

**Division 15: Primary Industries and Regional Development — Services 1 to 5, Regional Development, \$434 400 000 —**

Mr S.J. Price, Chair.

Mr M. McGowan, Premier representing the Minister for Regional Development.

Mr R. Addis, Director General.

Mr C. Binning, Deputy Director General, Primary Industries Development.

Mr L. O'Connell, Acting Deputy Director General, Industry and Economic Development.

Ms A. Taylor, Chief Financial Officer.

Mr A. Lyon, Managing Director, Capability and Performance.

Mr P. Gregson, Manager, Funds Management.

Mr T. Duncanson, Chair, Western Australian Regional Development Alliance; Chief Executive Officer, Gascoyne Development Commission.

Mr C. Thurley, Chief of Staff, Minister for Regional Development.

[Witnesses introduced.]

**The CHAIR:** This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. 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. 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 be examined only in relation to their portfolio responsibilities.

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 close of business Friday, 1 October 2021. 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 Leader of the Liberal Party.

**Dr D.J. HONEY:** I refer to budget paper No 2, volume 1, page 221, looking at total appropriations provided to deliver services. The decline is quite significant across the forward estimates, from \$234 million or thereabouts in the 2020–21 estimated actual through to \$190 million in the 2024–25 forward estimates. I wonder why we are seeing such a significant decline in that budget over that period.

**Mr M. McGOWAN:** I will hand to Mr Addis to answer the question.

**Mr R. Addis:** Thank you for the question, member. That essentially relates to the fact that in the out years some of the, primarily, royalties for regions allocations have not yet been made, which means that the total appropriations are not yet reflected at the high level. Obviously, in the first couple of years we have a significant amount of election commitments and COVID-recovery projects that mean that the appropriations are at a higher than normal level.

**Mr P.J. RUNDLE:** Further to that, how much is the exact amount allocated to election commitments from that part of the package?

**Mr M. McGOWAN:** I thank the member. The totality of election commitments, as far as I can tell, is \$496 million from royalties for regions, and then there are some other commitments throughout being funded by the consolidated account. The totality from royalties for regions is the \$496 million.

**Ms M.J. DAVIES:** I refer to paragraph 2.2 under "Asset Investment Program" on page 231 in budget paper No 2, volume 1. It refers to the integration update of the departments business systems. Presumably, this has come around as a result of the machinery-of-government changes announced immediately after the 2017 state election. Could the Premier advise whether this spend, which is \$12.2 million, will go towards making sure all the strands of the Department of Primary Industries and Regional Development have standard emails. Is the integration of human resources, the back office, finance and management consistent?

[10.10 am]

**Mr M. McGOWAN:** This is bringing HR, finance and information management together into one system. As the Leader of the Opposition knows, with IT in particular, it is a constant spend for both government and business to keep the systems updated and relevant. That is what this item is for across each of the agencies.

**Ms M.J. DAVIES:** Premier, those machinery-of-government changes started immediately after the 2017 state election. Why has it taken over four years to integrate the different strands of the department?

**Mr M. McGOWAN:** I will let Mr Addis respond.

**Mr R. Addis:** Thank you for the question. It is fair to say that it has taken time to get the changes ready and right. It is also the case that the legacy IT environments that we inherited from the three prior agencies were not actually fit for purpose; they were for small agency environments and for the most part were well past the end of their useful lives. The task of understanding the pre-existing systems and working out how to integrate them into a new system has been significantly challenging. It takes a reasonable amount of time to get that right amongst all the other delivery priorities that we deal with. We are on track to make sure that those changes are landed this financial year.

**Ms M.J. DAVIES:** I note that in that same dot point \$3.5 million has been reallocated from other capital programs to go towards the digital foundations program as part of these machinery-of-government changes. Where was that funding reallocated from?

**Mr M. McGOWAN:** It was reallocated from the capital equipment replacement program. As the director general said, when we arrived in office, many of the systems were antiquated and in danger of falling over. We have to spend money on these things to keep them up to date.

**Ms M.J. DAVIES:** The chair can make a decision about whether my further question is linked to the one I have been asking, but I have asked it every year since the machinery-of-government changes have come into play. Is an organisational chart available so that we can see the full integration of the department and all the different positions within the department as it is newly integrated, four years down the track?

**Mr M. McGOWAN:** There is an organisational chart. It goes from the top echelon down to tier 4. It does not have every level 3 administration person in it, obviously, but there is an organisational chart. I am happy to provide it to the Leader of the Opposition.

**Ms M.J. DAVIES:** Thank you. Would that be by way of supplementary information?

**Mr M. McGOWAN:** I can provide an organisational chart to tier 4 by way of supplementary information.

**The CHAIR:** Just to be clear, the Premier agrees to provide supplementary information. What are you going to provide?

**Mr M. McGOWAN:** I will provide the organisational chart from the director general to tier 4, by way of supplementary information, to the Leader of the Opposition.

*[Supplementary Information No A1.]*

**Dr D.J. HONEY:** I refer to budget paper No 2, volume 1, page 222 and the detail in the table about COVID-19 response funding. Has any modelling been done on the likely ongoing impact of COVID-19 on communities or specific industries, and the likelihood of funding? Is there an assumption behind the budget around when the COVID impact will be minimal or in fact not be significant?

**Mr M. McGOWAN:** I assume the member is referring to “COVID-19 Response” and “Margaret River Main Street Redevelopment”. This budget is about recovery programs. We created recovery programs as part of the package we announced in late July or August last year, with initiatives to create economic activity and the like. We were the first state government in Australia to launch a recovery plan, and to be fair, it was pretty substantial. Under that we are funding a whole range of programs across the state that were capital. I think the member’s question is more a health-related question, rather than the initiatives that we are putting in place, from what I can tell.

**Dr D.J. HONEY:** My question was really trying to get to the nub of whether the department has made assumptions around when the impact of COVID will be eliminated for particular industries, when there are, for example, requirements for people coming from overseas or when we have free travel overseas and so on. Is there any assumption behind that in the budget at all?

**Mr M. McGOWAN:** I think the member’s question is probably better directed towards Health or Treasury even, which I am doing tomorrow, for those sorts of questions. This line item is about the money we are spending across government on recovery initiatives all over Western Australia.

**Mr P.J. RUNDLE:** I refer to page 225 of budget paper No 2, volume 1, and item 2 under “Service Summary” that refers to supporting regional development commissions. I notice there is a significant jump from 2021–22 to 2022–23 in funding, then it seems to decrease. It jumps up and then substantially drops. Could we have an explanation of that?

**Mr M. McGOWAN:** Just so I understand, the member is talking about page 225, item 2, “Corporate and Business Development Services” that climbs to \$52 million and declines to \$40 million. The increase is attributable to new funding for election commitments—that is, the northern native seed development initiative and the feasibility study for an advanced manufacturing and technology hub for the Bunbury–Geographe region.

**Mr P.J. RUNDLE:** It jumps up with those election commitments and then drops off again. Is that just dropping back to standard fare?

**Mr M. McGOWAN:** That is to bring in the new spend for things that we committed to in March. Obviously, some of these things are not ongoing funding and that takes account of that.

**Mr P.J. RUNDLE:** Has the purpose of the regional development commissions changed at all in relation to this?

**Mr M. McGOWAN:** No.

**Mr P.J. RUNDLE:** Is the Premier confident that the number of his FTEs and the purpose of the development commissions are staying as they are and have been over the last few years?

**Mr M. McGOWAN:** Yes.

**Ms M.J. DAVIES:** I refer to budget paper No 2, volume 1, and page 222, under “Spending Changes” and “Election Commitments”. Could the Premier please provide a list of the projects or commitments contained under “Small Commitments”? About one-third of the way down the page there is a line item called “Small Commitments”. The estimate for 2021–22 is \$13.379 million. I would just like some detail, if not from the Premier today, by way of supplementary information, on what those small commitments are.

[10.20 am]

**Mr M. McGOWAN:** These are small commitments made as part of the election campaign, as I understand it, which all parties do. I am trying to find a copy of them. An amount of \$16 million was provided towards that.

**Ms M.J. DAVIES:** It is \$13.379 million.

**Mr M. McGOWAN:** Yes, so it is about \$16 million in total, I think.

**Ms M.J. DAVIES:** Sorry, plus the \$2.644 million.

**Mr M. McGOWAN:** Yes, it goes across the last bit of the last financial year and this financial year. The breakdown of the 510 small grants across the regions is: nine in the Gascoyne; 54 in the goldfields–Esperance region; 41 in the great southern; 45 in the Kimberley; 26 in the Midwest; 88 in the Peel region; 86 in the Pilbara; 105 in the south west; and 41 in the wheatbelt. I will read out the larger ones, if the member likes. I am not sure whether I have a copy of all of them. There is \$750 000 for the Bunbury Speedway upgrades, and \$2 million for the Peel regional trails. We have fast-tracked the Kalbarri workers’ accommodation project. The Dawesville community centre is getting funding of \$3 million. The Ravenswood community centre is getting \$750 000. There is funding of \$1.3 million for the Waroona town centre revitalisation. There is funding of \$2 million for Yalgorup National Park.

The industry growth partnership for processed oats is getting funding of \$10.1 million—that does not sound small to me; it is quite significant. We are getting into some of the larger ones! There is funding of \$3.2 million for the Albany walk and mountain bike trails; \$3 million for the industry growth partnership for wine project; \$9.5 million for the Busselton jetty discovery centre; \$610 000 to redevelop the Harvey Senior Citizens Centre; \$105 000 for the Harvey trails and adventure precinct; \$3.5 million for the development of the Halls Creek town masterplan; and \$1 million in Carnarvon flood support. The Full Circle Therapies centre, which is a great project in Kalgoorlie–Boulder, will receive \$2.76 million; there is \$510 000 for an upgrade of Boulder camp; the Kalgoorlie–Boulder youth precinct and hub project is getting \$2.1 million; and the Karlkurla bushland and nature playground is getting \$600 000. The Collie industry attraction fund will receive \$20 million, while the advanced manufacturing hub in the south west will receive \$2 million. There is a \$2.8 million animal welfare package, with the animal welfare small grants program receiving funds of \$2 million. The pet sterilisation program will receive \$250 000, and RSPCA funding across the state will be \$2.3 million. There is \$10 million in funding for the Peel agrifood activation fund; a \$4 million boost to food industry innovation; \$750 000 to back north Wanneroo agriculture; \$2.2 million for aquaculture development zones; \$4.39 million for the northern native seeds initiative; and \$4.5 million for the Carnarvon One Mile jetty.

Obviously, there are smaller grants of around \$5 000. If the member wants to put a question on notice, I will endeavour to answer it.

**Ms M.J. DAVIES:** I am seeking some clarity because some of the items the Premier listed are actually listed line items in that section. I am after the breakdown of the specific line item “Small Commitments”, and I am happy to take it by way of supplementary information. What the Premier has just mentioned are already listed; they cannot

**Extract from Hansard**

[ASSEMBLY ESTIMATES COMMITTEE A — Tuesday, 21 September 2021]

p9b-31a

Chair; Mr Mark McGowan; Mr Peter Rundle; Ms Mia Davies; Dr David Honey; Ms Lara Dalton; Ms Jodie Hanns; Ms Elizabeth Kelsbie

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be within the line item for “Small Commitments”, because they have their own line item. I am after supplementary information to break down the “Small Commitments” line item at page 222 of the *Budget statements*.

**Mr M. McGOWAN:** I am not aware of the protocols around this. I ask the member to ask a question on notice and I will endeavour to answer it.

**Ms M.J. DAVIES:** Is the Premier unable to provide a breakdown by way of supplementary information of the “Small Commitments” line item, listed to the tune of \$16 million?

**Mr M. McGOWAN:** I just asked the Leader of the Opposition to put a question on notice and we will endeavour to answer it.

**Dr D.J. HONEY:** I refer to page 223 of budget paper No 2, volume 1, and the heading “Significant Issues Impacting the Agency”. I refer to the commentary in paragraph 4 in relation to COVID-19, and in particular the impact on regional workers. Does the Premier have any estimate of the likely shortfall in regional workers in Western Australia this year?

**Mr M. McGOWAN:** That is a good question. Obviously, it is an issue, and it has had various impacts at various points in time, particularly because we have lost a lot of the backpacker workforce that is normally here. A lot of them have returned home, although some are still here. We have secured 1 500 low-risk Pacific Islander workers. I may have said this in Parliament the other day; I have seen some media reports that we have 50, which is obviously wrong. We have had 1 500 Pacific Islander workers come in. They have been quarantined at one of our hotels in the city—I am trying to remember which one. We took one of the hotels away from Australians returning for various reasons, and are using it for Pacific Islander workers. The number of 1 500 is terrific, and further flights are scheduled for September and October. Those workers are predominantly for horticulture, but not exclusively. Some workers have gone down as far as the great southern. The reason they are low risk is that there is no COVID in Tonga or Vanuatu, which is a miracle. That is the position at this point in time. We still make the workers quarantine, and then they go out into the regions. They are great workers and they do a terrific job.

In terms of the other elements of the workforce, it is difficult to resolve this. The commonwealth has thus far refused to stand up a commonwealth facility to quarantine the skilled harvest workers from Denmark, Sweden or wherever they come from, so we have not had that opportunity. We do not want to use the places in our hotels that are reserved for returning Australians, for obvious reasons. There is pressure to return Australians home; although, I must say, I wish some people would stop going overseas because it would then reduce the pressure. That would assist with things. We have not had any other opportunities for anywhere else. We have indicated to the commonwealth that we are happy to work with it on one of its facilities. The commonwealth has just shown no inclination to do that—it just does not want to. As I have said numerous times, under the Constitution, which, as Dennis Denuto said, is the highest law in the land, quarantine is its responsibility. Unfortunately, it just does not want to take that responsibility, so therein is the problem.

We have the Work and Wander Out Yonder campaign. We know that farmers are very resilient and farming communities chip in. We know that people go to the regions for these roles, particularly upon finishing year 12 and during university holidays and those sorts of things. Last year, our grains farmers made it work. We just need everyone to chip in and help. As I said the other day, one of my sons and his friends are going out there to do it. I hope that many people take that opportunity to go and help our farmers over this period.

[10.30 am]

**Mr P.J. RUNDLE:** Can the Premier give a breakdown of how much has been spent on the three different schemes that were mentioned—the seasonal worker program, the Pacific labour scheme and the regional travel and accommodation support scheme?

**Mr M. McGOWAN:** For the regional travel and accommodation support scheme, we have committed \$3 million. Over 1 400 applications have been approved and close to \$1.9 million has been granted as part of that scheme. The new round of that scheme has also had another \$1 million attached to it. The Work and Wander Out Yonder campaign has had \$1.66 million allocated to it. I do not have a cost for the seasonal worker program in the hotels, but bear in mind that our hotels and quarantine arrangements have cost a lot of money and the states pick up that bill even though it is not our responsibility.

**Mr P.J. RUNDLE:** The Premier just mentioned the commonwealth scenario for quarantine et cetera. Obviously, for seasonal and skilled workers coming in, we have spoken before about Bladin Village. Has the department spent any money on that project or put up a proposition for it?

**Mr M. McGOWAN:** We have not spent any money on logistics or on the Bladin Village option. I understand that there has been lots of talk about Bladin Village but nothing really has come of it. It is actually in the Northern Territory and outside our control. I understand there are also other calls to use it for returning members of the Defence Force and for people from Afghanistan and things like that. As I understand it, it has not amounted to much at this point.

I know that the state government of Western Australia seems to get criticised for the fact we have not set up an accommodation village in the Northern Territory for people coming from overseas, which is the commonwealth's responsibility. I think it is a long bow.

**Dr D.J. HONEY:** My understanding is that, at national cabinet in September 2020, all states agreed that they would access the 25 000 visa-ready workers who had been identified in Pacific Islands with low or no cases of COVID. I understand that each state agreed that it would fund its own quarantine program and all the other states have done that, including Victoria, which accessed the program as late as March this year. Why is Western Australia the stand-out in not accessing that additional source of workers coming into the state and funding it as the other states are?

**Mr M. McGOWAN:** We are.

**Dr D.J. HONEY:** The Premier indicated that 1 500 workers have come over and that there will be flights in September and October. How many additional workers does the Premier anticipate we will bring into the state in that program?

**Mr M. McGOWAN:** We estimate it will be 160 per flight.

**Dr D.J. HONEY:** That is an additional 320 workers. Has the department made any estimate of the likely shortfall of seasonal workers, especially given unemployment is so low in the state?

**Mr M. McGOWAN:** The way it works is that we have accessed workers from Tonga and Vanuatu. As I said before, they are extremely hardworking and they do roles that, once upon a time, people in Australia wanted to do, but these days not so much. That is why we need them to do that work, particularly in horticulture. As I said, some of those workers are going as far as the great southern. That is the situation. Some of the shortfall is in people who might, apparently, need more technical skills to operate a tractor, harvester, header or whatever it might be. The view is that some of them would normally come out of Denmark, of all places. It is very difficult for us to access those people because it is a COVID-positive country and we would be displacing returning Australians. As I said, a lot of returning Australians are people who went overseas, so that is the nuance there, which is somewhat annoying. That reduces our capacity to bring in people from those places. On the total number needed and the potential shortfalls, I will let Mr Addis allocate that answer.

**Mr R. Addis:** Mr Binning is directly responsible for this area of the department's work, so I might ask him to respond.

**Mr M. McGOWAN:** Mr Binning, thank you.

**Mr C. Binning:** In the horticultural sector, demand rises in April through till a peak in November–December from about 2 000 workers to about 8 000 workers. The Pacific Island program has been made available and widely advertised and I think we are satisfied that we are meeting the current demand from that sector for Pacific Island workers. They are required to meet the costs of transport—a \$2 500 contribution per worker—and they will make their own business decisions about whether that is the best source of labour or not. We believe that demand is looking like it will peak in about October for that program and probably taper off in the run-up to Christmas. For the cropping sector, the advice is that seasonal workers appear to have been filled through the supply chains. Co-operative Bulk Handling and other grain holders have been able to access sufficient labour. There is still a key concern within the grains industry about heavy machine operators, truck drivers et cetera. As the Premier indicated, there has been no mechanism available to bring those skilled workers into the country.

**Dr D.J. HONEY:** I have a further question on item 4 on page 223, and also item 1 and the comment about the importance of the grains industry. Co-operative Bulk Handling is forecasting a crop of over 20 million tonnes. The average is about 14 million tonnes. In my discussions with CBH, I was told that it would have to move about two million tonnes per month to port to take advantage of the seasonal bonus that it gets from being able to deliver when the Northern Hemisphere cannot. I have heard CBH express concerns that, in fact, there could be problems with insufficient truck drivers and even train drivers to deliver the grain to port. Is the department aware that there will be a restriction or are we likely to see the two million tonne per month target achieved? Does the Premier think there is an issue with the labour shortage?

[10.40 am]

**Mr M. McGOWAN:** I will just give a broad answer and then ask Mr Binning to say something further. It is, hopefully, going to be a record harvest. When I was recently in the wheatbelt in a range of locations, farmers were very, very positive about what is going on. But, obviously, we do have this problem with having enough people because the supply of overseas skilled people is not there. As I said earlier, generally, farmers make things work on their farms. They work longer hours, get people from town and attract people from the city to generally make things work. It is not an easy problem to solve and we do not have the ready supply of labour out of New South Wales and Victoria—not that I think we would have got much anyway. The overseas labour is the real problem, but I do not have an easy answer on that because there is no easy answer. I will ask Mr Binning to add any further comments.

**Mr C. Binning:** We are optimistic about the harvest. There are a number of risks. Mice and locusts have been present in recent weeks. There have been frosts. The latest estimate from the Grain Industry Association of Western Australia has tempered the figure to a little under 20 million tonnes. I will speak to the issues with the supply chain. In net terms, that means that the harvest may take a little longer. Industry is looking toward strategies to maximise the amount of direct shipping, with the harvest going directly to the boat and not being put down along the way. If the industry can achieve that, it will take a fair bit of strain off the supply chain. Industry is also looking to move the carry, which is the grain still held in stock, to areas that are less likely to be put under pressure during the harvest, and to open additional bins. All that said, there still remain concerns, particularly around trucking, as the member mentioned, and ensuring that the rail network can keep pace. It would be fair to say that with a record harvest, the supply chain will be stretched. It would be fair to say that farmers accessing local labour will be stretched. It is going to be a challenging harvest, but all the intelligence from industry is that it is as prepared as it can be in the circumstances that are presented.

**Mr P.J. RUNDLE:** The Premier's adviser just mentioned supply chain issues. Is the Premier aware that a massive amount of farm machinery and equipment is being held up at Fremantle port that will potentially jeopardise farmers getting harvesters, parts and the like on-farm to help with the harvest?

**Mr M. McGOWAN:** Which line item in the budget papers did the member refer to?

**Mr P.J. RUNDLE:** That was a further question in relation to supply chain and paragraph 4 on page 223. It relates to paragraph 1 as well and key drivers of the state's economy.

**Mr M. McGOWAN:** I will ask the director general. I have not heard of that before, but, as the member knows, the stevedoring companies are companies and therefore come under the commonwealth industrial relations system.

**Ms M.J. DAVIES:** I have a further question in relation to paragraph 4 on page 223 of budget paper No 2 regarding seasonal workers. So that I am clear in my head, can I get information on the Bladin Village proposal? I understand that the commonwealth has indicated that there is capacity in a quarantine facility, albeit in the Northern Territory, and that if the state, along with industry, was prepared to provide funding to utilise it, it would be open to bring in workers from the more challenging countries like Denmark and the United Kingdom in the Northern Hemisphere. The process for making this happen is that the Premier, with the endorsement of the Chief Health Officer, would put to national cabinet a proposal, including the resourcing the state is prepared to allocate. Why has this not been explored or delivered to this point, given that there is a reluctance by the state government to look at alternatives in Western Australia? Why is the government not looking to utilise that opportunity in the Northern Territory to bring in those workers who will be needed in a very short time?

**Mr M. McGOWAN:** We do not control it. It is in the Northern Territory; it is not under our control. When the Leader of the Opposition says that we in Western Australia are reluctant, we currently run five, six or seven hotels that were never designed for the purpose to bring in people. We said to the commonwealth, "You have Yongah Hill, Exmouth, Derby and Christmas Island that are within Western Australia or a Western Australian territory, if you like, in the case of Christmas Island, that we are happy for you to use." We have made available our support to operate a quarantine facility at Bullsbrook once the commonwealth has built it. But we do not control Bladin Village. Bladin Village seems to have mythical status among some people. I have never been there, I have never seen it and I do not know what is there. It is really a matter for the commonwealth, if it wants to, to set it up and make it available for bringing in agricultural workers or whomever it might be from overseas.

If we are talking about places that are doing the heavy lifting, as it currently stands, the Northern Territory, with Howard Springs, does more than anywhere else in terms of bringing in people. I do not think it has received credit for that. I remember the New South Wales government was always carrying on that it was doing the heavy lifting; well, we have seen where that has gotten us. New South Wales was always carrying on about that, but the Northern Territory has done above and beyond the call of duty. If the commonwealth wants to set up Bladin Village—if it is secure and available and so forth—it is really a matter for the commonwealth.

**Ms M.J. DAVIES:** Have there been any discussions within the state government or the department on Bladin Village or has the government ruled it out as an option ahead of this year's harvest?

**Mr M. McGOWAN:** We went to the federal Minister for Agriculture and Northern Australia to seek his support to utilise a commonwealth facility like Christmas Island to quarantine skilled harvest workers from northern Europe—that is available—and we did some consultation with the commonwealth on Bladin Village and whatever else is out there. If the commonwealth wants to set it up, it can. It is really a matter for the commonwealth. I know that everyone is saying that the Western Australian government should set up a facility in the Northern Territory, but I cannot understand how people do not get that that is not our jurisdiction. We do not control it and we do not control who comes in from overseas. It is not within our control.

**Ms M.J. DAVIES:** The Premier raised the queries that were made. I am just trying to understand whether any work is ongoing within the department on Bladin Village or whether it has been ruled out as an option for the state ahead of this year's harvest?

**Mr M. McGOWAN:** We continue to work with the commonwealth government on these matters, on what is available. As I said to the Leader of the Opposition before, Minister Littleproud—an old expression from when I was in the Navy—sloped his shoulders and just let it fall off. If there was a will, the commonwealth could certainly do it. The commonwealth controls international borders and gives visas to people to come in. It is nothing within our control.

**Dr D.J. HONEY:** To be clear, if Bladin Village were available to bring in workers from other countries and all it required was that the Western Australian government paid for the operation of that service at Bladin Village, would the government avail itself of it?

**Mr M. McGOWAN:** What—so we pay for people to come in? It would depend on costs and what the arrangements were and those sorts of things. There are various quotes around; some of them are around \$20 million to do it. I think it has a long way to go. It really needs the commonwealth to use Border Force and its agricultural agencies to put in place a facility, if it wishes to. It would also depend on what the cost was. We do not have an open chequebook.

[10.50 am]

**Dr D.J. HONEY:** My understanding is that every other state has availed itself of the option of bringing in additional workers through a facility that the states would fund themselves. I am wondering why it appears that Western Australia is simply refusing to do what every other state in Australia has done.

**Mr M. McGOWAN:** The member's information is incorrect. No other state is bringing in European workers. The only workers being brought in are from Tonga and Vanuatu, and we are taking our share of those.

**Dr D.J. HONEY:** A small number.

**Mr M. McGOWAN:** Let me explain. We have taken 1 500 into hotel quarantine and quarantined them successfully before sending them out to work. As I said to the member before, a new planeload is coming. There is not an endless supply. I think we used to take people from East Timor and other parts of Indonesia, but we cannot do that at the moment because they are rife with COVID. I realise that probably one in 50 Western Australians would say, "Just take the risk", but I am pretty sure that 49 out of 50 Western Australians would say, "Don't take the risk, because we are in a very good position and we want to stay that way."

**Mr P.J. RUNDLE:** I have a further question on the supply chain issue. I want to confirm for the record that the Premier is unaware of the Mexican stand-off between the Maritime Union of Australia and Qube Ports, which is threatening the transportation of farm equipment from the port to farms for this year's harvest. There are many harvesters and machinery parts sitting at the port that might not arrive at the farms in time for the harvest.

**Mr M. McGOWAN:** I did not say that. I said that I was unaware of farm equipment. I am aware that there is a dispute. I was unaware that farm equipment was caught up in it. That is the exact point I made. As I will repeat to the member, in 2005 or 2006, the then federal Liberal–National government took all responsibility for industrial relations for corporations. The Howard government moved that responsibility to the commonwealth. All responsibility for industrial relations for corporations is under the control of the commonwealth government. The state has no role. The stevedores are corporations, which is under the federal IR system. We have no role whatsoever.

**Ms M.J. DAVIES:** I refer to note 2.2.8 of the asset investment program on page 231 of budget paper No 2. This is the project definition plan for the department's new metropolitan facility. Could the Premier please advise what the time frame for this project is and what other funding is allocated in the budget for it to be delivered?

**Mr M. McGOWAN:** I will let Mr Addis explain.

**Mr R. Addis:** The \$1 million referenced in that item relates to the detailed design work required for, essentially, the proposed new science and biosecurity diagnostics facility to replace the very aged and dysfunctional facilities at the existing Kensington site. In addition, over the last 15 or so months, the government has invested roughly \$20 million in two things: fixing up the existing facilities and some temporary facilities to essentially bridge that development time frame, and investing in a shift of about 450 staff, net, from the South Perth facility to the new offices at Nash Street on the edge of the CBD.

**Ms M.J. DAVIES:** My understanding is that the move of the staff to Nash Street involves a 10-year lease. Is it going to take us 10 years to build the new facility? What will happen to those staff when the facility is there? Is it just another government asset that we have signed up to?

**Mr M. McGOWAN:** From what I understand, \$1 million is for planning and there is a new building for office space that will be leased in the city, and that came about, I think, because there was some water damage when

there was a storm last year or the year before. This has been an issue for decades. I realise that people will try to pretend it is a new thing and that somehow it is this government's fault, but it has been an issue for decades that no government has dealt with. We have provided new office space for staff in the city and we have set aside \$1 million for the planning for the new science and diagnostic facilities, but that is a decision for a future budget.

**Ms M.J. DAVIES:** So there is no funding in the budget to build the new facility but we have a 10-year lease for the staff who have moved out of the current facilities.

**Mr M. McGOWAN:** The member is correct that there is a 10-year lease for the office, which I think the staff would be happy with because it is a much better premises than they were in before; it is a significant improvement for the departmental staff. There is \$1 million for planning in the budget but there is not a budget to build the science and diagnostic facilities. I think that is \$1 million more than was there before.

**Ms M.J. DAVIES:** Just so that I am clear, Premier, is the \$1 million being spent on planning for the science labs and is not to house those who have been moved into the metropolitan area under the 10-year lease? Is that correct?

**Mr M. McGOWAN:** Correct.

**Ms M.J. DAVIES:** Is it the intent that the people who have moved into the office with the 10-year lease at Nash Street will be there for 10 years?

**Mr M. McGOWAN:** That is the current plan, because there is a lease for 10 years. Obviously, sometimes things change, such as when there is a better lease somewhere else or maybe in the future a property will be built, but that is the existing plan.

**Ms M.J. DAVIES:** I understand the rationale for having to do this now, because the building was not fit for purpose, but the government also decided to create big departments to create efficiencies. Is there a risk that having the city lease for 10 years and building the new facility will spread the staff across different footprints? Will the government lose the efficiencies that it said it was trying to achieve?

**Mr M. McGOWAN:** This is actually allowing for greater co-location. Until the new facility was leased, there were three sites. The department is working towards putting people together in the leased site.

**Ms M.J. DAVIES:** Did the government consider maintaining a smaller footprint in the Perth metropolitan area and decentralising the department, given that the key business of the department is managing services, infrastructure and projects in regional WA?

**Mr M. McGOWAN:** Over time, that will increase in the regions. Currently, 35 to 38 per cent of the staff are based in the regions. Over time, that figure will increase.

**Ms M.J. DAVIES:** Just on that point, will that be done by shifting out the staff who are currently in the metropolitan area or by increasing the total number of employees across the entire department?

[11.00 am]

**Mr M. McGOWAN:** It would be done over time by new roles being regionally based. The Leader of the Opposition was in government for eight and a half years, and that government did not move the department to the regions. These are difficult things to do. If we attempted to do this, we would lose a lot of staff, and we would also have people who, particularly in the modern age, want to work from home rather than go to the new location. I think these are issues that we will increasingly grapple with. Increasingly, in all sectors of the economy, people are working from home. I actually think it is better that people go into the workplace. We have to make sure that it is attractive for people to go to work. Over the COVID period, lots of people have worked from home all over the state and the country. Some businesspeople are still working from home. International businesses still require many of their employees to work from home because there is COVID in New York, for goodness sake! We want to make sure that people go to work. As I understand it, the office in the city is a much more attractive work environment than the old office. We are bringing people together from across locations in the city into the one co-located work environment, and well over a third of the staff are currently based in the regions, which is an increase from when we came into government.

**Ms M.J. DAVIES:** This question is not on that line item but is relating to what the Premier has just said. I note that the ninth point on page 223 goes to what the Premier has just said—that the department is progressing a strategy to grow its presence in regional WA. Can the Premier explain: Is there a formal strategy? Is there a document that the Premier can advise us of? Are there targets? How are we measuring this? Over what time frame is this being rolled out? It is the last sentence of the ninth point on page 223, Premier.

**Mr M. McGOWAN:** Yes. The metro staff have been co-located into modern offices following the flood damage at Kensington. I think that was a total cost of \$26 million. No doubt, that is a better work environment for the staff.



The department wants to progressively grow its presence in regional WA; that is an ongoing process. Obviously, it takes time. As we employ new people, we will seek to employ more in regional WA. I will let Mr Addis comment.

**Mr R. Addis:** Thank you, Premier. There is no explicit public-facing plan. Since we commenced this new department, we have pushed where we can to create new positions in regional bases. I think that through Mr O'Connell's part of the business, we have about 27 new positions in investment management, agribusiness, food and trade and the like based in places such as Broome, Bunbury and Albany, which has been positive, but there are always net ups and downs. It is very much a progressive process whereby we look for opportunities to put new roles in regional WA and attract people to move from the city to the regions rather than a sort of big-bang approach.

[Ms A.E. Kent took the chair.]

**Ms M.J. DAVIES:** I refer to the line at the end of the ninth point that states —

The Department is also progressing a strategy to grow its presence in regional Western Australia.

Is that a slight overstatement? If the Premier cannot provide me with a document or measurements, how can we measure whether the department is actually achieving this statement in the budget across the forward estimates?

**Mr M. McGOWAN:** I will let Mr Addis comment.

**Mr R. Addis:** Thank you. We see this as a normal part of our ongoing workforce strategy rather than an explicit, separate thing. I think that we will make steady progress against that across this term of government and beyond. In our view, it is not necessarily useful for us to make a big song and dance about that, rather, to get on and make sure that we are doing it.

**Ms M.J. DAVIES:** With the greatest of respect, if there is not a target or anything to measure against, the department can make statements like this and then nobody can be held to account on that front. We are sitting here looking at what the department says it is going to do over the next four years. I would be enormously supportive of that strategy, but I would like to understand exactly how the department is going to pursue that and what targets it is setting so that when it makes employment decisions, it is working towards some trigger or strategy to achieve that outcome.

**Mr M. McGOWAN:** Over time, as the department employs more people, it will look to preference people in the regions if that is possible, and I think that is a good thing. I recall that the last government set up the Department of Regional Development at one40william, so I do not think the opposition has a great track record on putting people in regional WA.

**Ms M.J. DAVIES:** I note the Premier's answer, but there is a specific line in the budget that says that the department is progressing a strategy to grow its presence in regional WA. I do not think it is unreasonable for us to ask what that strategy is, where it is defined and how we can measure whether the department will achieve that over the forward estimates.

**Mr M. McGOWAN:** The department will continue to do that in its employment practices, but it is a progressive thing. As the director general said, a big-bang strategy such as moving an entire agency to the regions, as attractive as it sounds, often results in mass loss of employees and, increasingly, people working from home. That is not the outcome we want to achieve. As we can, we will employ more people in regional WA. I repeat: I recall that the previous government moved the Department of Regional Development to one40william. I cannot think of a location further from regional WA.

**Ms M.J. DAVIES:** Probably Nash Street.

**Mr M. McGOWAN:** No; Nash Street is closer.

**Ms M.J. DAVIES:** We can rule out the big-bang strategy, but we do not have a specific strategy for workforce numbers and targets. Just so that I am absolutely clear, is there any document within the department that directs or targets the number of people needed to grow its presence in regional WA that we as the opposition can look to across the forward estimates?

**Mr M. McGOWAN:** It is a progressive strategy. It is not a written-down policy, if you like, but it is a progressive strategy to employ more people in regional WA.

**Mr P.J. RUNDLE:** I hear what the Leader of the Opposition is saying, and we would certainly support that regional strategy. There is a co-location of agriculture and development commission staff in places like Katanning. Despite that, there is that line about growing that regional presence. Does the Premier have any plans for something like that facility that could really regenerate staff throughout regional WA?

**Mr M. McGOWAN:** The advice I have is that around 35 people are working in Katanning in the department and the research station in town, which sounds like a terrific thing for Katanning. As to creating another facility, as I recall, there are similar sorts of facilities in Carnarvon, Kununurra and Albany. Various towns have these sorts of facilities. Bunbury has a significant office. Progressively, these things expand. We also have to keep staff. For

**Extract from Hansard**

[ASSEMBLY ESTIMATES COMMITTEE A — Tuesday, 21 September 2021]

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instance, in the scientific world, staff might want to be close to universities because they have roles that involve them interacting with universities. That is why it is easy to say that we will move all staff to Katanning or Wagin or Broome or somewhere, but it is not so easy to achieve, because we have to keep our staff. That is always the challenge. There is huge attrition when these things are moved out of the CBD. Even if the offices are moved to suburban areas outside the CBD, there is huge attrition, which is a problem for DGs and for service delivery.

[11.10 am]

**Dr D.J. HONEY:** I refer to page 223 of volume 1 of budget paper No 2. Item 6 refers to world-leading research and development. There is what appears to be an abandoned research station on the corner of Abercrombie Road and Anketell Road in Kwinana. There is a significant block of land between Thomas Road and Anketell Road. Is that intended to be retained as an asset of the department or is that asset being sold and developed?

**Mr M. McGOWAN:** I do not know the answer to this.

**Dr D.J. HONEY:** I did not think the Premier would.

**Mr M. McGOWAN:** I did not know it was there, so I will ask Mr Binning to comment.

**Mr C. Binning:** I think the property the member is referring to is the Medina property. That is being decommissioned from agricultural R&D purposes and is considered surplus to our current R&D requirements. We have research stations across the state from Esperance, out of Albany, through Katanning and right up through to Kununurra. We have an active research program and active staffing profile in the regions and are looking to further reinvigorate that. The Medina property is the subject of ongoing discussions within government around its highest and best use and will be retained by our department until that conversation is completed.

**Ms M.J. DAVIES:** I refer to page 226 of volume 1 of budget paper No 2. The first service is the regional industry and community development investment facilitation. In the explanation of significant movements, note 1 says —

The decrease from the 2020–21 Budget to the 2020–21 Estimated Actual of \$68.3 million is mainly attributable to delays in the delivery of programs such as the Regional Economic Development Grants ...

There are also a number of other programs listed there. I am specifically interested in the RED grants. Can the Premier advise what the delays have been in relation to the RED grants?

**Mr M. McGOWAN:** The advice I have is that there was a slowdown last financial year, I suspect because of the state election, as a lot of those things are suspended during an election process. Therefore, they have been pushed into this financial year to undertake them, but there is no reduction in the overall scale. It is just that sometimes particular elections delay everything because of the caretaker arrangements.

**Ms M.J. DAVIES:** When I am talking about delays, I am trying to understand the delays in the delivery. Is it to do with providing funding to the applicant or is the acquittal of the funding being delayed? Can the Premier explain to me what has happened?

**Mr M. McGOWAN:** Some of it was state election related and some of it was COVID related. Obviously, we had lockdowns and people did not go to work, and some suppliers were unable to deliver during the COVID period. Now we have the hottest economy probably of anywhere in the world, so that adds to delays. That is what it is. There is no reduction in the overall amount of money. All those things, particularly the state election, are outside of the government's control.

**Ms M.J. DAVIES:** Are any of the funded projects that have been delayed not attributable to the state election or COVID-related issues?

**Mr M. McGOWAN:** No-one has advised me that there is anything other than state election and COVID-related delays.

**Ms M.J. DAVIES:** This is a new question about the RED grants, but it relates to page 221 of budget paper No 3. It shows that the total amount for the program is \$27.5 million across the forward estimates. Sorry, Premier; I will leave that one. It is about the regional development leverage unit. I will come back to that.

**Mr P.J. RUNDLE:** Further to page 226, are there any plans to expand the regional economic development grants or to create related programs, such as the previously existing community chest fund?

**Mr M. McGOWAN:** The advice I have is that more than \$20.7 million has been allocated to 222 projects across nine regions from rounds 1 to 3 of the regional economic development grants program. The projects funded are expected to generate \$83.5 million in cash co-contributions and an estimated 2 567 jobs in areas such as agriculture, mining, manufacturing, infrastructure, tourism and professional skills. Round 4 is open from 27 August and \$4.5 million in grants is available. I think the program is the brainchild of the Minister for Regional Development, who looks for opportunities. They do not necessarily have to be multibillion-dollar opportunities; they can be relatively small opportunities that make a big difference, particularly in a smaller town. When the member asks whether it is being expanded, yes, \$4.5 million in grants is available right now.

**Extract from Hansard**

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**Mr P.J. RUNDLE:** The Premier referred to his minister. Does he have any concerns about some of these grants being given to private companies and businesses rather than the not-for-profit sector and so forth?

**Mr M. McGOWAN:** The title is regional economic development grants, so they are designed for promoting or leveraging business or economic opportunities. By definition, not-for-profit organisations do not do that. This is the main focus. I have seen some of them and, as I said, there are hundreds of them. Sometimes they will be for a hospitality facility in a small town. I was looking at one recently. It may not have been under this scheme, but it was a similar project for a hotel in Collie to create a function centre so that it could hold conventions and conferences and people could stay in Collie if they were going to one of the new developments, and to leverage the opportunity that that presents in that town. Obviously, we do not do these sorts of things in the city; this is specifically a regional project. Sometimes attracting capital to smaller towns is tricky and difficult and requires a bit of assistance and the opportunity to leverage results in economic outcomes far in excess of the investment that is put in.

**Mr P.J. RUNDLE:** Can the Premier clarify for me who is responsible within the minister's office or the Department of Primary Industries and Regional Development for monitoring whether a grant recipient meets the requirements of the grant?

[11.20 am]

**Mr M. McGOWAN:** Recommendations for each region are endorsed by each regional development commission board and submitted to the Minister for Regional Development for final approval. An audit process goes on for each of them, and it can also occur within the department.

**Ms M.J. DAVIES:** I have found the reference I was talking about in relation to regional economic development grants in budget paper No 3. It is on page 221 and my question is about the cashflowing of those grants across the forward estimates. I note that there is \$5 million in each year from 2022–23 to 2024–25, but in this year, 2021–22, there is \$12.5 million. That is more than double the amount that is allocated across the forward estimates each year. Could the minister explain that anomaly? It is in the royalties for regions expenditure, so we can see it cashflowed across the forward estimates.

**Mr M. McGOWAN:** The 2021–22 budget estimate is so high because it is carried forward from the last three rounds that have not been expensed as yet. Obviously, there is \$5 million for each year across the forwards.

**Ms M.J. DAVIES:** Sorry; why has it been carried forward?

**Mr M. McGOWAN:** It reflects carry-forwards that have not been expensed as yet, if that is the right word. They are accumulated carry-forwards. Sometimes it takes time. Someone will receive a grant but they are not ready. Maybe I will let someone else explain. I will hand over to Mr Addis.

**Mr R. Addis:** The previous three rounds have been held over the past couple of years, with the third round in the first half of this year, from memory. They all roll through and get expenditure delivered to the grantees progressively. Some happen really quickly; some happen more slowly. This reflects what has not yet been expended to the grantees, but I think we are pretty satisfied that they are working through the overall program pretty well. The commissions and the department work pretty closely with the grantees to make sure that things are on track and we monitor it very closely.

**Ms M.J. DAVIES:** Does the \$12.5 million go back to the point the Premier was making before about delays in the budget? Is that what has happened? It was not a big cash splash before the state election, for example.

**Mr R. Addis:** The rounds have been broadly consistent over time. There has not really been any wild variation in the rounds at any point in time. It is just an accumulation of programs that have been launched, been responded to and had grant offers made, but the projects have not been completed and, therefore, expenditure has not flowed through.

**Ms M.J. DAVIES:** Is it possible to get a list of those projects that are delayed? I am happy to take it as supplementary information.

**Mr M. McGOWAN:** I am happy to provide by way of supplementary information a list of all the RED grants that are being delivered and that are yet to be acquitted within that \$12.5 million.

[*Supplementary Information No A2.*]

**Dr D.J. HONEY:** I refer to page 226 of budget paper No 2 and the line item “Regional Industry and Community Development Investment Facilitation”. Earlier this year, the government announced that WesTrac would establish its maintenance facility in Geraldton. I am wondering whether any moneys were used out of this fund as part of the arrangement for the movement of the facilities to Geraldton in the midwest.

**Mr M. McGOWAN:** Sorry; was it page 226? I cannot quite find it.

**Dr D.J. HONEY:** It is page 226 of budget paper No 2 and the line item “Regional Development and Industry Investment Facilitation”. I am simply asking whether any of those moneys were used for that relocation or the feasibility study for that relocation at all?

**Mr M. McGOWAN:** We did not put any money into that project, but the Mid West Development Commission did work with WesTrac on securing that. Basically, it means that vehicles from, I suspect, the Pilbara are brought to Geraldton for some forms of maintenance, rather than being taken all the way to Perth. WesTrac already has an existing facility there that is being used for those services. It is a good example of the development commission being proactive and achieving a great development outcome.

**Dr D.J. HONEY:** Did the development corporation —

**Mr M. McGOWAN:** Commission.

**Dr D.J. HONEY:** Commission, I should say; Premier, thank you. Did the commission participate in the feasibility study? Did it fund any of the feasibility study or was that funded entirely by the proponent?

**Mr M. McGOWAN:** I am advised that there was no feasibility study. It was just facilitation, which is what a development commission should do. If it can achieve great outcomes like this without spending money, that is a wonderful thing.

**Mr P.J. RUNDLE:** I refer to page 222 of volume 1 and the Westport project, which is referred to about 90 per cent of the way down the page. To date, what is the total amount that the Department of Primary Industries and Regional Development has contributed to the Westport project?

**Mr M. McGOWAN:** A range of environmental monitoring and research projects are associated with Westport. DPIRD is viewed as being best placed to undertake some of this work. Funding of \$1.526 million has been transferred from the Department of Transport to DPIRD. These funds will be used to employ two research scientists and two technical officers for a three-year period for this project. The money has come from the Department of Transport, but with DPIRD's expertise in these areas, it was regarded as the best agency for that money to be placed. It deals with recreational fisheries' uses and those sorts of things, so the Department of Primary Industries and Regional Development is the right organisation to do it, because Fisheries is contained within DPIRD.

[11.30 am]

**Mr P.J. RUNDLE:** Has any royalties for regions money been spent on Westport?

**Mr M. McGOWAN:** No.

**Mr P.J. RUNDLE:** Given that Westport will be our long-term replacement for Fremantle port, apparently, what role does DPIRD have to play in the continuation of research and whatever for Westport? What does the Premier foresee as the role of DPIRD in the future?

**Mr M. McGOWAN:** There are obvious roles for DPIRD, because the director general is on the overarching directors general reference group. There are biosecurity roles that DPIRD is involved in, particularly in relation to agricultural exports and imports. There is also the role of Fisheries, which comes within DPIRD, and which obviously has a monitoring and other role with regard to marine environments all over Western Australia. Although there is no royalties for regions money, and DPIRD is much more than just one program, it obviously has an ongoing role in this project.

**Mr P.J. RUNDLE:** Does the Premier see a continuation of this money being transferred from Transport to DPIRD each year—is that forecast?

**Mr M. McGOWAN:** That is a future budget decision. The member can see why that would have occurred: DPIRD has expertise in fisheries and marine research, because Fisheries is contained within DPIRD.

**Ms M.J. DAVIES:** I refer to royalties for regions expenditure on page 220 of budget paper No 3. I cannot find a reference to community resource centres in budget paper No 2, but they are listed in budget paper No 3 as a line item on page 220. I have a number of questions. I am aware that DPIRD is currently seeking feedback on community resource centres by a survey that is being conducted by Painted Dog Research. Can the Premier advise who is being surveyed, and why? Can the Premier provide an assurance that this survey is not like the one that was conducted by the Minister for Climate Action before she decided to shut down the native forestry industry and we are not seeing a precursor to the end of the community resource centre network?

**Mr M. McGOWAN:** The budget has \$13 million each year across the forward estimates for community resource centres, which secures their funding. Obviously, government does all sorts of surveys in all sorts of areas to seek feedback on how things can be improved, what additional services might need to be provided, how existing services could be changed to better meet the needs of the community, or whatever it might be. I visited a community resource centre in Morawa recently and talked to the staff there. It is providing some of the support for recovery from cyclone Seroja—so obviously the uses of CRCs can change depending upon the circumstances—which I thought was a great use of the CRC. That survey is obviously designed to find out what it can do and what it can do better. I do not think the member's analogy with stopping the logging of our native forests is a fair comparison. I am very proud of that decision. I think we have done the right thing.

**Ms M.J. DAVIES:** I thank the Premier. Can the Premier advise how much the survey is costing and whether the survey results will be made public? How is the survey being publicised and circulated so that people can provide feedback, because at this point all I have seen is a posting on a government member's Facebook page?

**Mr M. McGOWAN:** The department does not have the detail of the survey. The member can put a question on notice, because we do not have any information about this survey. Surveys are done across government all the time in all sorts of areas. I note there was one survey in today's newspaper about a school. They are done all the time to seek feedback and advice about what can be improved. I understand that surveys are normally online, so the cost of these things is minimal, if anything. We seek feedback on how services can be improved. If we did not survey and seek feedback from both customers and staff, people would say, one, that we were not listening and, two, that we were not seeking to change and improve when necessary. I do think there is anything sinister in undertaking a survey. That is my personal view.

**The CHAIR:** Does the Premier agree to provide supplementary information?

**Mr M. McGOWAN:** I cannot provide supplementary information, because we do not have anything. The member's question was whether we are proposing to change anything or something. It was about the government doing a survey.

**Ms M.J. DAVIES:** I know the government is.

**Mr M. McGOWAN:** That is news to all of us. We do not know. The member can put a question on notice about what the survey is, the details of it and all that sort of stuff. I do not even know whether there is a survey. I do not know whose Facebook post it was.

**Ms M.J. DAVIES:** I can tell the Premier, if I am allowed a further question.

**Mr M. McGOWAN:** I find that a lot of stuff on Facebook is not accurate. I regret to inform the Leader of the Opposition that a lot of stuff on Facebook is not right.

**Ms M.J. DAVIES:** I hope that Hon Shelley Payne, MLC, is not circulating misinformation on behalf of the government.

**Mr M. McGOWAN:** Who, sorry?

**Ms M.J. DAVIES:** It is Hon Shelley Payne. I quote her Facebook post —

Currently the The Department of Primary Industries and Regional Development are seeking feedback on Community Resource Centres.

The survey will provide valuable information about the West Australian CRC Network and is an opportunity for the value of the network and individual CRC's to be highlighted.

The survey is open from now until 8th October 2021.

Premier, with the greatest of respect, I do not want to put a question on notice, because I will not get the answer until after the survey is closed. I would like an understanding of what the survey is costing, whether those results will be made public, and how the survey is being publicised and circulated to stakeholders beyond the Facebook pages of members of the government so that they can provide valuable feedback on community resource centres and that there is not a skewed or very unrepresentative outcome to this, given that the government has a track record of not being particularly supportive of community resource centres.

**Mr M. McGOWAN:** We are funding community resource centres to the tune of \$13 million a year each and every year across the forward estimates, which is a lot of money. No-one here knows anything about the survey, so the member can put a question on notice.

**Ms M.J. DAVIES:** Is the honourable member for the Agricultural Region misinformed?

**Mr M. McGOWAN:** I do not know. Maybe she is doing her own survey. I do not know the answer to this.

**Ms M.J. DAVIES:** It is very specific. The post says it is from the Department of Primary Industries and Regional Development and it is closing on 8 October.

**Mr M. McGOWAN:** If someone is doing a survey into CRCs, the member can give us a question on notice and we will give her an answer about who is doing the survey and what it is about. From memory, there are 99 CRCs.

**Ms M.J. DAVIES:** There are 103.

**Mr M. McGOWAN:** There are 103; we have expanded them. Okay, there are 103 CRCs. We can provide the member with details about what the survey is. It is not unusual to do a survey. I just repeat that government agencies, schools and hospitals do them all the time. Generally, they are online and do not cost anything. It is really just someone in a government agency. Maybe the development commission is doing a survey in goldfields—Esperance on CRCs to see how they can be improved. But the money in the budget is secure.

**Ms M.J. DAVIES:** I have a further question on community resource centres. I am still on the same page, Premier, 220. Can the Premier point me to which service in the department CRCs fall under? As I said, I cannot find a reference to them in budget paper No 2, volume 1. I can find a reference to them only in budget paper No 3.

[11.40 am]

**Mr M. McGOWAN:** It is under industry and economic development, which is part of the department and is on page 225 under service 1 of the service summary.

**Ms M.J. DAVIES:** Could the Premier advise how many staff in the department are responsible for the management of the 103 community resource centres?

**Mr M. McGOWAN:** It is four or five.

**Ms M.J. DAVIES:** Has that increased or decreased since 2017?

**Mr M. McGOWAN:** The advice I have from the director general is that it has been stable over successive governments.

**Ms M.J. DAVIES:** Has Linkwest, or any of the other support networks used by the CRCs, advised the department that it is concerned about the level of resourcing in the department to support the CRC network?

**Mr M. McGOWAN:** No-one here has any knowledge of any concerns being expressed.

**Ms M.J. DAVIES:** Under the same budget point, I note that the Department of Primary Industries and Regional Development has called for expressions of interest for a Pilbara-based CRC, with applications closing in November. Could the Premier advise how much has been allocated for this new service and whether it is within the current budget allocation across the forward estimates?

**Mr M. McGOWAN:** If it is established, it would be within the current budget.

**Ms M.J. DAVIES:** So that I am clear, the funding across the forward estimates is for the 103 centres we have now. If another CRC is added in the Pilbara, which I would assume comes with some additional costs for staffing and set-up, and other costs that come with the Pilbara, does that mean there will be less funding available for those in the network, or will we drop one off? How will that be maintained within the budget allocation across the forward estimates?

**Mr M. McGOWAN:** There is enough capacity within the existing budget to accommodate change over time. The numbers go up and down; sometimes they close, sometimes they open. I had a recollection there were 99 centres, so additional ones have been established over recent years within the current budget estimate. That is what government does. If we can find ways of doing things within an existing allocation, that is actually a good thing.

**Ms M.J. DAVIES:** How was the decision made to call for tenders for the Pilbara CRC?

**Mr M. McGOWAN:** It is to ensure there is proper representation with CRCs in the Pilbara, which has been missing.

**Ms M.J. DAVIES:** Have communities from the Pilbara actually written to the department and asked for a CRC?

**Mr M. McGOWAN:** We have had correspondence, so we are responding to that and testing whether it can be established.

**Ms M.J. DAVIES:** Could the Premier advise which communities have been advocating for a CRC in their town?

**Mr M. McGOWAN:** We think it was Roebourne.

**Ms M.J. DAVIES:** Is there any way of confirming that?

**Mr M. McGOWAN:** I do not know whether the correspondence was confidential or had confidential information in it or what have you. I am sticking with Roebourne; that is the advice.

**Ms M.J. DAVIES:** It seems a bit of a loose process.

**Mr M. McGOWAN:** Apparently, there is correspondence from someone or a community group in Roebourne that wrote to the department. Obviously, the department gets hundreds of thousands of pieces of correspondence—emails and the like—a year, so no-one has that to hand. It is currently testing the market about whether one is required in the Pilbara; and, if so, where. It sounds like a good idea. The Pilbara is obviously a very big place. How and where we provide it is work that is now being done.

**Ms M.J. DAVIES:** Can other communities that are not in the Pilbara and would like to be considered for a community resource centre go through the same process? I have had community members from Collie raise that.

**Mr M. McGOWAN:** Is there one in Collie?

**Ms M.J. DAVIES:** There is not one in Collie. They have raised the fact that they would like one, and the nearest to them, I think, is in Harvey or Brunswick.

Chair; Mr Mark McGowan; Mr Peter Rundle; Ms Mia Davies; Dr David Honey; Ms Lara Dalton; Ms Jodie Hanns; Ms Elizabeth Kelsbie

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**Mr M. McGOWAN:** People can always write and it can be considered. As the Leader of the Opposition knows, there is the Collie Futures fund, and the South West Development Commission office is in Collie and obviously performs a whole range of functions on behalf of the local community. I recall that the former member for Warren–Blackwood and, I think, the member for Roe were critical of what we do in Collie. Obviously, we would love people to write, and we can consider it and see what other resources are required or needed.

**Ms L. DALTON:** I refer to page 236 of budget paper No 2, volume 1, and the line item “Regional Economic Development Grants Scheme”. Can the Premier outline how this program is delivering benefits to regional businesses and communities?

**Mr M. McGOWAN:** I thank the member for Geraldton for the question. This is her first question in budget estimates, so a historic moment has been reached. I am sure the people of Geraldton will be talking about this for years to come!

The regional economic development grants scheme continues to invest in projects, supporting jobs and economic diversification. The total commitment is now \$40.8 million over seven years. Across the first three rounds of the scheme more than \$20 million has been committed to 222 projects in a whole range of job-creating areas. Round 4 applications are open for projects that increase or sustain jobs, expand or diversify industry, develop skills or capacity, increase business productivity and attract new investment to the regions. In the wheatbelt, \$2.2 million has been awarded to 28 projects across the first three rounds, helping to create over 312 local jobs. For example, Three Farmers Australia will use its \$95 000 grant towards cultivating a high-value niche market for low-gluten oats by developing quality assurance and storage protocols to grow and process the grain. In the south west region over \$2.4 million has been invested in 33 projects, helping create over 550 local jobs. Ocean Grown Abalone received \$85 000 towards the construction of a \$2.7 million Augusta boat harbour seafood processing facility for greenlip abalone, which is unique to that region. It has doubled the company’s production and created demand for jobs in the south, which is terrific. In the great southern, \$2.4 million has been invested in 28 projects, helping create over 390 local jobs. In the midwest, in the member for Geraldton’s region, \$2 million has been invested in 20 projects, creating over 87 local jobs. This includes a grant to JMH Group to support Geraldton’s first heavy vehicle brake-testing facility, which was recently opened by yourself, member for Geraldton. The project has created five jobs over 12 months and has facilitated the training and upskilling of employees in the heavy automotive and mining industries. As members can see, this scheme allows for the leveraging of good job-generating projects, particularly in smaller communities. Thank you for the question.

[11.50 am]

**Ms J.L. HANNS:** Premier, I refer to budget paper No 2, volume 1, page 236, and the line item “Regional Local Content Initiative”. Can the Premier please outline some of the industry capability building programs being delivered across regional Western Australia?

**Mr M. McGOWAN:** Obviously, local content is important in regional communities. In 2017, we introduced the Western Australia Jobs Act, the Western Australian industry participation strategy and the WA Industry Link program. As part of that, we established the regional local content adviser network, which is based in the development commissions. Each of the development commissions has a local content adviser, in particular for state government projects in regional WA. The local content adviser network has undertaken 4 840 engagements across regional WA. That included targeted industry meetings, industry participation plan development meetings, government agency engagements, tender opportunity promotion and capacity building initiatives all over regional WA. The local content adviser network has been important in driving positive regional procurement outcomes.

I will give some examples. In the south west, a year of intensive work by the principal local content adviser alongside Main Roads on the Bunbury Outer Ring Road resulted in a local content target of \$300 million, which was around half the project construction cost of that stage. This was an increase of \$200 million from the initial suggested local content target of \$100 million, so, obviously, it is achieving outcomes. In the midwest, early engagement by the principal local content adviser with the Department of Finance project team at Geraldton Health Campus influenced local content and Aboriginal procurement in the specifications, as well as identifying and requesting the elimination of non-critical products that were not able to be offered as a local supply. The local content adviser assisted in a standalone contract being awarded to Aboriginal business Boodjera Construct for the forward works stage of the Geraldton Health Campus project. In the wheatbelt, the local content adviser collaborated with the Western Australian Local Government Association and local government authorities across the regions to create and deliver tender-writing workshops with question and answer sessions across the region. These events were well attended and produced video footage of solutions to common problems and allowed opportunities for local businesses to get a look-ahead list from their local council as well as gain valuable insight into supplying to local government.

Local content initiatives are often about that grunt work at a local level, basically informing local contractors, builders, earthmoving companies or whatever it is about the opportunities that are there and how to tender for them.

These days, we have staff dedicated to this, and I met a few of them out there. They are very committed to local businesses, so it is obviously having good, positive impacts in regional WA.

**Mr P.J. RUNDLE:** I refer to budget paper No 3, *Economic and Fiscal Outlook*, page 220, the country water pricing subsidy. Obviously, the country water pricing subsidy has decreased significantly compared with previous years. Can the Premier explain how that scenario has played out?

**Mr M. McGOWAN:** I am sure the member is aware that the country water pricing subsidy is a very significant program by the state government to subsidise the price of water for people across regional WA, particularly outside the south west and Peel. It is a massive program across the state. It ensures that the cost of water is equal for people, wherever they are. When someone turns on a tap, it costs the same in Newman as it does in Cottesloe. The government provides an enormous subsidy. The numbers are not going down—in fact, I suspect they are going up, in total, because the cost of providing water and electricity continues to rise. All that has happened is there is not as much funding in the royalties for regions program. We are not funding it in royalties for regions to the same degree, but it is secure and will stay in place whilst we are in government.

**Mr P.J. RUNDLE:** Premier, I am trying to get an understanding of why we have gone from \$250 million in 2020–21 down to \$126 million for this budget. It then drops to \$82 million and to \$43 million, and then goes back up to \$117 million. I am trying to get an understanding of where the money is coming from, and why there is that variation.

**Mr M. McGOWAN:** It comes out of the consolidated account. Over time, we increase the overall amount. The overall subsidy in water and electricity is in the billions. In terms of what the state government spends, it is well over \$1 billion on both those things every year. If it is not funded here; it is funded from the consolidated account.

**Mr P.J. RUNDLE:** There is a note in the budget papers that this amount has been decreased to make way for election commitments and other programs that the government has funded. Would the Premier enlighten me on the election commitments that have altered the country water pricing subsidy?

**Mr M. McGOWAN:** Under royalties for regions, a whole range of projects in regional WA are funded. Some of them are election commitments; I think I read out some before. As the member knows, this government makes an enormous number of commitments in regional WA, and they are being funded. Therefore, we are delivering on all our commitments.

**Mr P.J. RUNDLE:** Premier, it appears to me that the government is just playing around with the country water pricing subsidy to try to equalise the variation of things like the election commitments. I cannot see any rhyme or reason why the numbers are going up and down. I would have thought that the cost of providing that water would be a fairly consistent amount each year.

[12 noon]

**Mr M. McGOWAN:** The cost of providing the subsidy goes up each year; where it is funded from within government changes each year.

**Ms M.J. DAVIES:** What justification is there for the remainder of the subsidy continuing to be paid for by royalties for regions? How does the department justify having half from royalties for regions and half from consolidated revenue?

**Mr M. McGOWAN:** It is a lot less than half.

**Ms M.J. DAVIES:** Whatever the division is. It changes and it seems to change at will.

**Mr M. McGOWAN:** I do not have the exact figure for the totality of the subsidy. The water subsidy across the forward estimates is about \$1.3 billion. Maybe my figures were out a little bit before; I said it was billions each year, but it is \$1.3 billion across the forward estimates. The electricity subsidy is very large for regional Western Australia as well, which, of course, ensures that it costs the same for someone to turn on the lights in Newman as it does in Perth. A huge support mechanism is provided by the state government to people all over the state to ensure that we have equality, which is a good thing.

On the Leader of the Opposition's question, royalties for regions is used for various things, over time. It is used for a whole range of programs over time, which has been the experience under all governments since 2008 when the program came in. Most of the state government's investment in regional infrastructure is outside royalties for regions. Only nine per cent of infrastructure is funded by royalties for regions. We have a much bigger program across regional Western Australia than existed before, because most of it is in the consolidated account, outside royalties for regions. Some of our infrastructure is funded by royalties for regions and some election commitments are funded by royalties for regions. All these funds are spent in regional Western Australia, which has been the position held by past governments. I remember people arguing in past estimates about why a hospital in regional Western Australia was funded by royalties for regions and not from somewhere else. Under the last government, hospitals in regional Western Australia were funded by royalties for regions. Under the last government, water



infrastructure in regional Western Australia was funded by royalties for regions. Under the last government, the orange school bus program was funded by royalties for regions. It is very consistent.

**Dr D.J. HONEY:** If we look at budget paper No 2, volume 1, page 236, about halfway down the table of controlled grants and subsidies, there is a line item for the Myalup–Wellington Water for Growth project. My understanding of that project from talking to one of the proponents involved is that they believe the program was effectively dead because it did not get approval or an arrangement could not be made to use the coalmine voids as part of the project. Is that project going to be reinvigorated? Could the Premier please provide some detail about the intentions for that project?

**Mr M. McGOWAN:** I will let Mr Addis explain.

**Mr R. Addis:** Thank you, Premier. The member is pointing to a previous project in which Collie Water was the proponent for what was an ambitious and complex proposal that required multilateral agreements and approvals with various third parties and with various parts of government. In the end, it proved too complicated and difficult to make progress, so the state has terminated that process with Collie Water because of the lack of progress and lack of achievement in the milestones and conditions precedent. That said, we remain committed to finding solutions to both the salinity issues in Wellington Dam and the underlying water availability issues in the irrigation areas.

**Dr D.J. HONEY:** Is it possible to understand what further work is continuing, given that there are reasonably specific sums estimated in the forward estimates? What is the nature of the continuing work?

**Mr M. McGOWAN:** I will let Mr Addis answer that.

**Mr R. Addis:** I should have added that the commonwealth has an existing commitment to the prior project and to achieving the solutions that we talked about. It remains strongly committed if we can find a suitable proposal that delivers good results. Maintaining our commitment to that is important. We are working with a range of stakeholders in the area who may have a good ability to contribute to solutions, so we are optimistic that we will be able to find a way to utilise the commonwealth's pre-existing commitment and find some good ways forward.

**Dr D.J. HONEY:** The amounts of money seem to be quite specific, so I am keen to understand whether there is a specific program of work or whether it is just a general intention to fund ongoing work. It is in relation to the Myalup–Wellington Water for Growth project and the \$8.4 million over the forward estimates.

**Mr M. McGOWAN:** I will let Mr Addis answer.

**Mr R. Addis:** The current budget cash flows reflect the prior commitment in the state budget. Exactly how that will pan out is a matter that is yet to be determined. I do not think I have a great deal more to add to that.

**Dr D.J. HONEY:** Further down on page 236, there is a line item for the regional telecommunications project. Could the Premier please outline the scope for that?

**Mr M. McGOWAN:** The regional telecommunications project is an \$85 million state government initiative administered by the department. It seeks to improve high-speed mobile voice and data coverage, reduce mobile black spots and help close the digital divide between urban and regional Western Australia. Since 2015, the state has invested \$80.8 million under the regional telecommunications project, leveraging significant contributions from the commonwealth amounting to nearly \$70 million and the telco industry of \$110 million for digital connectivity programs in Western Australia. In 2021–22, \$6.58 million is funded in grants and subsidies with an additional \$6.9 million re-cashflowed from 2020–21. Telecommunications is basically a commonwealth responsibility, but the way it has evolved over time, particularly in areas where it is not economical to put them in, is the state will contribute, the commonwealth will put in some money and telcos will put in some money to make it stack up. That is the way it has evolved. The state sometimes does this to help projects get up that would not otherwise. I think the last government did the same. As I said, telecommunications is actually a commonwealth responsibility, but the state is stepping in.

**Dr D.J. HONEY:** Thank you, Premier. I was aware of the nature of the state support for that. Is the Premier able to provide any information on what projects that allocation covers? Again, it seems to be quite a specific amount of money.

[12.10 pm]

**Mr M. McGOWAN:** We may have some information on the \$6.58 million in grants and subsidies in 2021–22 and the re-cashflow. I will take the member through them. The mobile black spot program is for highly targeted local area coverage through small cell installations across regional and remote Western Australia. Rounds 1, 2 and 4 of the program are expected to be completed by 30 June 2022. I do not know what happened to round 3. We do not know where round 3 has gone!

**Dr D.J. HONEY:** It is a secret project.

**Mr M. McGOWAN:** That is right. Maybe AUKUS is working on that one!

Round 5 is expected to be completed by 30 June 2023. The progress is as follows: by October 2020–21, 108 sites were completed; 75 sites were completed in round 1; 26 were completed or are underway in round 4; 44 sites were either completed or are underway in round 5; and 14 sites have been negotiated and are expected to be executed in round 5A.

Under the regional telecommunications project, another part of this program is the regional connectivity program. Projects in the program include the improvement and expansion of mobile coverage, fixed wireless and fibre-optic broadband and community wi-fi and telephone services. The state has funded \$8.4 million for 36 projects.

The state has co-funded \$897 000 under the regional telecommunications project for the mobile network hardening program to improve the resilience—that is more backup power—of 107 mobile base stations sited in disaster-prone areas under the commonwealth’s \$5.45 million mobile network hardening program stage 2.

The digital farm grants program has eight recipients delivering 20 projects through three rounds of funding. There are 2 340 WA farming businesses across 110 000 square kilometres that use smart farming technologies, cloud-based data sharing, digital tools and digital-making tools to improve their productivity and output. The program will cover around 55 per cent of the grainbelt and Kununurra, Carnarvon and parts of the south west of WA. The digital farm grants program is quite some program and it is amazing that 55 per cent of the grainbelt is covered. That is a huge benefit to those farmers. They are enjoying technology provided by the state government.

**Dr D.J. HONEY:** Further down that table on page 237 is the southern forests irrigation scheme. Can the Premier update me on any likely progress with that scheme? Is the scheme going ahead or is it effectively stalled? I see there is only \$769 000 in the 2019–20 actuals and no money in the forward estimates for that.

**Mr M. McGOWAN:** The objective of the southern forests irrigation scheme is to provide additional water security and storage for high-value horticulture producers in the Manjimup–Pemberton region. The Department of Primary Industries and Regional Development is working with the Department of Water and Environmental Regulation and the CSIRO to update the modelling of water availability from Record Brook and Donnelly River. DPIRD and DWER are investigating the feasibility of supplemental water sources to supply the southern forests irrigation scheme pipe network as well as water policy measures to help improve the capture, storage and use of water in existing farm dams.

Obviously, this program has a degree of controversy associated with it both within and outside the region. I understand that a number of farmers and farming communities do not want it and others do want it, and there is broader interest. The background to that is that proceedings around the Environmental Protection Authority public environmental review are on hold until a revised scope is completed. Some people are concerned that the project will divert water from existing users and that the harvesting of water is unsustainable. Recently, the focus has been on the approach to water modelling and climate change, with concerns that there has been an overestimation of water available for the scheme. The department commissioned the CSIRO to undertake an independent review of the original water modelling. There is complexity in attempting to model a changing hydrological system and its interaction with the highly technical, fast-evolving science of climate change. It also raises a number of concerns with the previous modelling, including that it is likely less water will be available in the Donnelly River into the future. The whole project is very controversial. There is ongoing analysis and studies on what is actually achievable and what should be done, as the member would appreciate. A big issue is that rainfall has dropped.

**Dr D.J. HONEY:** Continuing on that table, the third line item from the bottom is the “Wild Dog Action Plan”. The estimated actual for 2020–21 is only \$295 000 against an ongoing spend of around \$1.2 million and a previous spend of \$1.6 million. Why is that such a significant underspend, given the enormous problems that a number of pastoralists and now agriculturalists are having with wild dogs?

**Mr M. McGOWAN:** I will go on to wild dogs. Sorry; which page was it? I missed that.

**Dr D.J. HONEY:** It is page 237 and the third line item from the bottom of the table.

**Mr M. McGOWAN:** We have done a lot on wild dogs. On a recent drive to Kalgoorlie I had a look at the fence. There has been a huge investment in the fence. For 2021–22 to 2024–25, \$17.6 million has been allocated to the action plan for the completion and upgrading of the barrier fence and wild dog control with the sterilisation of dogs in Aboriginal communities. There will be a total of \$4.8 million in the form of grants and subsidies to support landholders to invest in new fencing infrastructure to protect key livestock assets as well as for the Murdoch University dog sterilisation program in Aboriginal communities and competitive grants for improvements in wild dog control. Minister MacTiernan has been very keen on this project. The money is for recurrent spending, but there is capital spending on, for instance, the fence, which is separate.

As I said, I had a look at the fence while I was out there. There is a gap where the road goes through, which is obviously a flaw in the system, but I do not see how we can avoid that one. I am sure the farmers and folk out there will appreciate the fence.

**Mr P.J. RUNDLE:** There is growing frustration about the Esperance wild dog fence. The Minister for Regional Development went down to knock in the first post, but that is about as far as it has gone. We have had very little action there. Could the Premier enlighten me on what the hold-ups have been?

[12.20 pm]

**Mr M. McGOWAN:** I will let Mr Addis comment, although I am sure that it is a well hammered-in fence post!

**Mr P.J. RUNDLE:** One good one, anyway. It is a ripper!

**Mr M. McGOWAN:** I will repeat, just so the member knows, that when I was driving to Kalgoorlie recently, the fence that I saw was outstanding.

**Mr R. Addis:** As the Premier mentioned, Minister MacTiernan certainly has been very much on the front foot with this. The reality is that getting the assembly ready and complete so that we can progress with procurement and the arrangements to build the fence is complicated. A bunch of land tenures are involved that have proved challenging. We are reasonably confident that we are making reasonable progress on that now, but we do acknowledge the frustrations of landowners down there.

**Mr P.J. RUNDLE:** There have been several hold-ups. We have landholders in Esperance with millions of dollars' worth of fencing that has been sitting in their yard for a couple of years now and there appears to have been some sort of negotiation breakdown. I would like to be enlightened about what the problem is. I know there are different forms of landholdings and crown land, but it is very disappointing.

**Mr M. McGOWAN:** I think the issue is that a range of negotiations with various landholders and other parties that need to be undertaken are sometimes complex, but it is progressing as well as possible.

**Mr P.J. RUNDLE:** As I said, the frustration is growing. It is getting to the point at which it is almost as though the farmers themselves will have to put the fence up because we just cannot seem to break through. We are losing sheep and the like. I want to translate to the Premier the frustration that is growing down in that part of the community. I am obviously hoping that the Department of Primary Industries and Regional Development and Esperance Tjaltjraak Services Pty Ltd can work through it. I want an assurance that we can get a pretty immediate resolution.

**Mr M. McGOWAN:** The frustrations are acknowledged. Esperance Tjaltjraak Services has been good to work with, I am advised, but the issues are complex, as is often the case with these things. We are hoping for a resolution in the next several weeks. I understand the importance of the issue, and that is why we have allocated a huge amount of money to it, but these things sometimes take time. We are trying to resolve this as quickly as possible. That is the advice that I have.

**Ms M.J. DAVIES:** I refer to spending changes under the heading "Election Commitments" on page 222 of budget paper No 2, volume 1, and in particular the Waroona town centre revitalisation and Margaret River main street redevelopment. I draw the Premier's attention to the fact that, in 2017, the Minister for Regional Development made some very well publicised comments, labelling town site revitalisation projects as akin to planting rows of petunias down the street. Can the Premier explain why the Waroona town centre revitalisation and Margaret River main street redevelopment in this year's budget is any different from the Katanning and Morawa town centre revitalisation or the Jurien Bay enhancement project that was funded by the previous Liberal-National government that the Minister for Regional Development was referring to?

**Mr M. McGOWAN:** I cannot speak for the Minister for Regional Development; the Leader of the Opposition would have to ask her about whatever comments she has made. I understand that the Margaret River main street redevelopment is complete. My recollection is that its total cost was \$6 million or \$7 million. We committed to half of it until the recovery plan when, as I recall, we committed the other half. The bottom half of the street was done at a cost of around \$3 million. At that stage, we had not committed to doing the top half of the street, but we committed to that as part of the recovery plan, which cost another \$3.5 million or so. That has transformed that main street. Broome, Exmouth and Margaret River are probably the state's three premier tourism towns, although that is arguable. Some would argue that Rockingham is the state's premier tourism town. Some people would argue that, and I would probably be one of those, but others would say that it is Margaret River. That project has transformed the main street, which is a good investment in one of the state's premier tourism towns. When I was there in July last year, or maybe before that, and we were considering whether to do the top part of the town as part of the recovery plan, I visited a couple of the businesses and asked the shopkeepers whether they thought it was worth doing considering the disruption that would be involved, and they all said yes, particularly the guy who ran the newsagency, so we decided to do it. It was a great project.

From my recollection, Waroona was an election commitment. We have approved \$1.3 million for the Waroona town centre revitalisation. That will develop underutilised spaces; create a vibrant and interactive area; and encourage people to meet, socialise and explore, while retaining Waroona's unique charm. It has the potential to attract an additional 23 600 visitors, which would result in \$840 000 in additional visitors' dollars spent per annum, and could,

over 20 years, inject \$17 million into the economy. I was in Waroona to look at the projects—whenever that was—with the member for Murray–Wellington. The town centre had some money spent on it, strangely enough, back in 2006. When I was the Minister for Peel and South West, we did work on the town hall, the lighting and the like. This terrific local project will upgrade the local town centre. One of the complaints that I received from the locals was that many tourists are arriving at Waroona and asking how to get to Collie, which was significant, I thought. A lot of tourists are looking for Collie these days. Upgrading the other towns so that Margaret River and Waroona can compete with Collie is very important. We have to invest in these other communities so that they have a competitive edge with tourist towns like Collie.

**Ms M.J. DAVIES:** I thank the Premier. Obviously, the previous Liberal–National government supported these types of projects. I take it from the ongoing investment that the Minister for Regional Development has had a change of heart and does not believe that these projects are akin to planting rows of petunias down the main street and that they do have some economic benefit.

**Mr M. McGOWAN:** When I was in Margaret River to see the town centre redevelopment, I did not see any petunias, but the development has made Margaret River far more attractive and it is also easier to cross the main road. The member knows how hard it was to cross the main road at Margaret River. It was a nightmare trying to cross the road while walking along with the kids. It now has islands in the middle of the road and roundabouts to slow the traffic, and beautification and the like. We did something similar for Chinatown in Broome, which is actually spectacular.

**Ms M.J. DAVIES:** The Minister for Regional Development has had a magnificent turnaround on her views of main street and town centre revitalisations after her very well publicised comments.

**Mr M. McGOWAN:** If she ever runs for the Legislative Assembly again, I am sure that the Leader of the Opposition will be able to ask her, or the Leader of the Opposition could run for the upper house and ask the minister her views from that chamber.

**Ms M.J. DAVIES:** I am very happy where I am, thank you, Premier!

**Mr M. McGOWAN:** The minister may well run again for a seat in the Assembly or for the Senate. There are very few elected offices that she has not occupied—the Senate is it. I think that is the only one left that she has not run for. In any event, these projects—the Margaret River, Chinatown and Waroona town centre revitalisations—are great local projects for tourism-focused communities.

**Mr P.J. RUNDLE:** I refer to putting patients first on page 217 of budget paper No 3. About 80 per cent of the way down the page is the heading “Digital Innovation, Transport and Access to Care”. Does this relate to the patient assisted travel scheme?

[12.30 pm]

**Mr M. McGOWAN:** It is \$265 million across the forward estimates, which includes the patient assisted travel scheme, Busselton Health Campus spend, the Royal Flying Doctor Service and digital innovation. The main components of that are patient assisted travel, RFDS improvements—I think that is changing out the engines of the jets—and digital innovation, which is \$99 million, so that is a significant investment in health programs. That is just that line; that does not include the others that are underneath it.

**Mr P.J. RUNDLE:** I guess I am finding it difficult, because this includes digital innovation in with transport and access to care, and I am trying to consolidate the patient assisted travel scheme. My understanding is that the government committed in its election commitments to boost the patient assisted travel scheme by \$19.7 million, but as we go along in the forward estimates, this section actually decreases from \$70.8 million down to \$63.9 million.

**Mr M. McGOWAN:** The boost in the patient assisted travel scheme is \$4.3 million in 2021–22, \$4.7 million in 2022–23, \$5.1 million in 2023–24 and \$5.1 million in 2024–25, totalling \$19.7 million. From memory, in the state election we committed to an increase in the allowance paid to people who access PATS from \$60 to \$100 per night, plus some access for support people, particularly for pregnant women. That is a great thing to do and it is all funded there.

**Ms M.J. DAVIES:** I am on page 216 of budget paper No 3, under royalties for regions expenditure, “Investing in Jobs”. I am trying to find out whether the Just Transition plan for forestry appears in the budget and whether the management of that \$50 million is the responsibility of the Department of Primary Industries and Regional Development. I cannot see it anywhere in the budget papers.

**Mr M. McGOWAN:** It is under the Department of Jobs, Tourism, Science and Innovation.

**Ms M.J. DAVIES:** I thank the Premier for that. I turn to page 219 of budget paper No 3, royalties for regions expenditure. I note that Clontarf Colleges appears under “Investing in Our Children’s Education”, and that there is ongoing funding across the forward estimates for that, which is very well supported. It was started by the previous government. My question is whether the department has considered a policy whereby when it provides support for

programs specifically for boys and young men like the Clontarf academies, it balances that investment with a program for girls and young women. I speak specifically about programs like Shooting Stars and Netball WA. Is there a policy setting within the department that governs the allocation of funding so that there is a balance for the programs that support young men and boys with those that support young women and girls?

**Mr M. McGOWAN:** As the member can see, Clontarf is funded at least partly under RforR to the tune of \$1.5 million a year. There may well be other money under Education for Clontarf. Just so the member knows, Clontarf has been around for a long time. I have a recollection of it running in maybe one place in the late 1990s; that expanded to six or eight in the early 2000s and I think there are more now. The Leader of the Opposition referred to programs for girls. I think that they are funded out of Education, so some are funded from different programs, basically. I have seen some basketball and maybe netball programs for Aboriginal girls. There are a range of programs out there, but I think they come under the Education budget.

**Ms M.J. DAVIES:** I acknowledge that there will be funding for other programs from other budget areas. My question is: if there is funding provided by the Department of Primary Industries and Regional Development for programs like this, is there a policy that requires the department to provide equal or thereabouts funding for gender balance, essentially, to make sure that we are not just funding programs for boys?

**Mr M. McGOWAN:** The department will work with colleagues across government to consider good ideas that come forward. I do not think there is a formal policy. I think that the Clontarf funding may well have started some years ago under this program, and other programs happen under Education. There is nothing more to it than that.

**Ms M.J. DAVIES:** I am not critical of the funding for Clontarf Colleges; we actually expanded funding for Clontarf under our government. I just wonder whether there has been thought put to that. I know that when I was sitting around the cabinet table, we had started to turn our minds to a suggestion from the Department of Sport and Recreation that if we have taxpayers' dollars to spend on programs like Clontarf and Shooting Stars, we provide a gender balance. I am partial to Shooting Stars—I have had a little bit to do with it—but there are other girls' programs that are looking to expand and provide great services across regional WA.

**Mr M. McGOWAN:** Absolutely; the department will look at what else it can do and whether it can expand elsewhere. I recall one basketball program at what was John Willcock College and is now Champion Bay Senior High School. There was a basketball program there for Aboriginal girls, as I recall, but it is, obviously, funded under Education, not RforR.

**Mr P.J. RUNDLE:** I refer to page 222 in budget paper No 3, the royalties for regions section, and the rail future fund, which is about 90 per cent of the way down the page. I wonder whether the Premier could provide more detail on this line item and what it is actually for. I see it is increasing from \$6.8 million to \$15.1 million.

**Mr M. McGOWAN:** Are you asking me what it is?

**Mr P.J. RUNDLE:** That is right.

**Mr M. McGOWAN:** It is called the rail future fund, but it is for the *Australind* railcar replacement project. As the member knows, the *Australind* railcars are somewhat dated and quite quaint. They have significant maintenance issues, so we are replacing those with new builds in Western Australia. That is what that line item is for.

**Mr P.J. RUNDLE:** There is a great southern tourism line group that is keen to get a tourism train happening from Perth through to Albany. Does the Premier think there is any opportunity to use the *Australind's* former carriages on that line?

[12.40 pm]

**Mr M. McGOWAN:** The *Australind's* carriages are very dated. They came into service in about 1986, so that puts them at the 35-year mark. Has the member ever caught the *Australind*? Probably not. It is a very dated service. It is not like the *AvonLink* or the *Prospector*; it is a very dated train. Once it leaves service, it will go into a well-deserved retirement and probably end up being used for some other purpose that I cannot possibly imagine at this time. Once they leave service, I think they are pretty much done.

**Ms E.J. KELSBIE:** I refer to page 222 of volume 1 of budget paper No 2. The second line item under the heading "New Initiatives" is the carbon farming and land restoration program. Can the Premier please outline how the carbon farming and land restoration program is supporting the government's climate action agenda?

**Mr M. McGOWAN:** We have a \$15 million carbon farming and land restoration program to help farmers enter the carbon market and drive farm profitability. It is designed for Western Australian farmers to be leaders in carbon sequestration, putting agriculture at the forefront of reducing our carbon footprint. Under the scheme, farmers will receive up-front payments to develop revegetation programs or to move to farming systems that build soil carbon. The first stream of funding will be available to farmers across the south west agricultural land division for revegetation or soil carbon projects. A second funding stream will be dedicated to soil carbon projects in low rainfall areas in

the south west agricultural land division, helping to de-risk developing soil carbon in these areas by providing special incentives in this very vulnerable area. A separate funding stream will provide grants to universities and others for innovative carbon sequestration projects that generate information and data that can be used to increase soil carbon levels, reduce agriculture's carbon footprint and develop future carbon farming opportunities for WA. These projects will generate flow-on benefits to the community by encouraging regional investment, biodiversity and conservation, salinity mitigation, improved soil health, enhanced agricultural productivity, and Aboriginal economic and cultural opportunities. Carbon farming, I think, will become increasingly important in agriculture, particularly in the more marginal farming areas or pastoral areas. This is a great program.

**Mr P.J. RUNDLE:** Can the Premier quantify what resources will be allocated for administration within the department to provide some clarity to the farming sector about this carbon farming initiative?

**Mr M. McGOWAN:** I will invite Mr Binning to make a comment on that.

**Mr C. Binning:** We currently have one dedicated staff member and a couple assisting and do not anticipate that that will significantly grow.

**Ms M.J. DAVIES:** I refer to page 224 of budget paper No 3 and the royalties for regions expenditure. There is always a question about underspend provisions. Can the Premier please explain this provision, why it equates to \$173.8 million and why there is no provision over the forward estimates?

**Mr M. McGOWAN:** Is this for RforR?

**Ms M.J. DAVIES:** Yes.

**Mr M. McGOWAN:** The underspend provision allows a percentage increase in the total budget in recognition that individual programs will not fully spend their allocations in each year. Programs are underspent for a variety of reasons, including COVID-related impacts, delays with procurement and unexpected impacts associated with contract management. The underspend provision is used by other agencies and is regarded as normal practice. Agencies must seek approval in the budget process to carry funds forward, with a suitable explanation of the reason for the adjustment. The underspend provision requires responsible cash flow management to ensure that the expenditure limit is not breached. It is just a recognition of reality. This has been a measure used by both governments in RforR since its creation.

**Mr P.J. RUNDLE:** I refer to page 219 of budget paper No 3. About halfway down the page, there is reference to improving teacher quality. Basically, there is \$1.9 million every year. Can the Premier clarify what this means or what program it is?

**Mr M. McGOWAN:** This is to provide level 3 teachers with time to support their peers. As the member knows, level 3 teachers are the most highly experienced and have the most highly recognised teaching skills amongst the workforce. They have been proven to show leadership in the classroom and across schools. This will allow for exemplary teachers to have time to mentor and share their knowledge of classroom teaching practices with other classroom teachers. This will be of most benefit to regional schools, particularly remote and very remote schools, which historically have the least experienced teachers. As the member knows, a lot of graduates go to the regions. That has been the case forever. That is why providing additional support so that they have mentoring in regional WA is important. Schools will be allocated additional full-time employees based on the number of level 3 teachers in the school. Every school with a level 3 teacher will be allocated 0.1 FTE, and that will allow that level 3 teacher to then put in place mentoring and other support practices for more junior teachers in regional WA. It is an important measure for regional WA. The program is allowing for the employment of 19.3 full-time employee level 3 teachers in 110 regional schools.

**Mr P.J. RUNDLE:** It sounds like that is going to be spread out evenly, or is there some sort of breakdown depending on the size of the school?

**Mr M. McGOWAN:** We may need the Department of Education to answer that. We do not know. We are funding this program across regional WA. From what I have been able to advise the member, obviously the bigger the school, the more resources that will be provided. It is based upon the allocation of level 3 teachers so that they can then assist other more junior teachers. It is probably more and more necessary the more remote the school is from the city.

**Dr D.J. HONEY:** I refer to page 229 of budget paper No 2 and the table under service 6, which is agricultural and fisheries biosecurity and integrity. Is it possible to give an update of the Queensland fruit fly outbreak in Dalkeith and Coolbellup?

[12.50 pm]

**Mr M. McGOWAN:** I am not full bottle. I have heard of the Dalkeith fruit fly outbreak, but I might ask the director general to comment more fully on the Dalkeith fruit fly outbreak.

**Dr D.J. HONEY:** It is a better class of fruit fly!

**Mr M. McGOWAN:** I did not realise there was broadacre farming in Dalkeith, but, obviously, I do not spend enough time there!

**Mr R. Addis:** Obviously, the Dalkeith and Nedlands Qfly outbreak was a big issue, particularly for us last year. Towards the end of the year we went into monitoring and trying to close out the incident response. It was a very substantial response involving, at times, up to 300 of our core staff and contract staff and a heap of work with residents in those areas. Ultimately, it has been successful, so we have managed to close out that response. Coolbellup was a much smaller response and it was cleaned up reasonably quickly, but they do go to show how much pressure we are under from biosecurity incursions.

**Dr D.J. HONEY:** To be clear, is it believed that those outbreaks are now resolved in both those areas, Premier?

**Mr M. McGOWAN:** I will ask Mr Addis to comment.

**Mr R. Addis:** Yes.

**Mr M. McGOWAN:** Has the member spotted any fruit fly in his electorate?

**Dr D.J. HONEY:** No, not that I look for them.

**Mr M. McGOWAN:** It was a Dalkeith outbreak, not a Cottesloe outbreak.

**Dr D.J. HONEY:** There are too many fruit trees, Premier.

**Mr M. McGOWAN:** I will ask Mr Addis to add something.

**Mr R. Addis:** Clearly, ongoing monitoring continues right across the metropolitan area, but particularly in those areas where we have incursions.

**Dr D.J. HONEY:** In that same table, we see that the number of full-time equivalent employees will go from a budgeted figure of 415 to 451 in 2021–22. That is a reasonably significant increase, and obviously the actuals for 2020–21 were significantly above budget. I am wondering what those additional resources have been required for.

**Mr M. McGOWAN:** I remember that as part of the Expenditure Review Committee process, we made a conscious decision to increase the number of staff for our biosecurity and emergency response for exactly these sorts of biosecurity threats. The number of threats out there is remarkable, whether it is ants, bugs, weeds, bacteria or whatever it might be. We have enhanced the staff level by 22 employees to provide for an enhanced biosecurity and emergency response, including testing efforts, and to continue the wild dog action plan. The staff there must have been short term. The Animal Welfare Act reform has four FTEs as well. A lot of changes are underway. The minister is very keen to address the issues surrounding biosecurity and make sure we are properly staffed to deal with it, because biosecurity risks pose a huge threat to a very large industry.

**Dr D.J. HONEY:** This question is about the table under service 4 on page 228, budget paper No 2, volume 1. This question relates to budgetary practice as much as it does to a specific item. If we look at the total cost of service, we see a significant reduction in 2021–22. The first explanatory note under “Explanation of Significant Movements” says that the total cost of service will be reduced because of a carryover of funds from the previous year and that it is “attributable to the return of unspent grant moneys from prior years for externally funded projects”. As much as anything else, I am interested in the budgetary practice whereby departments retain the funds. In a normal organisation, those funds would simply be unspent and we would have to re-budget for expenditure, rather than carrying it forward. I wondered whether the Premier could explain that budgetary process whereby departments carry funding forward.

**Mr M. McGOWAN:** I will let Mr Addis comment.

**Mr R. Addis:** It is fair to say that we have been trying to manage a couple of challenges with certain externally funded R&D projects. One of the problems we have had, particularly in the last few years with multiple disruptions, including the Qfly response, is that we have drawn from our broader business to respond to emergencies as they occurred. There has been a significant number of those in the last 18 months in particular, and that creates challenges with meeting externally imposed project deadlines. This is one of the repercussions of some of that challenge. The extra funding for biosecurity that the Premier outlined a moment ago is, in part, to make sure that we are better able to respond to emergencies as they occur, rather than digging into business-as-usual resources, which has those sorts of negative implications. We are starting to deal with that long-term challenge for the department’s R&D program, if that makes sense.

**Dr D.J. HONEY:** I thank the director general for the explanation. When a department carries funding forward, how does Treasury exercise proper control over the way that department spends its money and retains accountability? In my experience in the corporate world, there was no such thing as carrying money forward; we would re-budget in the following year and that would be subject to full scrutiny. I just wonder how Treasury exercises control.

**Mr M. McGOWAN:** That is a question for Treasury, is it not?

**Extract from Hansard**

[ASSEMBLY ESTIMATES COMMITTEE A — Tuesday, 21 September 2021]

p9b-31a

Chair; Mr Mark McGowan; Mr Peter Rundle; Ms Mia Davies; Dr David Honey; Ms Lara Dalton; Ms Jodie Hanns; Ms Elizabeth Kelsbie

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**Dr D.J. HONEY:** It is a broader question, but it relates to this line item as well.

**Mr M. McGOWAN:** We have Treasury tomorrow. This is a return of unspent grant money. Sometimes, we allocate the grant money and the organisation in question does not exist anymore, the project has been funded from a federal source or the project did not cost as much as originally estimated, hence these things occur. As the member knows, the government does thousands of projects around the state every year and those anomalies or exigencies are out there.

**Dr D.J. HONEY:** It is more around how Treasury exercises budgetary control over a department when it carries forward funds, but I will ask that later.

**Mr M. McGOWAN:** I will let Mr Addis answer the question and explain what the experience is like for a line agency.

**Mr R. Addis:** There is a step in the budget cycle whereby agencies, including ours, have to submit formally to Treasury for approval to carry forward funds. It is certainly not the case that we can carry forward funds willy-nilly. It is essentially part of the next budget process in the way the member is describing.

**Ms M.J. DAVIES:** The final question is from me, I think, noting the time. I refer to page 227 of budget paper No 2, volume 1. The third note on that page refers to “the need to ensure appropriate governance arrangements are in place to enable the payment of the 475 small commitments”. I assume they are the 475 small commitments that I have been asked to place on notice. Can the Premier please explain what governance arrangements will be required, when they will be put in place and whether a business case for all those small commitments is prepared?

**Mr M. McGOWAN:** I will let Mr Addis answer.

**Mr R. Addis:** We have a standard financial assistance agreement for each of the small commitments. We have a register by which we track them, whether they have been tracked by department or one of the commissions, and we regularly review progress and report back to DPC as part of a centralised tracking and accountability process.

**Mr M. McGOWAN:** Ordinarily, the business case rule is for projects over \$1 million. These grants are less than \$200 000.

**The appropriation was recommended.**

*Meeting suspended from 1.00 to 2.00 pm*