

Division 14: Jobs, Tourism, Science and Innovation — Services 1 to 4, State Development, Jobs and Trade; Science, \$234 522 000 —

Mr D.A.E. Scaife, Chair.

Mr R.H. Cook, Minister for State Development, Jobs and Trade; Science.

Ms R. Brown, Director General.

Mr C. Clark, Deputy Director General, Resources and Project Facilitation.

Ms S. Spencer, Deputy Director General, Strategy and International Engagement.

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

Mr R. Sansalone, Chief Financial Officer.

Mr K. Dawson, Executive Director, Invest and Trade WA.

Ms M. Klobucar, Executive Director, Project Facilitation.

Dr D. Cousins, Executive Director, Science and Innovation.

Ms M. Zamir, Director, Future Battery Industry.

Mr N. Fergus, Chief of Staff, Minister for State Development, Jobs and Trade.

[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 page 202 of budget paper No 2, volume 1, and the spending changes table and Invest and Trade Western Australia. Can the minister explain the changes to the international Invest and Trade offices model?

Mr R.H. COOK: As the member would be aware, a range of matters were drawn to the attention of the Corruption and Crime Commission on the functions of one of the trade commissioner offices. That gave the previous minister cause to undertake a review of the trade commissioner offices and their role. That review was undertaken and a new approach was adopted in relation to the trade commissioners' activities, functions and structure. Specifically, it drew upon the examples in other states of a hub-and-spoke model whereby we have key centres for activity for the trade commissioners, with opportunities to undertake satellite activities through smaller offices that may or may not have a trade commissioner in them in other parts of the region where we are interested in promoting our policies. In a general sense, that is how the new arrangements are operating. I invite the director general to comment.

Ms R. Brown: As the minister pointed out, a number of changes were made across the network of the overseas offices and in relation to the Perth office that supports the Invest and Trade network. We retained a presence in eight locations and continue to have, even through COVID, eight offices operating. As the minister outlined, we have moved to a hub-and-spoke model, with commissioners based in four offices, along with the Agent General for Western Australia, and spokes in other locations. The great benefit of the model is that it also enables government, working with industry, to tactically deploy additional resources to other locations—for example, where there may be growing market opportunities—and it has the flexibility to draw on locally employed staff. It retains the presence across the eight offices and continues to grow a model based on learnings in other jurisdictions that offers great flexibility.

The other key point that the minister made is that a number of changes have been made to the Perth office. We have further invested in Invest and Trade to create a team that works very closely with all the offices in our network, including through COVID, and draws on specialised teams within the Department of Jobs, Tourism, Science and

Innovation to head up particular agendas around advancing new or existing industries and working with other government agencies, whether that be in battery materials, the space agenda or international education. It draws in terms of not just that presence overseas and the network back to Perth, but also having a greater coordinated approach with annual Invest and Trade plans. It is very much about a joined-up approach and maximising flexibility into the future.

Dr D.J. HONEY: Is the minister able to—sorry; I know the minister is able to—would the minister outline the trade commissioners we now have, where they will be based and which countries they service?

Mr R.H. COOK: We have the Agent General in London that takes on a European role as well. We have the Investment and Trade Commissioner for India–Gulf, I think initially based in Mumbai. In addition, we have the Investment and Trade Commissioner for ASEAN, which will be in Jakarta, but probably in Singapore in the first instance. We have the Investment and Trade Commissioner for North East Asia in Japan, which will also be operating a satellite office in Seoul. Of course, the big one is the Investment and Trade Commissioner for Greater China in Shanghai.

[12.40 pm]

Dr D.J. HONEY: Which nations will be covered by the Investment and Trade Commissioner for ASEAN?

Mr R.H. COOK: Obviously, Indonesia remains a key market, or a key point of engagement for us, which is the reason that office is based in Jakarta, but it will also include Singapore, Vietnam, and any other countries in that ASEAN region.

Dr D.J. HONEY: As the United States is the single largest investor in Australia, was any thought given to having a trade commissioner in the United States dedicated to that market?

Mr R.H. COOK: It is funny that the member should mention that; it is something that I have engaged on extensively with the director general as we talk about how we can continue to grow our investment and trade opportunities. There was a bit of discussion about where that person should be based, but I certainly think we need to look at how we can expand our networks into the US. The other aspect of that is I do not think we have any offices in Europe, so we need to think about how we can extend the Agent General's reach through a bit of extra infrastructure.

Dr D.J. HONEY: Maybe one in France!

Mr R.H. COOK: The one in the US will not be at Disney, Florida! I dare say we might be able to move in next to Mathias in his Paris apartment! I think the suggestion is probably further east.

Dr D.J. HONEY: Is the minister aware how many trade offices Victoria has?

Mr R.H. COOK: No.

Dr D.J. HONEY: Further, I put this to the minister —

The CHAIR: I am concerned about whether this is related to a budget item, member for Cottesloe. Where are we?

Dr D.J. HONEY: It is absolutely related to the budget item and the provision of this service.

The CHAIR: Could you point that out to me, please?

Dr D.J. HONEY: Yes, I can. We are on page 128 of budget paper No 2 and the provision of overseas offices. I am trying to dig into the detail of those offices and whether they are adequate.

The CHAIR: I am really not satisfied that a question about the Victorian offices is relevant to the budget.

Dr D.J. HONEY: I am not persisting with that question.

The CHAIR: I see; okay.

Dr D.J. HONEY: Minister, I put it to you that Victoria has 22 of those offices.

The CHAIR: I am going to be very clear, Leader of the Liberal Party. I do not expect a preamble when I have already said that a question on that topic would not be in order because it is not relevant to the budget. I will allow the question to proceed, but please bear that in mind, moving forward.

Dr D.J. HONEY: I will; thank you very much for your indulgence, chair. I am grateful for that.

Is the minister concerned that we have offended some of our near neighbours, in particular, India and Indonesia, by effectively downgrading our trade commission services to those nations? India is fly-in fly-out out of Dubai. The feedback I have received is that that has caused offence in India because they see that as us downgrading our relationship with India. We know that trade with India is not substantial from Australia, but we also recognise that that is a major potential future market, and that long-term relationships are crucial to develop those markets. The

downgrading of the office in Indonesia is also causing concern. Has the minister had similar feedback, or is he concerned that this model has already caused harm to our relationship with those countries?

Mr R.H. COOK: Member, I am aware of social media activity around this, which is primarily generated from within Western Australia. I have not had a single representation from a trade or country representative that would suggest that we are downgrading our efforts at all. On the contrary, I think they recognise that we have pivoted to a much more professional and strategic approach to our investment and trade offices. That has included boosting the investment and trade policy unit inside the Department of Jobs, Tourism, Science and Innovation with an extra \$440 000 in 2021–22, and I think we are actually seeing an appreciation that Western Australia sees its engagement in overseas markets and in our trade discussions in a much more strategic and deliberate way. Contrary to what the member is suggesting, I am finding that people are very open and keen to engage with us and are looking forward to the opportunity of a much more proactive relationship with our teams.

Dr D.J. HONEY: I refer to the staff that fill those commission roles. Does the minister believe that it is important that those commissioners actually have some history or experience in the countries that they are visiting? It has been put to me that, in fact, that is not the case for a number of those commissioners, and that although they may be fine people—I am obviously not passing any judgement on them as individuals or their capacity to do general work—they lack experience in the countries that they will be responsible for liaising with in trade matters.

Mr R.H. COOK: I am just thinking about how to respond to this. I have met each of the trade commissioners. They are exceptionally talented people and were incredibly successful at making me feel entirely inadequate through not only their skills and qualifications, but also the history that they bring to their positions. I cannot think of one who is not an outstanding candidate for this particular task. But we do not make any apologies for the fact that this is a different way to approach our trade and investment strategy. I guess that it goes beyond what we might typify as the relationship-driven sole trader approach previously taken to activities in this area, to one that is now more akin to how we might look at Austrade and the way it conducts itself. We have well-supported people whose work is based upon strategic market outlooks with a strategy and a policy driven by the government of the day. They are undertaking work over a three or four-year tour of duty to deliver on behalf of the state. I think, in the past, these roles have been more akin to quasi-diplomatic, relationship-building roles. I think that has a role to play, but these people are there to drive the Western Australian economy through a strong investment and trade policy, which is now being driven by the department. From that perspective, it probably does not offend, but some people who have watched this space over many years would probably be a little bit taken aback by how much it has changed. This is a fresh and, I think, more professional and strategic approach to investment and trade activity.

Dr D.J. HONEY: Surely it is important that these commissioners have knowledge of the history and culture of the country they are working with? We would expect that these people could fulfil their roles more usefully if they had that knowledge. I appreciate what the minister is saying, but in this case, it is also critically about relationships. It has certainly been put to me in a study I participated in for the Economics and Industry Standing Committee that that was crucial for trade with India, for example. Someone who regarded it as transactional would not be successful. The question is: does the minister not think that is important?

Mr R.H. COOK: Yes, I agree with the member. He seems to be inviting me to undertake a bit of a character or curriculum vitae defence of each of the trade commissioners. I just say that I think his analysis of what is needed is correct, and, in buckets and spades, each of the trade commissioners delivers on that need.

[12.50 pm]

Dr D.J. HONEY: I refer to page 202 of budget paper No 2 and the line item for the “Oakajee Strategic Industrial Area Access Road” in the table of spending changes. I have asked a few ministers questions about this and they have said to me that responsibility for developing the Oakajee estate falls within the Minister for State Development, Jobs and Trade’s ambit. My first question is: does the development of the Oakajee estate fall within the minister’s responsibility?

The CHAIR: The minister—with information coming from all angles!

Mr R.H. COOK: From all sides, chair. This is a well-drilled team!

The strategies for strategic industrial areas come under my portfolio, although the member will appreciate that the Minister for Hydrogen Industry has an acute interest in the development of those sorts of facilities for Oakajee. So, yes.

Dr D.J. HONEY: When we discussed this matter during the hearing with the Mid West Ports Authority, the CEO of the Geraldton port said that he believed a port at Oakajee was at least 15 years away. Does the minister have a view on the likely timing for the development of a port at Oakajee?

Mr R.H. COOK: I would not want to speculate on that. Obviously, a range of parties are interested in the opportunities that exist at Oakajee, including those who are interested in the potential for a port-based facility. The

development of Oakajee continues to progress according to schedule. DevelopmentWA, as the freehold landowner, in consultation with the Department of Jobs, Tourism, Science and Innovation and Main Roads WA, is progressing approvals, detailed design and procurement for the Oakajee access road. It remains on schedule to commence construction in early 2022, with an approximately six-month construction period.

With regard to whether a port is developed at Oakajee and the timing of it, that is, as perhaps the member's evidence demonstrates, speculative.

Dr D.J. HONEY: Can the minister clarify a matter for me? When I had a meeting with representatives from the City of Greater Geraldton, I was told that the Oakajee estate formed part of a land settlement with the Yamatji people or native title group, so that would mean that they are the freehold owners of that estate. This is a genuine, open question. What is the status of the ownership of that estate? Who actually owns that land?

Mr R.H. COOK: I will invite the director general to make some comments.

Ms R. Brown: There is obviously a lot of activity around Oakajee more generally and, as the member has mentioned, the road access election commitment and its delivery, and broader work around the activation of Oakajee. As the member has outlined, the settlement with the Yamatji people also included aspects around the future benefits of Oakajee. As the minister has outlined, a degree of ownership is with DevelopmentWA, but I might refer it to Chris Clark, who has further detail of aspects of the work around Oakajee and also the link to a return of benefits to the Yamatji people.

Mr C. Clark: Yes, the current situation is that the port land is vested in the Mid West Ports Authority and the surrounding general industrial land is held by DevelopmentWA.

Dr D.J. HONEY: I am confused. What is the nature of the interest of the Yamatji people in that industrial estate? In the rest of Geraldton, there have been land transfers and I understand that, in those cases, they are simply freehold title; for example, some of the old railway lands in Geraldton have been transferred to the same organisation and it is able to develop that. What is the nature of the interest of the Yamatji people in the Oakajee industrial estate?

Mr R.H. COOK: I assume that part of the settlement of the claim is to identify parcels of land that would be beneficial to the people, but I will ask the director general to make some comments.

Ms R. Brown: My understanding is that aspects of the future benefits from Oakajee will be returned to the Yamatji people. In terms of the detail within the agreement itself, the Minister for Aboriginal Affairs may have more precise details.

Dr D.J. HONEY: I have spoken with a significant number of proponents that are very interested in utilising the considerable renewable energy resource in the midwest. They have identified that the Oakajee estate would be an ideal location for them to develop; however, they have all said to me that they do not see any viability in investing in that location until there is a range of enabling services. Those businesses have said that the government has told them that it wants them to install or pay for that enabling infrastructure or be part of a group payment for it. They have said to me that that makes the site unviable. I have spoken to a number of them. For example, BP has publicly stated that although it could build a viable hydrogen and downstream processing industry at Oakajee, it would require enabling infrastructure to be built before it could do that. I see that BP is now locating at Kwinana, which is a mature industrial estate. I spoke to another proponent that has now procured land at Karratha, even though its preferred location was Oakajee, because there is a mature industrial estate at Karratha where services are available.

My concern is that Oakajee will not develop unless the enabling infrastructure is installed. Is the government actively looking at bringing forward plans to develop the critical enabling infrastructure, including a 330-kilovolt tie-in to the south west interconnected system?

Mr R.H. COOK: I thank the member for the question. Obviously, the development of any strategic industrial area involves both investment by the state to make it an attractive proposition for a proponent and a partnership with the proponent to develop, either jointly or as part of the proponent's own activities, the necessary services and infrastructure to bring that area to life. Clearly, this is something that is done in partnership with the people who have expressed an interest in utilising that strategic area.

There was a call for expressions of interest to develop a renewable hydrogen precinct at the Oakajee SIA and that process closed in December 2020, with 65 submissions. Clearly, it is an area of land that is generating a lot of interest as a potential site to progress. As a result of the expressions of interest and the submissions, we will now need to work out how strategically we move as we step forward to make sure that we can develop that estate in partnership with the proponents to make sure that it meets their needs, but also does not overly expose the state to too much financial risk. That is obviously the stuff of state development. We have a lot of expertise in WA and that is one of the reasons we have been so successful. I will ask the director general to make some comments just to provide further information to the member.

Ms R. Brown: As the minister mentioned, there was an expressions of interest process for proponents interested in the Oakajee area at the end of last year. The department is now doing some detailed work and has engaged external assistance in what that activation would potentially look like for the Oakajee area in relation to renewables. We are certainly working closely with Treasury on some of the potential funding implications of activating, drawing on the state government's large commitment to renewables as part of the budget process. There is certainly detailed work, but it is also drawing on the EOI process to understand the potential from the proponents' responses and what that might look like in joining some of those requirements of proponents into a more common-use arrangement. Certainly, a lot of work is underway.

Dr D.J. HONEY: One particular item that the minister knows I am passionate about is the requirement for a 330-kilovolt tie-in to the SWIS. The proponents I have spoken to that are looking at producing renewable energy and then going further downstream to hydrogen and other chemicals have told me that they need the capacity to tie in to the SWIS's 330-kilovolt network for two reasons. Firstly, they would then have the potential to export excess energy; and, secondly, and critically, for those that are doing downstream manufacturing, during periods of disruption to their own power supply they could draw on the SWIS to maintain the stability of their operations. Has the Department of Jobs, Tourism, Science and Innovation contacted or requested information from Western Power about the cost and feasibility of upgrading that line through to Three Springs?

Mr R.H. COOK: I am sorry, chair.

The CHAIR: Minister, you have been saved by the bell. Given the time, the question is that the appropriation be recommended.

The appropriation was recommended.