that are going directly to Fremantle port?

**Mr D.A. TEMPLEMAN:** I am feeling generous. I am happy to provide supplementary information on current —

**Ms L. METTAM:** And future projections?

**Mr D.A. TEMPLEMAN:** My understanding is that we can provide only the current figures, as the member has requested, and I am happy to do that as a supplementary question—that is: the current figures for vehicle numbers accessing the port.

*[Supplementary Information No B9.]*

**Mr W.R. MARMION:** Further to the fact that 80 per cent of containers are distributed out of the port by trucks, can the minister advise whether the forward projections are that that ratio of 80:20 is likely to be maintained for the next three years?

**Mr D.A. TEMPLEMAN:** I might ask the CEO if he is in a position to be able to answer that question, as I am not.

**Mr C. Leatt-Hayter:** We will endeavour to continue growth in containers on rail. That is something that we have been doing over the years, so yes, we will be certainly aiming to at least maintain that proportion and, hopefully, grow it.

**Ms L. METTAM:** Is there a limit to growth in containers on rail? Is there an upper limit to the capacity? I previously understood that the capacity was 30 per cent, but I would just like some clarity on that.

**Mr D.A. TEMPLEMAN:** Does the member want some clarity on what the potential percentage could be on rail?  
[8.50 pm]

**Ms L. METTAM:** Sorry, can the minister repeat that?

**Mr D.A. TEMPLEMAN:** I am just trying to clarify the actual question the member is seeking an answer to.

**Ms L. METTAM:** I am seeking to know whether there is an upper limit to the amount of container volume that can go to Fremantle port by rail?

**Mr D.A. TEMPLEMAN:** As I said earlier, a number of factors impact on that ultimate decision, including amenity and impact on populations living in, around and along those routes. To give the member a definitive figure is a little difficult, given that those elements could impact on the ultimate figure. I do not know whether the CEO has any further comment to make on that.

**Mr C. Leatt-Hayter:** What the minister said is correct. I guess it will depend what happens in terms of the existing line that is there, at what hours of the day the trains can operate, how long the trains can be and whether there can be different time lines for the use of the track by the different service providers that are there at the moment. There are myriad variables that would have to go into a melting pot to come out with what the ultimate capacity might be.

**Ms L. METTAM:** With regard to the 783 000 TEU, I am just wondering, in respect of the container volume going through Fremantle port, how much of that volume is empty containers.

**Mr D.A. TEMPLEMAN:** The chief executive officer may be able to answer that question.

**Mr C. Leatt-Hayter:** I have got the figures here. I should be able to find this very quickly. It is split in every other direction than the one I am looking for. I beg your pardon.

**Mr W.R. MARMION:** Murphy's law!

**Mr C. Leatt-Hayter:** Apologies for taking so long. Last year, the total container trade was 783 000. Of that, the full containers were 610 000.

**The CHAIR:** Excellent. That completes the examination of the Fremantle Port Authority. Thank you very much.

#### **Mid West Ports Authority —**

Ms J.M. Freeman, Chair.

Mr D.A. Templeman, Minister for Local Government representing the Minister for Ports.

Dr R. Macdonald, Chief Executive Officer.

Ms S. Pigdon, General Manager, Trade and Corporate Services.

Mr C. Thurley, Chief of Staff, Minister for Ports.

Mr G. Hamley, Chief of Staff, Minister for Local Government.

[Witnesses introduced.]

**The CHAIR:** Member for Moore.

**Mr R.S. LOVE:** Thanks very much for coming along. I am just going to start off with a similar question I asked the Fremantle Port Authority. I refer to "WA Recovery Plan and Other COVID-19 Related Spending" under "Mid West Ports Authority" on page 153 of the *Economic and Fiscal Outlook*. It is quite topical, I guess, with the recent situation in Geraldton in terms of a COVID-affected crew. What expenditure was involved in putting in place the necessary protocols for the protection of the port workers and the community? How regularly are those protocols reviewed? And what information sharing with other ports takes place in making it happen, through the minister of course?

**Mr D.A. TEMPLEMAN:** I will ask the chief executive officer to respond shortly. The ongoing reference to constantly updated health advice, appropriate advice and directives are of course a responsibility of all of us, including those responsible for major infrastructure such as ports. I will ask the CEO to respond to the member's question.

**Dr R. Macdonald:** We have spent approximately \$100 000 on preparation, including some technology that we needed. We had some quite manual systems that now we do electronically. We have developed very strict protocols in our ports, in consultation with Health advice and also industry members, in particular the ports.

**Mr R.S. LOVE:** With regard to the protocols that were put in place, I think there was an expectation that there would be shipborne quarantine of crews. Has there been any adjustment to any of the protocols since the fairly recent phenomenon of the changeover of those crews who were somewhat stranded for a long time, and now we are seeing fresh crews coming on board who have not been stranded at sea on their own for months and months? Has that led to a review of those protocols in any way, or will that, or the recent events, lead to such a review?

**Mr D.A. TEMPLEMAN:** I think there is constant, ongoing review of a whole range of practices and procedures and refinement based upon the advice that is given with regard to the health and wellbeing and also directives related to the State Disaster Council, for example. I will ask the CEO to respond specifically with regard to the Mid West Ports Authority.

**Dr R. Macdonald:** We review our procedures regularly and in response to any event or learning, whether it is in our region or throughout Australia or internationally.

**Mr R.S. LOVE:** Minister, what interaction takes place between this port authority, or indeed any other port authority, and that wider state emergency response task force that looks after setting the parameters for the state's response generally, such as the Commissioner of Police and the Chief Medical Officer et cetera?

[9.00 pm]

**Mr D.A. TEMPLEMAN:** In a broader context, of course, you would be aware of the flowchart of conversations that take place at the formal meetings of the national cabinet, which influence state-based decision-making. The states, through the State Disaster Council, and information provided by such authorities as the health authorities, including the Chief Health Officer, and feedback from the Commissioner of Police, a range of ongoing directives are framed. The dissemination of that information is primarily but not only confined to the Department of Health. The Department of Health of course plays a critical role in the dissemination of the information, including guidelines, that quite often sit with the directives and determinations that are made. And ports, our transport authority, our hospitals, our schools, all of that important community infrastructure is of course required to respond to those directives, and the same would be expected of our ports. That would be of course the same situation with regard to the Mid West Ports Authority. That is the flow, if you like, of decision-making and, indeed, the dissemination of information. The Mid West Ports Authority plays a critical role in ensuring that the spirit of those directives is adhered to and responded to in a timely way. As we have moved through various phases and restrictions have either been put in place or, indeed, restrictions have been lifted or removed, there are guidelines that essentially sit alongside those particular directives. Being a minister who sits on the State Disaster Council, those council meetings are important in terms of reflecting on the current and ongoing outdated status of the COVID-19 challenge, and Western Australia has been particularly successful, as we know, in responding to that challenge.

**Mr R.S. LOVE:** I do not think it is getting to the nub of it, so, minister, the management of a busy port is a specialist occupation. What interaction takes places between the State Emergency Management Committee when it is formulating the guidelines, and how does that interact with the knowledge of the port authority in setting up its protocols to ensure that the community is kept safe and the port can continue its vital function of keeping the exports from the state going? There must be a little bit more than just reading the directions of the Chief Medical Officer on the internet, I would have thought.

**Mr D.A. TEMPLEMAN:** As I have explained, there is a process that ensures that the intentions of the directives are clearly explained and disseminated for implementation, and, in the case of schools, there are directives that relate to schools. In terms of the important work that ports do and the impact they have, obviously, on ensuring that goods are safely received and embark, those processes are important protocols. The chief executive officer may wish to make some comment specifically to the Mid West Ports Authority, but the dissemination of information is important for it to respond to in the context of a working port. I would ask the CEO whether she would like to make any additional comments.

**Dr R. Macdonald:** We work very closely with the regional response team and we have done so since COVID first began. We have a very strong relationship with them.

**Mr D.A. TEMPLEMAN:** The Minister for Ports is also a member of the State Disaster Council, so issues associated with port function and threats are, of course, detailed and discussed, and decisions made because the Minister for Ports sits on the State Disaster Council.

**Ms L. METTAM:** Given the minister's comments, we can assume, then, that the protocols that are in place are consistent across all of the ports in Western Australia. We can make the assumption, then, given all of the work that the minister is undertaking, including her role on the State Disaster Council, that the protocols in place are consistent, whether it is Mid West Ports Authority, Fremantle Port Authority or Southern Ports Authority, those protocols are consistent across the board.

**Mr D.A. TEMPLEMAN:** The Minister for Ports is a very important and crucial player in the context of decisions made at the State Disaster Council, and her advocacy and, indeed, highlighting of issues as they impact on ports in the COVID-19 context is very strenuously put and based upon information, intelligence and expertise that is fed

to her from all of our ports, and indeed she articulates that very clearly. Let me just say this: in order to ensure that we best protect those people who work on the ports and those people who traverse through the port in terms of the work that they do, or the reasons why they are required to be there, their health and safety is certainly of the highest priority. That is one of the reasons why the Premier quite rightfully, in the last few days, articulated that we need to be very mindful that it is through various means or measures or arenas, such as our ports, that that could be a link we need to be very conscious of in terms of the potential spread of COVID-19. The protocols and procedures are constantly reviewed and revised for that very reason: to keep Western Australians safe and to keep those people who operate our ports and move through our ports safe as well.

**Mr C.J. TALLENTIRE:** Minister, my question relates to paragraph 2.1 on page 642 and projections around growth at the port of Geraldton and the very interesting issue of the wharf 4 deck slab in the replacement of the shiploader rails. I notice that there is an anticipation of growth. I do not believe that will be in grains this year. Could the minister comment on what preparations are being made for general growth in trade.

**Mr D.A. TEMPLEMAN:** I am happy to do that, and then I will ask the chief executive officer if she wishes to add to this. Obviously, the government of Western Australia sees the port of Geraldton as a very important and vital economic connection for the midwest region. It is a magnificent region of WA. I used to live in the midwest, and I am also aware of the stories that our current upper house member Hon Laurie Graham tells of his experiences, of course, as a port authority—what was he? He is a former CEO of the port authority.

To develop an understanding of the importance of the midwest region through our port of Geraldton, the port recently launched its master plan. Its master plan and development strategy is expecting considerable growth in trade over the next 18 months, especially in iron ore, silica sand and building sand. To support this, a major \$10 million commitment through a deck-strengthening project at wharf 4 is being progressed. My understanding is that will be the primary export wharf for mineral sands, talc from Three Springs—my old town that I taught at—and concentrates from Geraldton port, and shipping totalling some 1.2 million tonnes of mineral sands and concentrates in the 2018–19 period. That is worth around \$1 billion to the midwest economy; so not insignificant. Member, the works on the strengthening of wharf 4 is timely given that the original wharf was constructed in 1965, the year that I was born! So lots of issues here. The \$10 million improvement program is designed to extend the service life of that wharf by another 25 years. It is very important and it is a major commitment by the government to invest in the confidence of what that port can deliver in the future. I am sure that the CEO would like to make some very brief additional comments.

[9.10 pm]

**Dr R. Macdonald:** Berth 4 is a very strategic asset for us. It is a multi-user facility, so we have a number of proponents and a number of commodities, which the minister has just mentioned. This work really needs to be done so that we can continue doing the current trade and also increase the strength and capacity so the throughput can be increased as well.

**Mr C.J. TALLENTIRE:** Is the minister anticipating a reduction in the volume of grain going out through the port this coming harvest?

**Mr D.A. TEMPLEMAN:** I am happy for the CEO to respond to that question.

**Dr R. Macdonald:** We are actually expecting to see an increase in trade compared with last year.

**Mr C.J. TALLENTIRE:** Specific to grains?

**Dr R. Macdonald:** To grain this year. Not through berth 4, though; through berth 3.

**Mr C.J. TALLENTIRE:** My understanding is that the grain harvest is considerably down, so is Dr Macdonald saying the midwest is —

**Mr R.S. LOVE:** Not in that area.

**Mr C.J. TALLENTIRE:** Not in that area.

**Mr R.S. LOVE:** Not a bumper, but it is a pretty good year.

**Mr C.J. TALLENTIRE:** We are down to 11 million tonnes statewide, though.

**Mr R.S. LOVE:** Not in that area. It is better off than —

**The CHAIR:** All right. Let us move on. Member for Nedlands.

**Mr W.R. MARMION:** I have a further question on the question.

**The CHAIR:** Further to that question. We have got an interest up. Okay, let us go.

**Mr W.R. MARMION:** Yes. I am ready to come in when required!

I am interested in the design of the wharf, it being an old wharf. Is the authority taking advantage of the current deck; will it be used as the formwork for a thicker deck? That is probably the first question because there are a number that follow on this.



**Mr D.A. TEMPLEMAN:** I am happy for the CEO to respond to the member for Nedlands' question.

**Dr R. Macdonald:** We are not putting an additional deck on top; we are actually strengthening underneath the current deck. Also, we are putting some additional topping beams on top as well.

**Mr W.R. MARMION:** Does the authority envisage extra piling being required to support the strengthened deck?

**Mr D.A. TEMPLEMAN:** I am happy for the CEO to respond.

**Dr R. Macdonald:** No additional piling.

**Mr W.R. MARMION:** Does the authority anticipate any disruption to current operations during the construction procedure?

**Dr R. Macdonald:** We are currently out to tender for the berth 4 deck strengthening and rail replacement works. We are working very closely with our customers to ensure that the impact on our customers is kept to an absolute minimum.

**Mr W.R. MARMION:** The wharf was, I think, \$10 million of the \$11.6 million that is in the WA recovery plan, which I got from the table below. A quick calculation shows that \$1.6 million to \$1.58 million is to do with the fishing boat harbour for various aspects. Will the authority receive any revenue that offsets that from the fishing boats moored at the fishing boat harbour, minister?

**Mr D.A. TEMPLEMAN:** I am happy for the chief executive officer to respond.

**Dr R. Macdonald:** We do charge a small pen fee for the actual pens themselves, but not for the facilities such as lighting, toilets and fuel bunkering.

**Mr W.R. MARMION:** In relation to the pen fee, how does that compare with the pen fees at the marina?

**Dr R. Macdonald:** It is less than the pen fees at the marina.

**Mr W.R. MARMION:** Has the port considered it probably has over many decades—moving the fishing boat people to the marina? The port would not, then, have to worry about the expenditure and those people could make use of the marina rather than the Geraldton port facilities.

**Mr D.A. TEMPLEMAN:** I am wondering where the member is going with this.

**Mr W.R. MARMION:** I think this is about as far as I can go!

**Mr D.A. TEMPLEMAN:** The member has reached the end of the leash! Chair, I am happy for the CEO to respond to that line of inquiry.

**Dr R. Macdonald:** When the marina was originally constructed, some of the smaller boats —

**Mr W.R. MARMION:** In 1990?

**Dr R. Macdonald:** Yes. Some of the smaller boats were moved; however, the dimensions of the vessels that we have in the fishing boat harbour will not fit in the marina—it is restricted to 25 metres.

**Mr R.S. LOVE:** I see there is an amount of \$9.758 million for miscellaneous works, which seems to be considerably more than previous years. I just wondered whether there is any further detail about what some of those major components of the miscellaneous works might actually be. That is still a considerable amount of money.

**Mr D.A. TEMPLEMAN:** I am very interested to know about the miscellaneous works that will cost a significant amount, so I am happy for the CEO to respond.

**Dr R. Macdonald:** Back when we did the port expansion projects, some of the beacon tops needed to be reinstated. That was approximately \$3.4 million. Some cladding of a number of our sheds need to be redone. We also have some maintenance on our roads and some other pieces of infrastructure that is in line with our normal \$5.5 million that we do annually.

**Mr R.S. LOVE:** Going back to “Miscellaneous Works”, and basically the operation of the port. The minister mentioned an increase in the tonnage of mineral sands. Are any of those commodities exported in containers? Are containers something that the Mid West Ports Authority sees as an area of investment in the future?

**Mr D.A. TEMPLEMAN:** I am happy for the CEO to respond.

**Dr R. Macdonald:** We have had a number of inquiries about some smaller container trades. At the moment our facilities would not fit the larger container vessels that go to other ports, and also the draft and windage is an issue coming into port; however, some proponents are looking to do some containers out of the port. We are looking at break-bulk cargo in particular and containers for the smaller parcel size, but not a significant liner service.

**Mr R.S. LOVE:** Are there any firm plans for investment in that area in the port or a firm plan of action that has been put in train to make that happen?

**Dr R. Macdonald:** We have just delivered a master plan. We are looking at increasing trade to up to 48 million tonnes. That is basically the capacity of the port under the current footprint, and includes some break-bulk facilities to facilitate containers—small trades of containers, certainly not large volumes.

**Mr R.S. LOVE:** What sort of tonnages? Give us an idea of what that actually means in small trade.

**Dr R. Macdonald:** At the moment we are looking at about 200 boxes per month.

**Ms L. METTAM:** Would that offset some of the trade that currently comes through Fremantle?

**Dr R. Macdonald:** Not significantly. It would be trade that currently either goes in rotainers or bulk.

**Mr D.A. TEMPLEMAN:** One quick question. Am I allowed to ask you a question?

**Mr R.S. LOVE:** No. You are the answerer of the questions!

**Mr D.A. TEMPLEMAN:** I am just interested in the volume of talc. Has that declined?

**The CHAIR:** General discussion! Member for Moore.

**Mr R.S. LOVE:** I refer to the paragraph headed “WA Recovery Plan—Other Initiatives” on page 642, specifically the waiver of rent and boat pen leases for small business and commercial vessels. How has that been apportioned? Is that a flat waiver? Is it a percentage of the total cost? How is the port applying that relief?

**Dr R. Macdonald:** We are not increasing the tariffs with CPI, as we proposed to do. We also applied that in line with government policy about rental relief for small businesses.

**The CHAIR:** Thank you very much. That completes the examination of the Mid West Ports Authority.

[9.20 pm]

#### **Pilbara Ports Authority —**

Ms J.M. Freeman, Chair.

Mr D.A. Templeman, Minister for Local Government representing the Minister for Ports.

Mr R. Johnston, Chief Executive Officer.

Mr N. Sarandopoulos, Acting Chief Executive Officer.

Mr C. Thurley, Chief of Staff, Minister for Ports.

Mr G. Hamley, Chief of Staff, Minister for Local Government.

[Witnesses introduced.]

**The CHAIR:** Member for Vasse.

**Ms L. METTAM:** I refer to the figure \$109.5 million next to the line item “Election Commitment—Port of Port Hedland—Spoilbank Marina” on page 643 of budget paper 2. Has the cost of this project blown out at all?

**Mr D.A. TEMPLEMAN:** The Port Hedland Spoilbank Marina concept was first released in October 2018 and it is overseen by the marina task force. Its key stakeholders include the Town of Port Hedland, the Pilbara Ports Authority, the Pilbara Development Commission and the department. The budget capital cost for the project was set at \$121.5 million in an Expenditure Review Committee determination on 8 May 2020, and it comprises contributions from the state of \$71.61 million, the Town of Port Hedland of \$37.48 million and BHP of \$12.4 million. On 12 June, the Minister for Ports hosted a local contractors’ forum in Port Hedland, and a Pilbara business register was subsequently launched with regard to inputs to the project. The current situation is that the environmental approval process under the commonwealth Environment Protection and Biodiversity Conservation Act is continuing and final approvals are expected in December of this year. Stage 1 of the marina development consists of access roads to the site, which are planned to be constructed by Main Roads WA on behalf of the Department of Transport in November this year. Stage 2 consists of breakwaters, revetments, earthworks, dredging and landscaping, with works expected to start in early 2021. On 31 August this year, the PPA issued a tender for the earthworks component of stage 2 via the Tenders WA website. There was strong interest in the tender, with 68 companies downloading the tender, and a number of them attending tender briefings, and nine companies attended the optional on-site visit. Tenders closed on 12 October this year, a number of days ago, and the next tender to be advertised is for the dredging works, which will commence in May 2021. As the member is aware, the project has a long history, and there have been some changes to the scope of the project over time. I will ask the CEO if he wishes to make any further comment about the current budget, but I see that the capital expenditure cost is \$121.5 million. I stand to be corrected, and I am very happy for the CEO to make any additional comments he wishes to make.

**Mr R. Johnston:** No, I have got no other comments.

**Mr D.A. TEMPLEMAN:** It was not bad, was it? It was pretty good!

**Ms L. METTAM:** There was \$85 million allocated in the 2018–19 budget, and I understand an additional \$15 million was allocated for operational costs. Has the Town of Port Hedland increased its investment of \$24 million or has there been additional state money?

**Mr R. Johnston:** As per the note, the town is —

**The CHAIR:** Through the minister.

**Mr D.A. TEMPLEMAN:** Sorry, yes. Mr Johnston, yes.

**Mr R. Johnston:** The town's current contribution is \$37.8 million.

**Ms L. METTAM:** Okay. So that is more than what they had originally agreed to. Minister, is that different?

**Mr D.A. TEMPLEMAN:** I am not aware if there is a difference in the amounts to the original concept of the project, and I am not sure whether the CEO has the information to that. Look, to the best of my knowledge, it is the same as when the project was put out in October 2020. So, you really want to know what the Town of Port Hedland's contribution was historically, and is it the same figure that has been quoted to you at \$37.48 million.

**Ms L. METTAM:** Correct.

**Mr D.A. TEMPLEMAN:** Look, I am happy to clarify that via an answer via supplementary information.

**The CHAIR:** Minister, can you again just clearly say what you are giving as supplementary information?

**Mr D.A. TEMPLEMAN:** We will provide information as to the Town of Port Hedland's contributions to the Port Hedland Spoilbank Marina project in historic and current context.

**Ms L. METTAM:** Okay, and that is for the state government contributions as well as Port Hedland?

**Mr D.A. TEMPLEMAN:** You want those as well?

**The CHAIR:** Okay. Let us just keep it simple and, in this instance, B10 is about the Town of Port Hedland. Will you give the additional supplementary information?

*[Supplementary Information No B10.]*

**Mr D.A. TEMPLEMAN:** I do not have a problem doing that.

**The CHAIR:** All right. Let us just make that B11, so then we are really clear. What is B11, minister?

**Mr D.A. TEMPLEMAN:** So B11 will be the historic and current commitment to the project from the state.

**Ms L. METTAM:** Okay.

**The CHAIR:** Thank you.

*[Supplementary Information No B11.]*

**Mr W.R. MARMION:** I assume that the capital mentioned in the table in page 643 for the Spoilbank Marina is for the actual construction and that expenditure on design has already been incurred in previous years. I guess that is my first question.

**Mr D.A. TEMPLEMAN:** The project's transition to the port predates that answer. I might seek some advice. My advice, member, is that planning costs preceded this. This is the capital budget for the actual project.

**Mr W.R. MARMION:** Yes, I understand that now. Further question.

**The CHAIR:** Further question, member for Nedlands.

**Mr W.R. MARMION:** Does that mean the ownership has now passed to the port? In other words, its operation will be the responsibility of the Pilbara Ports Authority?

**The CHAIR:** Minister.

**Mr D.A. TEMPLEMAN:** Yes, the responsibility, effectively, of the project was transferred to the authority of the port in July this year.

**The CHAIR:** Further question.

[9.30 pm]

**Mr W.R. MARMION:** As the minister knows, this has been on the table for a long time. One of the issues in relation to the spoilbank is that it moves, and so the design is very important. If someone, whether it be another government department or not, is then passing the responsibility on to the Pilbara Ports Authority, I am just wondering whether the Pilbara Ports Authority is comfortable with the design and indeed the sedimentary studies that might have been undertaken by an engineering coastal marine expert in terms of the stability of the spoilbank under the new design.

**Mr D.A. TEMPLEMAN:** I am sure the port is confident of both its capacity to oversee the delivery of the project, and, as has been highlighted, a number of tenders impacting on the ultimate design have or are about to be let, including dredging works et cetera. I am confident that the design is robust and accounts for the unique challenges of the landscape in which that port will be delivered to.

**Mr W.R. MARMION:** Further to that.

**The CHAIR:** Further question to that, member for Nedlands.

**Mr W.R. MARMION:** In relation to the operations of the actual facility will the entire facility be owned and then sublet out and revenue generated by the Pilbara Ports Authority or will some aspects of the infrastructure be the responsibility of the town or private boat clubs?

**Mr D.A. TEMPLEMAN:** I am happy for the CEO to respond.

**The CHAIR:** Mr Johnston.

**Mr R. Johnston:** Pilbara Ports will build, own and operate the facility. Obviously the town has a responsibility for maintaining landside, car parks, gardens and so on.

**Mr W.R. MARMION:** Has the Pilbara Ports Authority got some idea what sort of revenue it might generate through annual pen fees of the marina?

**The CHAIR:** Minister, Mr Johnston?

**Mr D.A. TEMPLEMAN:** I am happy for the CEO to respond if he is able to.

**Mr R. Johnston:** We would have to get back to you on that.

**Mr W.R. MARMION:** Can I get supplementary advice?

**Mr D.A. TEMPLEMAN:** The information you are seeking is not available currently tonight, but I am happy for the information to be provided via supplementary information; that is, the number of pens and pen fee revenues expected from the completed project. It will be provided.

*[Supplementary Information No B12.]*

**The CHAIR:** Any other questions? Member for Vasse.

**Ms L. METTAM:** I refer to page 233, budget paper No 3, under “Asset Investment Program”, and I ask: where is the buyback scheme at in relation to Port Hedland that was announced 12 months ago? I note that the Minister for Ports announced that the purpose of the buyback scheme was to establish a marine industrial zone. When do you anticipate this being established and at what cost?

**Mr D.A. TEMPLEMAN:** The current situation with the Port Hedland west end improvement scheme that the member is referring to, which was advertised for public comment on 31 July this year, was approved by the Minister for Planning and was gazetted in September 2020. In June this year the government announced in-principle approval for the voluntary buyback scheme be available to owners of residential dwellings located within the improvement scheme. The PPA is progressing with the preparatory work required to initiate the scheme.

A communications engagement framework to support interagency coordination of the various government responses to Port Hedland matters, including the scheme, has been developed. A separate stakeholder communications plan is being finalised and will be key to effectively implementing the scheme. The success of the scheme is expected to assist with the revitalisation of the west end, and feature commercial and educational land uses connected to the maritime industry, and a proposed maritime precinct designed to increased visitation and other economic activity and benefits that will benefit the town of Port Hedland and the state.

Land uses are being considered in cleared development for new commercial offices, facilities, industrial and commercial tourism opportunities, short-stay accommodation, education and training facilities. The scheme involves an arrangement under which DevelopmentWA may be required to develop a new estate in the east of Port Hedland for departing west end residents combine, should they wish to remain in the area. Obviously, there are some issues that continue to be worked through, but essentially the scheme will give eligible residents the option to achieve a 35 per cent premium on the value of their property—that was as at August 2019—and indexed should they wish to sell and move to another location in Port Hedland or elsewhere.

The costs of the scheme will be met in full by the industry via a port charge levied on shipping companies exporting iron ore, and the scheme will provide opportunities for a redevelopment of the west end under the improvement scheme seeking to revitalise the area. Later this month, October, our residents will be formally invited by the PPA subsidiary company being set up to run the scheme to lodge their expressions of interest, and that would be subject to the Treasurer’s concurrence.

**The CHAIR:** Further question, member for Vasse.

**Ms L. METTAM:** So when do you anticipate this industrial zone to be in place and what is the overall cost that we are looking at?

**Mr D.A. TEMPLEMAN:** I have outlined in that explanation the current and immediate milestones, if you like, as residents will be formally invited by the subsidiary company to lodge their expressions of interest. That is obviously an important milestone for later this month. Progressing of the scheme will continue into 2021. I am not sure whether the CEO wishes to add any further to that explanation.

**Mr R. Johnston:** That is correct; it is to lodge expressions of interest later this month.

**The CHAIR:** Further, member for Vasse.

**Ms L. METTAM:** Further to the comment you made before, are you anticipating that the conclusion of this process will happen next year?

**Mr D.A. TEMPLEMAN:** The process will continue into next year.

**Ms L. METTAM:** Into next year?

**Mr D.A. TEMPLEMAN:** Because we have expressions of interest that are going to be received within this month and then we will have assessments and other issues that will be associated with those, I would expect, but I am happy to be corrected, that the scheme's process will continue into next year. It is a three-year period. So, from additional information, three years is the scheme's window.

**Ms L. METTAM:** Okay.

**The CHAIR:** Further question to this.

**Ms L. METTAM:** Is there an anticipated cost to industry and government?

**The CHAIR:** Minister.

**Mr D.A. TEMPLEMAN:** I will check. I cannot give you a definitive figure because, of course, the ultimate figure will depend upon the ultimate take-up. But given that there is the formula, if you like, and the number of landowners, it could be several hundred million dollars?

**Ms L. METTAM:** Hundreds of millions?

**Mr D.A. TEMPLEMAN:** Hundreds of millions—there you are.

**Ms L. METTAM:** Okay.

**Mr D.A. TEMPLEMAN:** Again, that is a figure that cannot be substantiated until we have seen what the take-up is like, and that will become clearer once the expression of interest process has opened and ultimately closed.

**The CHAIR:** Further question on this?

**Ms L. METTAM:** Minister, when will the Love report in its entirety be made publicly available?

[9.40 pm]

**Mr D.A. TEMPLEMAN:** The Love report formed the basis of cabinet submissions, so it is cabinet-in-confidence.

**The CHAIR:** Member for Morley.

**Ms A. SANDERSON:** Minister, I refer to page 644 of budget paper No 2 under "New Works". Are you able to outline what measures are being taken to ensure the port of Port Hedland or Pilbara Ports Authority can continue to support ongoing growth in WA exports?

**Mr D.A. TEMPLEMAN:** Yes, I am happy to respond. Thank you for the question. Everyone in this room understands the importance of the port of Port Hedland and the impact and reputation it has in terms of trade, and indeed when you think of the volumes and the economic wealth that is generated through that port and that region, it is remarkable. The iron ore exports through Pilbara ports have generated a staggering \$120 billion in earnings, which is a really unbelievable figure, with over 770 million tonnes exported from the ports of Port Hedland, Dampier and Ashburton—again the vast majority being iron ore exports.

Last financial year's Pilbara port export tonnage was 20 million tonnes more than the previous, so a three per cent increase, and Port Hedland, of course, is our busiest port. In June this year, a record monthly figure of 52.4 million tonnes was exported, so it was a record month for them. All Pilbara ports, however, are susceptible to operational interruptions, including cyclones, which in recent times have caused significant damage to port assets including revetment walls which support some of the berths and on one of the tug havens. To address this threat to safe operations of the port and the vital export trade, an urgent program of works has been commissioned to rebuild the walls, with a total cost of \$71.2 million. That is a very important investment to shore up those assets. These works will be completed over the course of the calendar year 2021 and will provide operational security for shipping, towage, vessels, and again assist in reducing the risk of significant weather damage. The projects will also have a high labour content.

These are important measures to shore up the capability and capacity of the port. On an aside, it is one of the reasons why, for example, I see that it is critical the Town of Port Hedland is a highly efficient, highly governed local government, because it is part of the powerhouse of our economy and an important stakeholder in the prosperity of not only the town of Port Hedland, but of course the nation, and our state economy.

**The CHAIR:** Member for Nedlands.

**Mr W.R. MARMION:** Thank you, Chair. My question relates to the port channel and the channel risk optimisation project that was completed in June this year—a \$121 million project. Firstly, I would like to know what that entailed. In particular, I know that the efficiency of the port relies on the very good management of the ships coming in and out. I want to know, firstly, what is the limitation on movements following that optimisation project, and what did it include?

**The CHAIR:** Minister?

**Mr D.A. TEMPLEMAN:** I am happy for the CEO to respond.

**Mr R. Johnston:** It is a complex project. The channel is unidirectional, so we convoy ships out in convoys of six and seven. If a vessel in the front end or in the middle of that convoy has an engine slowdown, the following ships have nowhere to go; they cannot get past. So we identified two safety areas where we needed to dredge deep enough for a fully laden ore carrier to be pushed off to one side and still survive at low tide without sitting on the ocean floor. Those two safety areas were dredged to the relevant depth. Over the years we have seen from 10 per cent of the fleet in 2008 being over 200 000 tonnes to something like 43 per cent of it today being over 200 000 tonnes, and importantly something like about 15 per cent being over 250 000 tonnes, and vessels now typically up to 325 metres long. So that needed to be done.

The other issue that you have is that across the top of that channel, again needing to secure a certain depth to get a consistency. If you have a high spot, that actually determines your draft, not the lower spot in the channel. At the end of the channel, there was a number of high spots. The channel is 22 nautical miles long. It takes two and a half hours to transit from home point to the end, so you load your vessel to make sure it transits the high spots at the end of the channel. By moving those high spots at the end of the channel, we were able to deeper draft load the vessels at the beginning.

Over the course of the period of this particular program of works and on the survey that we have been able to do, we have been able to create 71 centimetres more depth overall in the channel, and typically vessels are going out with 10 000 to 12 000 tonnes more per vessel than what they did prior to the commencement of those works. That equates to something like 30 million tonnes a year of free tonnage.

**The CHAIR:** Further question on that?

**Mr W.R. MARMION:** Yes, on the channel. One of the risks to Western Australia, and indeed Australia, is if the channel gets blocked. Let us say a ship went sideways and blocked the whole channel. I know another channel will cost a lot, and the minister might be able to comment on that, so there are two questions. One is: if you had had another channel to minimise that risk, what would be the cost and what sort of percentage increase could you get in movements with two channels? Have you done that work, minister?

**The CHAIR:** Minister?

**Mr D.A. TEMPLEMAN:** I am happy for the CEO to make comment as to whether that work has been done.

**Mr R. Johnston:** No, there has not been a cost of working out the cost of the 22 nautical mile channel. In any event, you would not be able to achieve that throughout because you have got a hung point, which is a constricted point which cannot be increased. Instead, we have a significant range of risk mitigations. One of them is pilotage. Our pilots are some of the few certified pilots in the world where we have ISPO certification and a training regime, so we have very rare professional marine pilots. We have assessed and done a lot of studies on towage, so we are the only port in the world that has four of the biggest tugs that you can get hosting those vessels both in and out. We have done a lot of other assessment work in and around that. We have also had those risk assessments audited and found to be best practice.

**The CHAIR:** Any other questions, member for Vasse?

**Ms L. METTAM:** I have a question. I refer to budget paper No 3, page 238, under the heading, “General Government Revenue from Public Corporations”. It is a question for the minister about all of the ports, but I do point to Pilbara Ports Authority specifically as well, where we have seen a significant increase in the dividends to government this year, from 2019–20 to 2020–21. Fremantle Port Authority, for example, goes from \$12 million to \$57 million, Mid West Ports Authority from \$4 million to \$22 million, and Pilbara Ports Authority from \$30 million in dividends to \$190 million. I would just like the minister to explain the reason for this significant growth in dividends for 2020–21.

[9.50 pm]

**The CHAIR:** Minister.

**Mr D.A. TEMPLEMAN:** Yes, I am happy to make some comment on that question. Thank you, member for Vasse. The interim dividend policy was introduced by the previous government in 2014–15, and the current policy is for any interim dividend to be paid at 75 per cent of the estimated full-year dividend. Port authorities have been requested to make interim dividend recommendations and pay interim dividends since 2014–15, other than in 2016–17 and 2019–20. The current situation is, of course, that following discussion with the Treasurer and the

Under Treasurer, the McGowan government did not request an interim dividend payment in 2016–17. However, it reviewed and raised the dividend payment ratios starting from 2016–17. The government did not request an interim dividend payment in 2019–20 to provide port authorities with sufficient cash flow to deal with COVID-19-related needs. The impacts of the deferral of the interim dividend amounts are, of course, important considerations. I hope that explains the current situation and also the reason for the most recent decision by government to not request an interim dividend payment in the 2019–20 budget year.

**The CHAIR:** Member for Vasse and member for Moore, can I just point out you have got eight more minutes and you have got two more ports. No more questions?

**Ms L. METTAM:** I will ask a further question. Just to clarify: this is not an effort just to manipulate the budget to make the government's bottom line look better?

**The CHAIR:** Minister.

**Mr D.A. TEMPLEMAN:** Of course not!

**The CHAIR:** No more questions? No. You do not want to see any of the other ports, member?

**Ms L. METTAM:** We could see the —

**The CHAIR:** All right. Let us just call this one. This completes the examination of the Pilbara Ports Authority. Thank you very much.

### **Kimberley Ports Authority —**

Ms J.M. Freeman, Chair.

Mr D.A. Templeman, Minister for Local Government representing the Minister for Ports.

Mr C. Faulkner, Chief Executive Officer.

Mr C. Thurley, Chief of Staff, Minister for Ports.

Mr G. Hamley, Chief of Staff, Minister for Local Government.

[Witnesses introduced.]

**The CHAIR:** Who has a question? Member for Vasse?

**Ms L. METTAM:** I refer to budget paper No 2, volume 2, page 641. I am referring to the private jetty proposal. Given that Broome port has run at a loss for subsequent years and the state government supports the new private jetty proposal in Broome, named the Kimberley marine support base, what measures are being put in place to support the existing facility into the future?

**The CHAIR:** Minister.

**Mr D.A. TEMPLEMAN:** I note the time. Yes, the government, of course, is committed to the Kimberley marine support base project, and I understand there has been an agreement on the location of the facility and also the wharf neck landside access area, which have been committed to. The selection of a facility operator is progressing and a decision is expected before the end of 2020. The KPA received a proposal for the construction of a Kimberley marine offloading facility encompassing an offshore floating pontoon wharf linked by a causeway to land-based staging post. The development will provide a material loading and offloading facility designed to cater for heavy lifting and roll-on, roll-off cargo. The development is expected to be complementary to the existing operations of the port and the proponent is progressing matters relating to environmental approvals, final design, commissioning plans and securing financial flows. In terms of the financial position of Kimberley Port Authority, I am happy to have the CEO make comment on that aspect of the question.

**The CHAIR:** Mr Faulkner.

**Mr C. Faulkner:** Yes. As you can see in the budget papers, we are investing in the existing wharf; in particular, electrical upgrades and also protective coating to the substructure and the underdeck trolley system. Our focus at the moment is to ensure that our jetty continues as is for a number of years.

**The CHAIR:** Member for Moore.

**Mr R.S. LOVE:** I must admit I am not particularly familiar with the Kimberley Port Authority, but could the minister just outline please—this talks about Broome a lot—what ports the Minister for Ports is responsible for?

**The CHAIR:** Through the Minister.

**Mr D.A. TEMPLEMAN:** Broome would be in there, and Wyndham: is that correct?

**Mr R.S. LOVE:** Not yet.

**Mr D.A. TEMPLEMAN:** Not yet. I will get the CEO to clarify that.

**The CHAIR:** Mr Faulkner.

**Mr C. Faulkner:** We are responsible for the port of Broome at the moment, and we will be taking over responsibly for the ports of Yampi Sound, Wyndham and Derby, all things being equal on 1 July next year.

**The CHAIR:** Member for Moore, further question?

**Mr R.S. LOVE:** At the moment, they all operate under their own individual structures, so the rationalisation, if you like, of those ports will require some changes to the structure of the Kimberley Port Authority itself. Are any moneys put aside in the budget to enable that change of structure to occur?

**The CHAIR:** Minister?

**Mr D.A. TEMPLEMAN:** My understanding is that those other ports you mentioned are operated under the Department of Transport, so they are essential government assets. The proposal is that by July next year, the entity, Kimberley Ports Authority, comprises those other three ports in addition to Broome port.

**Mr R.S. LOVE:** We have a budget which has forward estimates going forward to 2024 for the Kimberley Port Authority, which will encompass all those other assets at that stage. When would we expect to see reporting to come into budget documents for expected costs and operations for those particular port localities? I go back to the question: is there any allocation for any funding changes to the Kimberley Ports Authority to enable it to take over the management and operation?

**The CHAIR:** Minister.

**Mr D.A. TEMPLEMAN:** Future line items would appear for 2020–21 in the 2021–22 budget, given that the arrangement is still to be ultimately delivered and those considerations of additional funding to support the resourcing of the new entity would be a consideration of government in that budget period. That would be my expectation.

**Mr R.S. LOVE:** I have a further question.

**The CHAIR:** Further question, Member for Moore.

**Mr R.S. LOVE:** What benefits do you see or what are the advantages of bringing those other ports under the umbrella of the Kimberley Ports Authority?

**Mr D.A. TEMPLEMAN:** I am happy for the CEO to outline the benefits, in a very brief moment of time, because the clock is getting towards 10.

**The CHAIR:** Mr Faulkner.

**Mr C. Faulkner:** The benefits are local management and local knowledge of the market conditions in the Kimberley through the Kimberley Ports Authority, where all our management employees are situated in Broome. Also, under the Port Authorities Act, certainly our harbourmaster has specific —

**The CHAIR:** I am about to interrupt you and put the question before 10 o'clock. So that completes the examination of Kimberley Ports Authority.

**Southern Ports Authority —**

**The CHAIR:** That also completes the examination of the Southern Ports Authority. Despite the fact that witnesses were not called down here, we appreciate your being here.

*Committee adjourned at 10.00 pm*

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