

Division 12: Biodiversity, Conservation and Attractions — Services 2, 6 and 7, Tourism \$162 358 000 —

Mr T.J. Healy, Chair.

Mr P. Papalia, Minister for Tourism.

Mr M. Webb, Director General.

Ms M. Reynolds, Executive Director, Rottnest Island Authority.

Ms J. Arden, Principal Policy Adviser to the Minister for Tourism.

[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 only be examined 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 Friday, 29 September 2017. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

I give the call to the member for Vasse.

Ms L. METTAM: I refer to services and key efficiency indicators on page 205 of budget paper No 2 and item 5, visitor services and public programs provided in national parks and other lands and waters. What is the cost of the 2017 state government's humpback whale trial?

Mr P. PAPALIA: That is an interesting question because I am not sure whether we are responsible for that. It is this department, but it is the Minister for Environment's responsibility. Under the machinery-of-government changes, there are multiple ministers under each department, and we are effectively covering Rottnest Island.

Mr J.E. McGRATH: Imagine how confused they are when we are confused!

Mr P. PAPALIA: I can understand members being a little confused but it is not that big a stretch to think that the Department of Parks and Wildlife is funding that trial, and it reports to the Minister for Environment.

The CHAIR: Do you have a further question, member for Vasse?

Ms L. METTAM: Is there any point in asking a question on this—probably not.

The CHAIR: We can come back to you.

Mr P. PAPALIA: Not on whale trials, unless I can talk about the tourism component of it.

Ms L. METTAM: Okay; I will ask about Rottnest Island.

The CHAIR: I will come back to you.

Mr V.A. CATANIA: I refer to page 197 and the reference to Rottnest Island Authority in paragraph (a). Can the minister elaborate on the department's future plans for Rottnest Island Authority, including accommodation and growing tourist numbers on Rottnest Island? It is a bit of a dorothy dixer for the minister!

Mr P. PAPALIA: Thanks, member. The authority has been successful in growing visitor numbers and the member would be aware that we are up around 645 000 visitors annually. That figure has grown significantly in recent times. I think the issue that I see with Rottnest is the same as consecutive governments have recognised, which is that a significant or inherited legacy challenge is associated with upgrading the general accommodation across the island. The Rottnest Island management plan identified some objectives for growing the diversity of offerings on the island for tourists and visitors; that is one element. There is a need to grow diversity because it wants to attract people back who may have formerly visited but they stopped visiting, but it also wants to attract new markets and continue to grow. There is also the significant challenge of addressing the outstanding infrastructure costs of operating or replacing ageing infrastructure. That is a challenge. I have asked the board, the executive director and the director general to look at opportunities and options around how we can fund that upgrade over time, particularly of the accommodation, and to perhaps look outside previous constraints for how that can be done without significant amounts of taxpayers' money because, the reality is, we do not have it. If members look at the authority's annual

costs and the revenue it generates, that cost is covered—just. But clearly every time something ages and is identified as needing immediate rectification, that is an additional cost beyond the revenue that the island generates.

Mr V.A. CATANIA: I understand the minister's position when it comes to a potential lack of funds, although I always have an answer to that, but when it comes to perhaps changing the legislation over Rottnest Island to allow for private investment to occur so it can get tiered types of accommodation, would the department look at anything to try to make it more attractive for the private sector to invest without the constraints that it has? It is a genuine question.

Mr P. PAPALIA: At the moment, I have not asked the authority to propose changes to or the removal of the legislation, or anything of that nature. I have asked that it pretty much try to achieve the objectives that the member identified as being key within the constraints of the current legislation. It may be possible without necessarily changing the legislation; but it may not be, in which case I would expect that it would come back to us with proposals. I can say that I am very motivated to ensuring that all the island's infrastructure, and accommodation in particular, is upgraded and that we do whatever we can to elevate the attractiveness of the island and provide a diversity of offerings that will ensure it is sustainable in the long run. I have encouraged the authority to be entrepreneurial and innovative in its thought processes around addressing these challenges.

Ms L. METTAM: I understand that a Sydney-based company, SeaLink Travel Group, through its Western Australian subsidiary, Captain Cook Cruises, is scheduled to start running services to Rottnest for the summer season. Will the government contribute to the provision of this service; and, if yes, how much?

[7.30 pm]

Mr P. PAPALIA: No. SeaLink, via its Western Australian company Captain Cook Cruises, approached the Rottnest Island Authority with a proposal to provide additional services to the island without disrupting the schedules of the current operators. The authority considered that and it viewed it as a great opportunity for growing the market. This was determined by the authority, and then the recommendation was made to government. When I met with those people well in advance of the decision being made, I emphasised to them that I saw no value in any efforts to merely cannibalise the other operators. That was not a valuable contribution if that was their intention. The company was at pains to assure us that it has more than enough capability to grow the number of visitors via a different service and that was its intent. No, the state does not have to contribute beyond giving the company access to the wharf. The Rottnest Island Authority has managed that. That is its responsibility. It deemed it was possible to give access to the wharf in between the current ferry schedules without disrupting them and essentially create a bit of competitive tension that might not have otherwise existed.

Ms L. METTAM: One of the issues that have been raised with me in the past by stakeholders and people interested in the future of Rottnest Island is the tenancies of commercial businesses on the island and the time that premises are left vacant. Opportunities exist to promote these vacant premises and to encourage investment. Does the Rottnest Island Authority have a role in that space in encouraging not only the correct businesses but also commercial investment and tenure?

Mr P. PAPALIA: Yes. The authority is the landlord so clearly it has an interest and a role in promoting tenancy and occupancy of any commercial opportunities on the island. It is very focused on growing the return to the taxpayer via the island authority in an effort to make the whole thing as self-sustaining as possible. The authority assesses any proposals for potential new businesses, analyses them and makes recommendations to government about whether we should support any proposals.

Ms L. METTAM: Is the perceived delay or time lag in filling the vacant properties recognised as an issue? Is the new leadership of the authority taking action to address this concern?

Mr P. PAPALIA: I am informed that one commercial premises has been vacant for an extended time, but it is not the normal experience for properties to be vacant for a long time. The commercial tenancy manager's role is to ensure that vacancies are filled as fast as possible. Clearly, there is an issue with this one, but it is not the normal practice or experience.

Mr J.E. McGRATH: My question is about Kings Park and Botanic Garden. The fourth dot point on page 199 states that Kings Park will have an estimated 6.3 million visits in 2016–17 and —

A high level of visitation continues to apply pressure on existing operations and infrastructure, necessitating ongoing upgrades to public amenities such as footpaths ...

Et cetera. Since becoming Minister for Tourism, has the minister had any approaches about the much talked about cable car from Elizabeth Quay to Kings Park?

Mr V.A. CATANIA: Do not let them ban Pokémon. It is for visitation purposes!

Mr P. PAPALIA: The Pokémon craze is dead already. Is the member for North West Central still doing it?

I point out that Kings Park and the Botanic Gardens and Parks Authority do not fall within my responsibilities as I am not the Minister for Environment. Essentially, this part of the estimates hearings covers the Rottnest Island Authority.

Mr J.E. McGRATH: So why did the minister put in this about Kings Park?

Mr P. PAPALIA: Nevertheless, I can answer the question as Minister for Tourism. I have not received any formal proposal regarding a cable car. As the member knows, the Tourism Council of WA and Evan Hall are keen advocates of the idea of a cable car, but I have not personally received any proposals that I know of. There may be one in my office; I do not know.

Mr J.E. McGRATH: As part of the push for tourism and the fact that we are going to get a lot of Asian tourists in Perth —

Mr P. PAPALIA: I hope so!

Mr J.E. McGRATH: Does the minister have a view on attractions such as that, which might attract people to Perth?

Mr P. PAPALIA: My view is that there are a lot of opportunities right now for us to market Perth and Western Australia more broadly with all the attractions we possess. That opportunity has not been exploited and there is incredible capacity right now for us to increase our visitation marketing. We should be viewed as the alternative entry point and the gateway to Asia.

Mr J.E. McGRATH: So we did a good job over eight years.

Mr P. PAPALIA: The Liberal–National government did a pretty poor job, but we are in a beautiful position in which there is huge capacity because the previous government underperformed.

The CHAIR: Minister, focus.

Mr P. PAPALIA: When I refer to capacity, I mean that there is potential. There is capacity in the hotel industry and the potential of the state to grow dramatically is significant. That does not mean that the Liberal–National government has been doing well. That means it had been doing poorly compared with the other states. We have the opportunity now to rectify that. A key element to rectifying it lies with changing our legacy reputation for being expensive and not particularly high quality. We now have the highest quality hotels in the country at an affordable price, and I intend to employ that as a marketing tool. We also have capacity at our airport, as opposed to Melbourne, in particular, and, increasingly, Sydney. We have the unrealised potential of marketing ourselves as being in close proximity to a significant market. We are in the same time zone as the vast majority of Asia, including China. That is an untapped opportunity.

Mr J.E. McGRATH: They love chairlifts. The Chinese love chairlifts.

Mr P. PAPALIA: In comparison with other states and territories, we have not really been going after that opportunity.

Ms L. METTAM: Is it just Rottnest?

Mr P. PAPALIA: This part of the division is only Rottnest Island Authority. There have been stories on the front page about Rottnest, but do members really want to talk about them?

Mr J.E. McGRATH: No tourists have ever been to the Zoo!

Mr V.A. CATANIA: What about the quokkas? How are the quokkas going?

Mr P. PAPALIA: There is a good question. They are our secret weapon.

The CHAIR: To keep to the relevant parts of this division, are there any further questions on this aspect of the division?

Mr P. PAPALIA: I concede that the new process will take a bit of getting used to, but some of these bigger departments are reporting on different activities to a range of ministers. The Botanic Gardens and Parks Authority, Perth Zoo and the Abrolhos are all with the Minister for Environment. I am here for the Rottnest Island Authority.

[7.40 pm]

Ms L. METTAM: I refer to the service summary on page 201 of budget paper No 2. Service 2 is the visitor services and public programs provided at Rottnest Island. Why does funding for Rottnest Island decline across the forward estimates?

Mr P. PAPALIA: Just so that Michelle Reynolds does not sit here all night and not answer a question, I ask that she respond on behalf of the Rottnest Island Authority.

Ms M. Reynolds: In essence, this year's increase of \$3.6 million is predominantly due to some roofing expenditure as part of an integrity replacement program. Further, our wastewater treatment plant and renewable energy solar farm, which was commissioned in 2017, have both depreciated and those assets are coming onto our books. In addition, the operating costs of the wastewater treatment plant and the renewable energy solar farm have hit our books this year so we expect some normalisation in the out years.

Ms L. METTAM: I refer to page 203. How many visitors are expected on Rottnest Island in 2017–18?

Ms M. Reynolds: We had quite a significant and somewhat unexpected increase in 2016–17 of 12.4 per cent and, as a consequence, we have had to readjust some of our figures. The target into the out years is 800 000 by 2034.

Extract from *Hansard*

[ASSEMBLY ESTIMATES COMMITTEE A — Wednesday, 20 September 2017]
p259b-262a

Chair; Ms Libby Mettam; Mr Paul Papalia; Mr John McGrath; Mr Vincent Catania

In essence, we would like to see visitor numbers increase each year. Last year, visitor numbers were in the order of 650 000 and we are aiming to increase that number in the out years.

Ms L. METTAM: Can I clarify whether visitor numbers last year were 650 000?

Ms M. Reynolds: Yes.

The appropriation was recommended.