

**STANDING COMMITTEE ON
ESTIMATES AND FINANCIAL OPERATIONS**

2017–18 BUDGET ESTIMATES HEARINGS



**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
MONDAY, 16 OCTOBER 2017**

**SESSION TWO
DEPARTMENT OF PRIMARY INDUSTRIES AND REGIONAL DEVELOPMENT**

Members

**Hon Alanna Clohesy (Chair)
Hon Tjorn Sibma (Deputy Chair)
Hon Diane Evers
Hon Aaron Stonehouse
Hon Colin Tincknell**

Hearing commenced at 3.00 pm

Hon ALANNAH MacTIERNAN

Minister for Regional Development; Agriculture and Food; and Minister representing the Minister for Fisheries, examined:

Mr RALPH ADDIS

Director General, examined:

Mr JOHN RUPRECHT

Executive Director, Irrigated Agriculture, examined:

Ms MEGHAN BARNES

Assistant Manager, Governance and Ministerial Services, examined:

Ms MANDY TAYLOR

Chief Finance Officer, examined:

Dr MARK SWEETINGHAM

Acting Deputy Director General, examined:

Mr NIEGEL GRAZIA

Deputy Director General, Regional Development, examined:

Ms HEATHER BRAYFORD

Deputy Director General, Fisheries, examined:

Mr BRUNO MEZZATESTA

Executive Director, Regional Services, examined:

Mr COLE THURLEY

Policy Adviser, Office of Minister MacTiernan, examined:

The CHAIR: On behalf of the Legislative Council Standing Committee on Estimates and Financial Operations, I would like to welcome you to today's hearing. Can the witnesses confirm they have read, understood and signed a document headed "Information for Witnesses"?

The WITNESSES: Yes.

The CHAIR: It is essential that all your testimony before the committee is complete and truthful to the best of your knowledge. This hearing is being recorded by Hansard and a transcript of your evidence will be provided to you. It is also being broadcast live on the Parliament's website. The hearing is being held in public, although there is discretion available to the committee to hear evidence in private. If, for some reason, you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session before answering the question. Agencies and departments have an important role and duty in assisting the committee to scrutinise the budget papers and the committee values your assistance with this.

Would the minister like to make a brief opening statement?

Hon ALANNAH MacTIERNAN: Yes. Thank you very much, Madam Chair. I think we have done a pretty good job of trying to maximise the return for the regions while at the same time being very cognisant of the challenges that we face across the state in a budgetary setting. We are very focused on driving economic growth within the regions and very focused on ensuring that we are properly supporting our agricultural and fisheries industries. We see that we need to refresh our commitment to R&D in this particular area and much of our endeavour in terms of agriculture is certainly trying to re-establish some baselines in that regard. I will not take up too much time; I am sure that these very many members here have lots of very interesting questions.

The CHAIR: Thank you, minister. We have allocated time for each member to ask a series of questions. I will ask the members of the committee to ask their questions first, and then go to the participating members. You have about five minutes each. We will start with Hon Tjorn Sibma.

Hon TJORN SIBMA: I refer to the table of spending changes as it appears on page 286 of budget paper No 2, volume 1. I draw your attention to the line item “Local Projects Local Jobs” in relation to the \$8.6 million of expenditure for 2016–17 and the \$1.4 million estimated for 2017–18. I ask a very simple question: what guidelines and governance mechanisms are in place to ensure the appropriate distribution of those moneys and will there be any post-program review of the effectiveness of each individual measure?

Hon ALANNAH MacTIERNAN: Member, each of those projects obviously was the subject of an election commitment. As you probably are aware, we were elected, so we consider that we have a mandate for the implementation of those. Obviously, there is the standard procedures of government in terms of ensuring that there is proper oversight as to the expenditure, and the acquittal of the expenditure will take place in relation to the regional spend that is being done by the regional development division of DPIRD, but they were commitments that were made during the election.

Hon TJORN SIBMA: What role do you play in terms of determining the allocation of that money? Do you do that with the Treasurer and Premier, or do you do that by yourself? What rules apply?

Hon ALANNAH MacTIERNAN: These were projects that were subject to an election commitment. As a package, they have gone to ERC and as a package they have been approved by cabinet.

Hon TJORN SIBMA: Of the organisations which have received funding under that measure for 2016–17, how many have actually received that funding?

Hon ALANNAH MacTIERNAN: I am not sure that I have the number of organisations; I have certainly got the sum of money. It appears in the budget that it was \$8 571 000. If we note that we have now moved into the financial year beyond that—we are into the 2017–18 year—if we combine both, as I understand, to date my figures show us that around \$7 million has been provided, with a further \$2 million to be provided this year.

[3.10 pm]

Hon TJORN SIBMA: Will the minister be in a position after this hearing to table a list of the recipient organisations?

Hon ALANNAH MacTIERNAN: Yes, I will take that as a supplementary question.

The CHAIR: I will allocate that B1, the list of organisations.

[*Supplementary Information No B1.*]

Hon DIANE EVERS: My concern in this budget for Primary Industries, stems from the recognition that as per question on notice 284, that I put in earlier, staffing numbers in the south west have fallen over 30 per cent in the seven years from 2010 to 2017. In addition, as per a question prior to this hearing, in the two most recent voluntary redundancy schemes, the agriculture department lost 172 employees. This was the third highest number of any department following Health and Education. What scope does the department see for contributing to the government's target in the current voluntary redundancy scheme, given the already depleted workforce?

Hon ALANNAH MacTIERNAN: This is a big challenge. There is no doubt, as the member has outlined, that there has been, over the last eight years, a very considerable reduction in the number of personnel—about 40 per cent, I think, of the funding cuts across the department of agriculture—and that particularly had a massive impact in regional areas. It shifted the balance so that, previously, the majority of people were actually employed in the department of agriculture in the regions, and now I think that is down to about 42 per cent—is it?—of the agricultural division. But it certainly has switched around. There was a disproportionate impact on the regions from that decision to very, very considerably reduce the amount of personnel in the then Department of Agriculture and Food. It is going to take us some time to turn that around, but I have certainly made it very clear that we want to turn that around and rebuild our capabilities in the region. Member, there have probably been regions, more than the south west in some ways, that have been affected; for example, the old Department of Agriculture and Food had one person in the Pilbara—a biosecurity officer. Indeed, the Northern Beef Futures was staffed primarily out of Bunbury, South Perth and Waroona, which is something again that we think is inappropriate. It has meant that there has been a breakdown in the alignment with industry, by this disconnection from the geographic locale where the work is being offered. We cannot promise any miracles overnight, but it is certainly our aim to rebuild our research capability to make sure that we get good use out of the research facilities we have within the region and rebalance it so that we do not have the bulk of our agricultural personnel in the city.

Hon DIANE EVERS: Can I ask: is it possible for this department to not agree to people leaving—taking up the voluntary redundancy?

Hon ALANNAH MacTIERNAN: I am not going to make any commitments like that. We are really looking at the capabilities; but, in my view, certain jobs should be offered as being available in that region. If you are not available to live in that region, then you do not take that job. Just as Main Roads does in its places, I think in Agriculture we need to do this.

Of course there are some challenges here. One of the big challenges with regional development is that there are a number of disincentives for people to live in the regions. We have to make sure that we are able to attract good staff; we want to be able to attract leading scientists. I would hope that people who want a career in agriculture are not necessarily averse to living in the regions. But I am not going to make any simplistic overall statements. We are wanting to rebuild capability and to repopulate the regions where we can; it is not something that we can do overnight.

Hon DIANE EVERS: Noting that the expected total cost of services for the department is budgeted to fall from \$528 million in 2017–18 to \$336 million in 2020–21, or a decrease of 43 per cent in three years, how does the department expect to deliver adequate services across Agriculture, Fisheries and Regional Development?

Hon ALANNAH MacTIERNAN: Where are you getting this figure from—sorry?

Hon DIANE EVERS: If you look at the total expenditure in the income statement on page 300—total cost of services, \$528 000.

Hon ALANNAH MacTIERNAN: I ask the member to specify what she is talking about so we can refer to it.

The CHAIR: Continue, Hon Diane Evers, with your question. We will leave it to the agency to find the page number.

Hon DIANE EVERS: Given that fall, I am interested to know how the department is going to provide adequate services across Agriculture, Fisheries and Regional Development. I also note that at the seventh dot point of the significant issues, on page 286, you talk about doubling the state's agriculture sector by 2025. I am concerned with these decreases in the cost of services; how are you actually going to be increasing the value of the service?

Hon ALANNAH MacTIERNAN: I point out that this is an amalgamation, so there are a number of factors here. We are bringing a number of different agencies together, so there will be a number of savings in corporate services by effectively bringing together Fisheries, Agriculture and Regional Development, which is part of the whole purpose of the amalgamation of government departments—that you do not have to duplicate all that infrastructure. But I also point out that much—the vast majority—of Regional Development's staff were located in the city. Part of our task is going to be working out how we can—this is work that has to be done over the next year—reallocate money from the city in, perhaps, functions in Regional Development so that that will enable us to expand and focus better on our efforts to double agricultural production. You have to think that we have three agencies now being brought together, so a certain number of savings are going to come from sharing those services. In addition, there will be voluntary redundancies that will not necessarily fall evenly across all those agencies.

Hon COLIN TINCKNELL: Can the minister please report on any funding allocated to the department projects in Geraldton relating to Agriculture and Food, Fisheries, or Regional Development?

Hon ALANNAH MacTIERNAN: We have two. The Mid West Development Commission does some work in this space. As we bring these agencies together, hopefully, we will get better alignment. But work is being done in the DPIRD—the old DAFWA capabilities in the department. I think you were talking specifically about Agriculture, were you not?

[3.20 pm]

Hon COLIN TINCKNELL: Yes; Agriculture, Food and Fisheries—all Regional Development.

Hon ALANNAH MacTIERNAN: So do you want to know what the research projects were that they are working on?

Hon COLIN TINCKNELL: It is just a report on the allocated funding of the projects, specifically to Geraldton.

Hon ALANNAH MacTIERNAN: Yes. I am not entirely sure that we can talk about it in terms of specific projects but, if you want, I am prepared to provide by supplementary information an analysis of the work that is going on in the midwest in terms of agriculture and fisheries research. Is that what you are looking for?

Hon COLIN TINCKNELL: Yes, that will be fine.

[*Supplementary Information No B2.*]

Hon COLIN TINCKNELL: Can the minister provide a report on the number of public servant FTEs to be budgeted to be employed in Geraldton? How does this compare to the last 10 years of FTEs allocated to this important regional city?

Hon ALANNAH MacTIERNAN: Will the member just bear with us for one second.

The CHAIR: Member, in our procedures, we ask members not to ask questions of comparisons of previous budgets. The hearings are about this budget, but the minister may be able to talk to trends of FTEs but would not be able to provide information relating to previous budgets. It is not an expectation we have that they have that information with them.

Hon COLIN TINCKNELL: Thank you, Chair.

Hon ALANNAH MacTIERNAN: Yes, thanks. I am not sure where you would like us to take that.

The CHAIR: Perhaps you might, if you have the information available about FTEs in this budget compared to the previous budget, or you might want to take that on notice.

Hon ALANNAH MacTIERNAN: There was a document. Sorry, look if this is outside the —

The CHAIR: The 10-year scope is outside the budget but if you wanted to provide information about FTEs in this budget, please provide that.

Hon ALANNAH MacTIERNAN: Yes; we can do so. Thank you; we will do that.

The CHAIR: So will you take that on notice?

Hon ALANNAH MacTIERNAN: Yes.

[Supplementary Information No B3.]

Hon COLIN TINCKNELL: I have a fairly long question. Can the minister advise on the likelihood of any contracts that will be exempted from the public listing on Tenders WA to be entered into by the department in the next 12 months? I refer to the contracts, for various reasons as listed by the Department of Finance, that are not required to be advertised or listed publicly, but must be recorded on each agency's exemption register and must receive an approved request for exemption. Secondly, how much will these contracts approximately cost; and what service or goods will be provided?

Hon ALANNAH MacTIERNAN: Can we provide that by way of supplementary information? I will ask Mr Addis if he wants to comment.

Mr ADDIS: There are a range of procurements that we may consider taking that path that are not yet clear, so that will be emerging, but we can give you whatever we currently plan to do through those exemptions.

The CHAIR: We will take that as B4—projects that are planned under current exemptions.

[Supplementary Information No B4.]

Hon ALANNAH MacTIERNAN: That are currently being contemplated. Member, can I just point out that, for example, sometimes things will happen and there will perhaps be something that is an emergency that will require a very urgent response and we obviously cannot anticipate that, but we will provide a general answer on our position.

Hon COLIN TINCKNELL: Yes.

Hon AARON STONEHOUSE: I refer to page 286 where it mentions a “renewed focus on local content” and goes on to mention support for “local suppliers, businesses and contractors”. What constitutes a local supplier, business or contractor in that context?

Hon ALANNAH MacTIERNAN: We are all aware of some complexities that revolve around section 109 of the Constitution and also free trade agreements but our approach has been that we need, in the regions, to be developing the awareness and capability of our regional contractors. So what we have done is that with every region, we have appointed a specialist local procurement officer whose job is to ensure that we understand what the local capability is and that each of the relevant local

contractors are kept informed of what contracts will be coming up. We have region-specific links for each region with pre-sorted Tenders WA and Jobs WA lists. As I say, part of it is ensuring that the way in which tenders are structured in terms of their size and their applicability, maximises the ability of local—as in that local region—being able to participate in those projects. So, obviously, if you have —

Hon AARON STONEHOUSE: Sorry, if I may, Chair, I specifically want to know what local suppliers are in that context. Are we talking about businesses that are within that region, within the state or within Australia? What are the confines of “local” in this context?

Hon ALANNAH MacTIERNAN: We have divided the regional areas up into nine regions.

Hon AARON STONEHOUSE: So would these be businesses within those regions?

Hon ALANNAH MacTIERNAN: Yes.

Hon AARON STONEHOUSE: Yes; okay.

My second question refers to page 291 and the total cost of the enforcement and education service budget target of \$41 million. What amount constitutes the wages and salaries of the 194 FTEs? How many marine vessels make up the enforcement fleet? Of those marine vessels, how many are reaching their end-of-serviceable-life date?

Hon ALANNAH MacTIERNAN: That is very detailed. I wonder whether anyone might have—Ms Brayford, do you?

Ms BRAYFORD: Thank you. It would probably be best to take those as supplementary if we could, please, minister, particularly the wages and salaries and to check the service life of the marine vessels.

The CHAIR: So those three very specific questions are B5.

[Supplementary Information No B5.]

Hon Dr STEVE THOMAS: Minister, I refer you to page 223 of budget paper No 3, which is the royalties for regions expenditure section. Two-thirds of the way down the page, there is a line item for “Koombana Park Facilities” with expenditure in the current financial year of \$6.7 million. Can we check to see whether that is the proposed location of the previous Department of Parks and Wildlife offices in Bunbury at Koombana Bay; and, if so, can we get a breakdown of what that \$6.7 million is going to be spent on and what the budget looks like?

Hon ALANNAH MacTIERNAN: Yes; that is correct. This is the project site in Bunbury that was originally intended for the construction of the Department of Parks and Wildlife Bunbury headquarters. We acknowledge that although we do say that, those plans and those commitments were not particularly well formed. We have gone through and reviewed the work, and there was still a great deal of uncertainty about what, in fact, was going to be happening there. We have considered that there are probably better locations for that. We think, for example, that this site probably better lends itself to a tourism facility but that work will be undertaken by a planning committee—a development committee—and we have allocated \$500 000. My understanding is that the \$6.7 million —

[3.30 pm]

Hon Dr STEVE THOMAS: The \$6.7 million for this financial year.

Hon ALANNAH MacTIERNAN: We are going to be rehabilitating that site and then getting it ready for the new proposal that, hopefully, will come forward out of this development committee. That money will be spent on site restoration.

Hon Dr STEVE THOMAS: There is \$6.7 million in the current financial year, which is one-third over already. Can we get a breakdown of precisely what that money is being spent on? The City of Bunbury is of the opinion that there are site works, as you say, revegetation and the construction of a toilet facility, I understand. Can we get some clarification that that is what is going on?

Hon ALANNAH MacTIERNAN: This sum of money is for the completion of planned works. Although we are not proceeding to develop the site at the DPaW headquarters at this point, obviously, site works need to be completed.

Hon Dr STEVE THOMAS: Is the construction of the toilet block part of that process?

Hon ALANNAH MacTIERNAN: Yes.

Hon Dr STEVE THOMAS: Can we find out what component of the budget and how much that is costing?

Hon ALANNAH MacTIERNAN: Yes, we can do that.

Hon Dr STEVE THOMAS: If we can get a breakdown of what is involved in the landscaping, revegetation and separate to the toilet block.

Hon ALANNAH MacTIERNAN: I just point out that at this point it is an estimate, obviously.

[Supplementary Information No B6.]

Hon Dr STEVE THOMAS: My final question is this: some years ago a singing toilet was developed in Bunbury. Is there a possibility of saving some money? I understand that it is in a depot in the City of Bunbury at the moment. Is there not some chance of putting that back into the new facility and saving a few dollars and updating the songs perhaps?

Hon ALANNAH MacTIERNAN: Perhaps we could raffle it! Does anyone have any information on the location of the singing toilet—where it might be? We will certainly get you some information on the fate of the singing toilet.

The CHAIR: We will take the fate of the singing toilet as B7.

[Supplementary Information No B7.]

Hon MARTIN ALDRIDGE: My question goes to “Administered Items” in budget paper No 3, page 227. Can the minister confirm for me that both the promised upgrade of the Geraldton health campus by Labor as well as the additional mental health beds are incorporated within “Administered Items” and could you give me the amount of money that is allocated to each?

Hon ALANNAH MacTIERNAN: A total of \$49.7 million is for the Geraldton health campus redevelopment.

Hon MARTIN ALDRIDGE: And mental health beds?

Hon ALANNAH MacTIERNAN: Do you mean the mental health beds in the Geraldton health campus?

Hon MARTIN ALDRIDGE: Yes.

Hon ALANNAH MacTIERNAN: I am advised that in addition to that \$49 million, there is \$8.745 million for 12 acute and eight subacute mental health beds in Geraldton.

Hon MARTIN ALDRIDGE: Of that \$250.9 million, we learnt from evidence provided in the other place that \$173 million is for election commitments and \$77.5 million for notional allocations. Although that does add up to the \$250.9 million, can the minister explain to me what “notional allocations” is?

Hon ALANNAH MacTIERNAN: They are projects that are not yet sufficiently defined for us to say with confidence exactly how much they will cost and how we can profile them. These are projects that we need to do some more work on before we can put them into the budget.

Hon MARTIN ALDRIDGE: How does that differ from election commitments? Why do we have two categories within that \$250.9 million? I understand election commitments that require further planning and scoping.

Mr ADDIS: As far as those election commitments that require further definition, they are of the same nature in that they still require further work before they can be specified in our internal planning.

Hon MARTIN ALDRIDGE: So one section is election commitments and one section is not election commitments but they all require further planning?

Hon ALANNAH MacTIERNAN: Yes. I do apologise for this but I think some of the items might have been not as well categorised, just looking at these lists now with those that are called notional. For example, on this list here, Geraldton health campus has been put down as notional, whereas really that is election, so perhaps some of these have been wrongly categorised. I think the others that are included are things that we have not yet committed to; they were not election commitments but these were items perhaps very often where current funding might finish this year or next year and we have not yet made a decision what to do about it but we wanted to keep some budget space to enable us to put those into the budget should the ERC and the cabinet determine that we were going to continue with funding.

Hon MARTIN ALDRIDGE: I put a couple of questions on notice prior to hearings. One of them was about this issue. Your response was that these projects required further planning and business case development to confirm project cost timing and/or responsible agency. So projects that are not within this category but are contained within the budget are therefore scoped and confirmed and sufficiently advanced in terms of their scope, location and cost?

Hon ALANNAH MacTIERNAN: Generally speaking, that would be the case. As I say, there is not always the clearest of demarcations between where a project might be on a continuum but there are items where we were sufficiently confident to have a funding profile and others that we were not. We wanted to give ourselves some more time before we designed the funding spread, which we note nevertheless we needed to. It is a continuum. It is not as if some were totally unformed and others totally formed. At some point, because we had such a big task leading up to the budget, there were certain projects that ERC were confident had progressed to a point where they were prepared to sign off on that funding; and others where they required us or other relevant agencies to go back and do more work before they signed off on the funding.

[3.40 pm]

Hon JACQUI BOYDELL: I refer to budget paper No 3, page 227, and actually probably a further analysis of my colleague Hon Martin Aldridge's comments, and the line item "Administered Items". I have a list of the more than 31 projects that are all due to be funded from that money—for example, the \$49.7 million for the Geraldton Hospital that you just pointed to. What is the estimated total value of all those 31 projects? What has already been allocated on that list? What is the balance then of that fund after that allocation? How do you envisage that that entire list will be funded?

Hon ALANNAH MacTIERNAN: The administered items?

Hon JACQUI BOYDELL: Yes.

Hon ALANNAH MacTIERNAN: I am checking the figures they have here. We have in total around \$77.5 million that has not been subject to any approval yet. It is a little bit complex to explain but \$173 million of those administered items have been approved by ERC against specific line items. Then there is another bunch which are against different projects, which have yet to go to ERC for approval, but for which we have kept the budget allocation. One hundred and seventy-three million dollars of those are projects that have now gone through the ERC but which were not put in the main budget because we were still sorting out the distribution across the forward estimates.

Hon JACQUI BOYDELL: Madam Chair, can I ask the minister to table that document that she is referring to?

Hon ALANNAH MacTIERNAN: I will check that I can do that and that there are not some items in here that have yet been items that have been approved.

The CHAIR: In order for us to do that, the committee would have to allocate a status to the document, so we would seek the advice of the minister whether that is a public or private document. I will ask the minister to consider that for the remainder of the hearing. If it needs to remain a private document, the committee will have to cease the hearing and go to the President's corridor for a committee hearing to allocate status to the document.

Hon JACQUI BOYDELL: Sure. Thank you, Madam Chair.

The CHAIR: I will ask the minister to consider the recommendation for the status of that document and at the end of the hearing I will ask that question again.

Hon JACQUI BOYDELL: Minister, I refer to budget paper No 3, page 215, and under the heading "Overview", refer specifically to the comment that "The government has undertaken a comprehensive review" and the response provided in the other place. I note that there are apparently deliberate parameters set in consultation with Treasury, the Expenditure Review Committee and yourself. I want to ask you what those parameters were.

Hon ALANNAH MacTIERNAN: Can you repeat that question, sorry?

Hon JACQUI BOYDELL: Which bit?

Hon ALANNAH MacTIERNAN: Sorry; you were talking —

Hon JACQUI BOYDELL: Budget paper No 3, page 215, under the heading "Overview", I refer specifically to the comment that the government has undertaken a comprehensive review and the response provided in the other place during estimates. I want to ask you: I note that there were —

Hon ALANNAH MacTIERNAN: You will have to make me aware of the response provided in the other place that you refer to.

Hon JACQUI BOYDELL: You are the minister and it is your department.

Hon ALANNAH MacTIERNAN: But you are claiming that you want me to consider a particular response. Which response was it that you want me to consider?

Hon JACQUI BOYDELL: Again, I say it is your department, minister. I note that there were apparent deliberate parameters set in consultation with Treasury, the Expenditure Review Committee and yourself, and I would like to know what those parameters were. How did you assess social development indicators as part of your review and how much weight is placed on those social indicators versus the economic ones?

Hon ALANNAH MacTIERNAN: Perhaps if I can get some guidance here. The member is asking me a question on a comment that was made in the other place. I do not have a copy of the claim that was made in the other house. I am more than happy to address comments on the budget papers.

The CHAIR: Minister, the standing orders that we operate under here are the standing orders of the Legislative Council and the standing orders of the Legislative Council, you are quite correct, do indicate that we do not mention the other place or ask questions in relation to the other place or information from questions or answers provided in the other place. I might ask the member if she would not mind rephrasing her question to delete that part but to continue the intent of her question.

Hon JACQUI BOYDELL: Sure. I will rephrase the question and not ask that part, minister.

The CHAIR: Your question is?

Hon JACQUI BOYDELL: I will read it again for the third time. I refer to budget paper No 3, page 215 and under the heading of “Overview” refer specifically to the comment that the government has undertaken a comprehensive review. I note that there were apparently deliberate parameters set in consultation with Treasury, the Expenditure Review Committee and yourself. What were those parameters and how did you assess social development indicators as part of your review? How much weight is placed on these social indicators versus the economic ones?

Hon ALANNAH MacTIERNAN: I thank the member for the question but we certainly did go through, line by line, all the commitments that had been made. I do point out many of those commitments had been made in the dying days of the previous government. We had to make some very difficult decisions and pointed out that it simply was not possible to keep spending at the rate that we were spending before and that we needed to ensure that we had the capability to put into place the plan that we took to the community. We took a very detailed plan of regional investment to the electorate and we were overwhelmingly supported by the community. In fact, I point out that —

Hon JACQUI BOYDELL: Can I interrupt the minister and say could she actually answer the question?

Hon ALANNAH MacTIERNAN: I am answering the question. We went through and we made an assessment of which of those projects we felt we were able to continue to afford. Of course, we gave regard to social capabilities but —

Hon JACQUI BOYDELL: How did you assess those, minister, was my question.

Hon ALANNAH MacTIERNAN: I am sorry; I am giving you my answer as to how we made our determination.

Hon JACQUI BOYDELL: So there was none.

Hon ALANNAH MacTIERNAN: We had a level of expenditure that we simply could not continue with. We had to go through and make some judgements about which of those projects were more essential, which projects were in many instances so far advanced that, for good governance, needed to continue and which projects, of course, could be brought to a conclusion or not commenced. We looked at measures as to whether, for example, there were agreements in place. So there was a whole range of matters that we considered, but, at the end of the day, we had —

Hon JACQUI BOYDELL: What were those parameters, minister?

[3.50 pm]

The CHAIR: That concludes the honourable member’s time. I point out that the member has had twice the amount of time that some of the other members have had.

Hon JIM CHOWN: Could the minister please explain why she allocated \$19.5 million to the Carnegie wave energy project, specifically to be located in Albany?

Hon ALANNAH MacTIERNAN: Just let me explain, prior to the last election, we made a commitment to set up a wave energy centre of excellence in Albany. We then made a determination of working with the various universities and industry —

Hon JIM CHOWN: I cannot hear you, minister. Could you speak up, please?

Hon ALANNAH MacTIERNAN: We went out for procurement. I think the member might be familiar with our Albany regional plan, where we outlined what we proposed to do in terms of the Albany wave energy project. We said that there would be two components of it, which were the wave energy technology development project and the wave energy research centre.

Hon JIM CHOWN: I understand that, minister. What was the process in regard to the allocation of funding for specifically the Albany location for Carnegie?

Hon ALANNAH MacTIERNAN: There was a procurement process that was undertaken. There was, as I believe it, a number of forums between the universities and the industry to determine what would be the relevant break-up of the particular components, which for the research centre —

Hon JIM CHOWN: But why the location of Albany?

Hon ALANNAH MacTIERNAN: That was a decision that was made before the election, because Albany has one of the strongest and most reliable wave resources. There has been a plan for a wave energy farm in Albany I think since about 2007, so Albany —

Hon JIM CHOWN: If I can hold you there, minister, because my time is limited. That is very interesting, because the previous government actually allocated \$12.5 million for something similar in Albany. That press release was done in February 2009 and it is on the record, yet on 15 October, the same year, Carnegie came back and said Albany was not an ideal location for any sort of pilot plant in regard to wave energy. So cabinet actually had to redo the submission, and the preferred location was off Garden Island. The reasons are combined with the proximity to high technology, and there were calmer sea conditions. So how did you get to the point where Albany was worthy of \$19.5 million?

Hon ALANNAH MacTIERNAN: We made a very clear decision that the budget allocation for the extension of the Dampier to Bunbury gas pipeline, which the Barnett government had placed into the budget at \$19.5 million —

Hon JIM CHOWN: That has nothing to do with the location.

Hon ALANNAH MacTIERNAN: It has absolutely everything —

Hon JIM CHOWN: It is only a reallocation of funding.

Hon ALANNAH MacTIERNAN: Do you want me to explain? Part of the logic, obviously, is that we were saying that, first, it is completely unrealistic to expect to develop an extension of the gas pipeline to Albany for \$19.5 million—that was never going to happen—but in our considered opinion that it was possible to establish an Albany wave energy facility in substitution to provide —

Hon JIM CHOWN: Even though at a previous location, on \$12.5 million of government funding for something very similar, the recipients, Carnegie Wave Energy, came back and said, “Albany is not suitable; we’d prefer Garden Island”, and the previous government actually acquiesced to that request, another cabinet submission was entered into, and the funding was then reallocated to Carnegie almost nine months later, after the initial funding.

Hon ALANNAH MacTIERNAN: Obviously I am not privy to, and no-one on our side is privy to, what discussions may or may not have taken place between —

Hon JIM CHOWN: It is all on the public record. It is all in press releases. Surely your people would actually look at them. Surely you would consult with Carnegie prior to the allocation of this funding?

Hon ALANNAH MacTIERNAN: I just have to say to you, your interpretation is quite different —

Hon JIM CHOWN: No, it is not. It is all there. I am more than happy to pass them across.

Hon ALANNAH MacTIERNAN: Okay; pass it across.

Hon JIM CHOWN: You have not answered the question, either.

Hon ALANNAH MacTIERNAN: I will point out that we made a decision, based on our assessment of where the technology was. Member, one of the points about developing the technology, as we go and invest in these new emerging technologies —

Hon JIM CHOWN: We all understand —

Hon ALANNAH MacTIERNAN: Let me explain to you. It is quite conceivable that back in 2012 when the technology was in a more incipient form, that, indeed, Garden Island may been a more prospective site. But in our view, in developing our policy, we understood that the technology had moved on and that now Albany represented the main chance, and of course we wanted also—and we are unashamed to say that we are about—regional development. We wanted to see edge of grid. We wanted to extend and strengthen —

Hon JIM CHOWN: We all understand the reasons why we have clean energy, minister. One final question.

The CHAIR: That is your last question.

Hon JIM CHOWN: When this decision was made by cabinet, due to your conflict of interest, did you remove yourself from cabinet at that time?

Hon ALANNAH MacTIERNAN: Cabinet's decision was about the principle of a wave energy—well, it is part of the budget.

Hon JIM CHOWN: Surely cabinet made a decision in regard to the allocation of funding?

Hon ALANNAH MacTIERNAN: No, that was decided by —

Hon JIM CHOWN: That was you alone?

Mr ADDIS: The allocation of the funds to the project was made by ERC and cabinet as part of the budget process. That was not a decision to procure it via Carnegie. The decision to procure that part of the project via Carnegie was —

Hon JIM CHOWN: So the minister is the Minister for Regional Development. Did she remove herself from that decision-making process?

The CHAIR: Honourable member! Hon Jim Chown will come to order! Thank you.

Hon ALANNAH MacTIERNAN: Can I just say I do not have a conflict of interest. I gave my shares away.

Hon JIM CHOWN: In answer to the question I gave to you—let me get this right—on 14 June, you stated —

The shares were held in my name. Immediately after I was offered a ministerial position by Premier McGowan ...

Mark McGowan was not the Premier before 11 March. So, he could only offer you a ministerial position after 11 March when he had the ability to do so. You were sworn in on the seventeenth,

six days later. So over that six days, you divested yourself of the shares you had in Carnegie—correct?

Hon ALANNAH MacTIERNAN: I did not have shares in Carnegie. I had shares in a company that was related to Energy Made Clean.

Hon JIM CHOWN: Fine, which later evolved into Carnegie, or had interests with Carnegie.

Hon ALANNAH MacTIERNAN: Carnegie acquired those interests.

Hon JIM CHOWN: It is the same thing; fine.

Hon ALANNAH MacTIERNAN: Just let me get this right. The decision to have a wave energy centre of excellence was made by the previous shadow cabinet, of which I was not part. Then —

Hon JIM CHOWN: And that decision —

The CHAIR: Honourable member, the minister is providing the answer.

Hon ALANNAH MacTIERNAN: That decision was made by a previous shadow cabinet, of which I was not part. As soon as I was invited to join the cabinet after the election, I took steps to ensure that I divested myself of that interest so that there could be no conflict of interest. I divested it very deliberately; at the cost to myself, I decided to donate those shares to charity so that there was no conflict of interest.

Hon JIM CHOWN: Well, there is a conflict by association, minister.

Hon ALANNAH MacTIERNAN: How is that?

Hon JIM CHOWN: In fact, I have got a press release here from 9 June. It is your press release, by the way. It said —

“Local member Peter Watson and I have been committed to this since we were last in government —

That was 2008 —

because we know this can deliver a sustainable industry for this region.

In the interim, between your last ministerial position and your current one, you became a director of Energy Made Clean and you had shares in Energy Made Clean. We have gone through the time line —

Hon ALANNAH MacTIERNAN: Let me explain. During all of that time, there was no connection between Energy Made Clean and Carnegie.

Hon JIM CHOWN: Up until when?

Hon ALANNAH MacTIERNAN: Up until around October—I think October 2016. So my advocacy for Carnegie—not Carnegie; for wave energy—has been completely disconnected. I have had involvements with other companies. I have gone and seen the work and promoted the work of companies like Bombora and Protea. I mean, I have been a supporter of wave energy. Now, quite unbeknownst to me and without me having anything to do with it, Carnegie acquired a company of which I had this small holding, but seeing that could be potentially a problem, I gave the shares away.

[4.00 pm]

Hon JIM CHOWN: The issue here is in regard to your removal from the decision-making process that allocated \$19.5 million to Carnegie and you are the Minister for Regional Development.

The CHAIR: That is your last question, honourable member.

Hon JIM CHOWN: Did you remove yourself from being part of that decision-making process?

Hon ALANNAH MacTIERNAN: There was an independent—the tender process —

The CHAIR: Minister, your answer will be brief. Thank you.

Hon ALANNAH MacTIERNAN: There was a procurement process. That procurement process did not go to cabinet, but, in any event, I did not have an interest in Carnegie. I had divested my shares.

Hon JIM CHOWN: Of course, you had a conflict of interest—just by association.

The CHAIR: Thank you, honourable member.

Hon ALANNAH MacTIERNAN: By what association?

Hon JIM CHOWN: This is like Brian Burke. It is unbelievable.

The CHAIR: Thank you, honourable member, for your theatrics.

Hon ALANNAH MacTIERNAN: Explain the association.

The CHAIR: The minister has provided the answer. We are now going to move on.

Hon JIM CHOWN: No answer.

The CHAIR: Thank you for paying attention to the Chair.

Hon COLIN de GRUSSA: I just want to go to back to budget paper No 3 here. Before I do, I want to follow on from an earlier answer the minister gave in regard to specialist local procurement officers, and I am just trying to find out a bit about where those officers are actually based and which organisation they are employed through and how they have been selected for those positions.

Hon ALANNAH MacTIERNAN: Thank you. Each regional development commission director was asked to appoint a staff member to take on that position. So, there is a person in every region. Then subsequent to that, obviously, those personnel are now officially part of the department, DPIRD, but there is a person in each region. Training is provided centrally—based on the commission officers.

The CHAIR: Just continuing asking your questions, member.

Hon COLIN de GRUSSA: My next question refers to budget paper No 3, page 224, and I refer to the line item “Financial Counselling Services”.

Hon ALANNAH MacTIERNAN: Yes, I can see it.

Hon COLIN de GRUSSA: It is two-thirds of the way down. I just want to know which agencies or organisations those funds were being allocated to and the programs that those funds were being used for and how the decisions around that have been made.

Hon ALANNAH MacTIERNAN: Right. Member, these were additional funds, I believe, that we have. Sorry, I just want to double-check this. There is a number of different financial counselling schemes, and I am just looking at what this says here: funding will be spent on financial counselling service to —

...

ensure assistance is available to support people in need, including women who are experiencing family and domestic violence.

That is what our advice is on that. I do know, member, that we did expand another element of financial counselling to regional small businesses which were in drought-affected areas. But this one, apparently, that particular item was an election commitment to re-establish financial

counselling services to support people in need, including women experiencing family and domestic violence.

Hon COLIN de GRUSSA: Thank you, minister. My next question is regarding page 217 of budget paper No 3, looking at the line item “Agriculture — Development Funding”. I am just trying to understand the purpose of that funding and how it will be administered, I guess, who is eligible for it, and what the criteria are for eligibility, and what outcomes are going to be measured for that service.

Hon ALANNAH MacTIERNAN: There are a couple of things, member. As you will be aware, I have described that we had this problem where the departmental budget had been cut by 40 per cent, and then we had an overlay to try to fill the gap in royalties for regions funding. What we have done is used \$10 million of that to stop the fiscal cliff, which is to ensure that we were able to keep employing many of those agricultural personnel for the next 18 months while we restructured the overall departmental budget. So, \$10 million of that is to plug the fiscal cliff, I guess you might say, for the next 18 months while we do an agency-wide restructure.

Hon COLIN de GRUSSA: Sorry, minister. Is that money going to pay salaries for staff?

Hon ALANNAH MacTIERNAN: Substantially, yes, that is—and the \$20 million is, basically, to enable us to have some flexibility for agricultural priorities. Mr Addis will comment.

Mr ADDIS: The first \$10 million essentially allows us to stabilise staff who otherwise would be at risk as other RforR-funded projects finish over the next 18 months to two years—so it allows us to stabilise that—and the remaining \$20 million is to serve the stated commitment by the minister to rebuild capability in the ag and food space.

Hon COLIN de GRUSSA: So are those staff primarily based in regional areas or —

Mr ADDIS: They are a mix. I imagine they would probably follow the same profile as the broader ag and food workforce, which is roughly 40/60 per cent.

Hon ALANNAH MacTIERNAN: Except with this caveat—that I am working very hard to ensure that we get that rebalance that I think has gone.

Mr ADDIS: As we rebuild, that is the opportunity for us to strengthen the regional footprint.

The CHAIR: Honourable member, your time allocation has run out.

Hon KEN BASTON: I am interested in budget paper No 3, *Economic and Fiscal Outlook*, page 133, about three-quarters of way down under “Other Spending”. I bring up the red imported fire ant eradication program and in 2016–17 there is \$200 000, and then going on from there 2017–18 —

Hon ALANNAH MacTIERNAN: Sorry, Hon Ken Baston—which item? We have got 133.

Hon KEN BASTON: Page 133 on budget paper No 3 and go down to “Other Spending”, about three-quarters of the way down the page, and you have got the red imported fire ant eradication program. I presume this is the one in Queensland.

Hon ALANNAH MacTIERNAN: Yes.

Hon KEN BASTON: How long has this program been going for—how many years—and what has the state contributed, amount, before, and also what measures do you have of success, bearing in mind we send enough money to Queensland anyway, because we are looking at further funding of \$8 million over the next four years?

Hon ALANNAH MacTIERNAN: That is correct. Look, this has been a challenging issue and we might get grumpy about our GST being shifted over to the eastern states, but the red imported fire ant is a really shocking problem. I am sure the former minister is familiar with just its ability not only to

have a massive impact on agriculture, but indeed on the very liveability of towns and cities. Fire ants really will affect our current standard of living. So, we are part of a national cooperative, and nationally a scheme was—we committed to a 10-year eradication program. This ant currently is only in Queensland, but it is in the interests of all of us to work to eradicate this ant. We agreed to sign off on the \$380 million program. Our share of that is \$21 million, although my note here says that the commonwealth is currently paying half of that and then the remainder is divided up, obviously. Our share of that is \$21 million over 10 years. We made that commitment in 2017 that we would participate in that scheme.

[4.10 pm]

Hon KEN BASTON: What was the total spend so far on the program, and how many years has it been going?

Hon ALANNAH MacTIERNAN: My understanding is that the 10-year eradication program was signed off this year. Obviously, there has been work going on prior to that, but a major eradication program was agreed as part of a ministerial council process. This is our first commitment to this, as I understand it. Perhaps Mr Addis can explain whether or not the money gets sent over each year and how it is expended.

Mr ADDIS: My understanding is this is the first commitment from the WA government and it is essentially paid on a progressive basis over the 10 years. We would point out that not only is the investment about trying to tackle the fire ant issue; it is also part of our being involved in the broader intergovernment agreement on biosecurity so that if any of the states have an issue, we agree to a collaborative approach and co-investment. It is part of a longer term —

Hon KEN BASTON: I would be very interested to know the actual number. I think it is up around \$40 million.

Hon ALANNAH MacTIERNAN: Sorry?

Hon KEN BASTON: I think it is over \$40 million that we put in.

Mr ADDIS: That we have spent on the fire ant?

Hon ALANNAH MacTIERNAN: This budget item refers to our participation in the national program. This particular item that you are referring to reflects the agreement that we have made to invest \$21 million over 10 years.

Hon KEN BASTON: I have a second question here: budget paper No 2, *Budget Statements*, volume 1, page 286—this is one you would be familiar with, minister—has the wild dogs action plan; the \$633 000 in 2017–18 and \$500 000 in 2018–19. But on top of that, on page 298 is the asset investment program showing expenditure of some \$6.78 million. Can you please tell me where that funding can be spent in the state—what rangelands—and is the \$6.78 million for actual cell fencing or continuation of the fence to Esperance?

Hon ALANNAH MacTIERNAN: The final shape of this has yet to be determined. Some items, obviously, we have already committed to, such as the dogging program. The cell fence program, we have committed to. There is currently a contestable fund of around \$4 million that is now available for people to participate in. We anticipate that the capital upgrades and the maintenance work for the existing state barrier fence will be about \$5.5 million. I am trying to put that on a more sustainable basis so that we actually have a proper ongoing program of maintenance for the fence. For the last number of years, it has only been about \$300 000 per annum that has been spent on it. That has been obviously manifestly inadequate to keep the fence at an optimum level, which is why we are going to have to put about \$5.5 million in over the next four years. We are trying to get that

part of it right. There will be money in that for the Esperance extension, but it will not be fully funded. We will be seeking the support of our members across the aisle to get a contribution of federal funding towards that extension. We do note that there has been about \$12 million provided to Queensland for wild dogs, and we have only had about \$4 million from the federal government. We think that there could be a little bit more equity there. We would very much like the commonwealth to chip in \$3 million or so to the Esperance extension.

The CHAIR: That is the honourable member's time.

Hon KEN BASTON: I have one more.

The CHAIR: I note that you have more questions, as do other members.

Hon SAMANTHA ROWE: Minister, I note the importance of having a sustainable agriculture sector. If you look at that and take the importance that we all want to have a sustainable sector here in Western Australia, what plans does the government have in terms of supporting the agricultural lands, including the pastoral lands, here in WA?

Hon ALANNAH MacTIERNAN: I thank the member for this question. I think this is a critically important issue for agriculture. We recently were presented with, in the last couple of months, a report on the rangelands—on the land quality, the vegetation quality, of the rangelands. It is not a pretty picture. That is supported by the recent Auditor General's reports. I think that this is not confined to the pastoral lands. One of the areas where I think we have removed capability that we need to rebuild is this whole area of soil science. We have tended to vacate the field to private sector agronomists, many of whom have a vested interest or are supported through commissions from fertiliser companies or pesticide companies. We think that some of the complexity systems in our soil have been lost. One of the things that we are very keen to do is to see what we need to do to build up within the department our ability to provide decent, alternative advice to our farming community on soil capability and how we build a sustainable soil.

Hon MARTIN PRITCHARD: Just a little bit following on from that, but in the reverse: budget paper No 2, pages 286 and 287, talks about significant issues. It talks about aquaculture. I just wonder what steps the government is taking. As that is a significant issue for Western Australia, what steps are they taking in that regard?

Hon ALANNAH MacTIERNAN: We clearly believe that aquaculture has a very strong future here. The Premier and Minister Kelly actually hosted—one of the early industry engagement consortiums was indeed with aquaculture. As members will know, the construction of a multi-species mollusc hatchery in Albany is on schedule. Consideration has been given to future capacity and funding of hatchery and nursery facilities both in Fremantle and Geraldton to support the development of the marine finfish aquaculture sector. Many of our product is currently imported from Queensland, so we are looking at what we can do to fund the hatchery and nursery facilities. A south west zone project to identify areas that can be zoned for large-scale marine shellfish aquaculture is progressing well. Aquaculture approval processes are now being streamlined through the implementation of the recommendations of a Department of Finance 90-day red-tape review. The government has committed \$1 million to funding the establishment of a new fish health laboratory at Watermans to boost capacity for providing fish health services to industry. I do not know whether the fisheries person would like to add to that.

[4.20 pm]

Ms BRAYFORD: I have just one further comment. The Minister for Fisheries also declared an aquaculture zone in the midwest in the Abrolhos Islands region. That provides an investment-ready platform for investors to come in with all the environmental approvals already in place. It

streamlines the environmental approvals process. That is a 3 000 hectare zone. Applications for that zone are open at the moment.

The CHAIR: We can come back for one quick question. I want to leave five minutes to deal with that paper tabling.

Hon DIANE EVERS: Is it not true that when Carnegie Wave Energy looked at Albany and saw that there was such a good resource, the reason for putting it off and saying that that was not the best place for a pilot project was due to the fact that it would be easier to access Cockburn Sound and test the system there. In the process of doing that, it was able to improve the system to have a much more efficient system, and that is why it is now ready to go back to Albany.

Hon ALANNAH MacTIERNAN: Thanks, member. You point out that Carnegie had actually obtained, I think, a licence down in Albany back in 2007 or 2008. As I said—the member has picked that up quite correctly—it is a question of how far advanced the technology is. I think North Fremantle was its first test site. The determination was, as I understand it, in 2009 or 2010, in relation to Garden Island—it was an earlier iteration of the technology. As the technology has developed, Carnegie has been able to develop larger and more powerful technology. It is very clearly of the view that Albany, with its huge wave energy, is the appropriate place for the next stage of this technology.

Hon COLIN TINCKNELL: This is supplementary to my previous question. Can the minister please supply a detailed list of the various office locations used by the department, including information on whether these premises are publicly or privately owned; and any annual rental figures for their use?

Hon ALANNAH MacTIERNAN: This is similar to the question the member asked last time. He wants to know where our sites are; where we have offices; and whether we own or lease them.

Hon COLIN TINCKNELL: Yes, I believe you cannot—from what you said before.

Hon ALANNAH MacTIERNAN: We are slightly different from the last agency, which was obviously in some commercial rate.

The CHAIR: So, the rental costs.

Hon ALANNAH MacTIERNAN: Whether or not we can disclose the rent—personally, I do not see in an agency like ours that that would be a problem. But we will certainly provide a list of where all our premises are and whether or not they are owned or leased, and whether or not they are leased from the government or private sector.

The CHAIR: And, if possible, the amount of the rent paid.

[Supplementary Information No B8.]

The CHAIR: The minister was asked by Hon Jacqui Boydell to table a document earlier in the proceedings. Has the minister been able to determine how she would like to table that paper?

Hon ALANNAH MacTIERNAN: No; my advice is that we do not do that because certain of these aspects have not yet been to the ERC. But we are certainly happy to provide by way of supplementary information the dollar values of each program on that budget.

The CHAIR: To reiterate, the supplementary information is coming on that.

Hon ALANNAH MacTIERNAN: We will list each project and list the total moneys allocated to that project.

[Supplementary Information No B9.]

Hon MARTIN ALDRIDGE: Madam Chair, I ask on that point, because I asked questions about the same issue, that with the information that is requested, we seek from the minister whether the project falls within the election commitment category or the notional allocation category as has been defined?

Hon ALANNAH MacTIERNAN: Can I just say —

The CHAIR: Thanks, minister. We will ask for that information. If the minister is able to provide that, it will be provided. If the minister is not able to provide that, she will give a reason why she is not able to provide that. We have time for one more question from committee members first.

Hon AARON STONEHOUSE: Following on from the line of questioning the minister had earlier about local suppliers, I understand that regional local content officers will determine who is eligible for support. Are there guidelines on what constitutes a local supplier or local business? Are people outside of those regions able to access the support from regional officers or will the regional officer be constrained to offer support to people within only their region?

Hon ALANNAH MacTIERNAN: Obviously, we have to be practical about the way we administer things, so the officers in each region will focus on people in their region. Because, across the nine, we cover all regions, then all people are covered, but we would not, for example, expect the procurement officer in Albany to necessarily be providing advice to small businesses in Broome. That is a practical matter, although they will belong to a central agency, they will be focussing on their particular region. That is also important, because we need that local intelligence—we need to know if these are genuinely local businesses or just have a post office or a shop front but do not, in fact, employ anyone. It is very useful to have the people actually based in the region in which they are doing that work.

Hon AARON STONEHOUSE: Will businesses outside the state be able to access those support services from those regional officers?

Hon ALANNAH MacTIERNAN: No, they will not. This is very much designed to develop the capability of people in the region. We are not going to employ people to facilitate people in South Australia and Queensland to tender for our projects—I am sorry.

Hon AARON STONEHOUSE: That is okay.

Hon Dr STEVE THOMAS: I direct the minister to budget paper No 3, page 217, royalties for regions expenditure. The third dot point is agriculture development funding, for which \$20 million is budgeted for in the next two years. Can the minister tell us precisely what that funding is going towards; whether that is going to wages funding or grants? How is that expenditure going to be acquitted?

Hon ALANNAH MacTIERNAN: This is not yet determined; this is keeping some space in the budget so that as we develop a strategy, we have capabilities. Whether or not some of it is grant schemes or some of it is enhancing employment, there is a range of opportunities. The precise nature has not been determined yet. We are pretty new into government. We have had many, many issues, but we have identified that we now need to do better in this area, so we have kept some space in the budget for that.

Hon MARTIN ALDRIDGE: The minister answered my question on notice in relation to the administered items and said that these are projects that require further confirmation of project cost timing and/or responsible agency. What went wrong in Kalumburu when the budget outlined \$7 million for a swimming pool that the community did not want, nor could maintain? Is this an example of decision-making by the minister and her government for royalties for regions when they can award such significant state funds to a project that by her administration, the only consultation

that occurred prior to it appearing in the budget was by the member for Kimberley speaking to somebody in the community?

[4.30 pm]

Hon ALANNAH MacTIERNAN: I thank the member for the question. It was part of an election commitment process. We say the pools in regional areas—in these Aboriginal and remote Aboriginal communities—do have a couple of additional purposes; they are not simply for recreation. They are a health matter and they are a vehicle for enticing and encouraging participation in school. We acknowledged that there was a consultation process but, obviously, there has been perhaps a change of heart in that community and we have indicated that we will work with them to ensure that whatever is implemented there is reasonable, it is what is wanted, and it is well targeted.

The CHAIR: Thanks, members. That concludes the hearing with this agency.

On behalf of the committee, I thank you for your attendance today. The committee will forward the transcript of evidence, which includes the questions you have taken on notice, highlighted on the transcript, within seven days of this hearing. Responses to these questions are requested in 10 working days of receipt of the questions. Should you be unable to meet this due date, please advise the committee in writing as soon as possible before the due date. The advice is to include specific reasons as to why the due date cannot be met. If members have any unasked questions, I ask them to submit these via the new electronic lodging system on the POWAnet site by 12 noon on Monday, 23 October 2017.

Once again, I thank you for your attendance.

Hearing concluded at 4.31 pm
