

Division 35: State Development, \$55 684 000 —

Ms J.M. Freeman, Chairman.

Mr W.R. Marmion, Minister for State Development.

Mr S. Wood, Director General.

Mr S.J. Melville, Director, Corporate Services.

Ms C. Ginbey, Director, Strategic Industrial Lands.

Mr G. MacLean, Principal Policy Adviser, Office of the Minister for State Development.

[Witnesses introduced.]

The CHAIRMAN: 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 considerations of the estimates will be restricted to the 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 division. It would greatly assist Hansard if members could give these details in preface to their question.

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 to ensure that it is delivered to the principal clerk by Friday, 3 June 2016. I also 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 with the Clerk's office.

I give the call to the member for Cannington.

Mr W.J. JOHNSTON: I refer to the table at the bottom of page 414, specifically the comment, "Building strategic infrastructure". When does the government expect the construction of Anketell port to begin? Is the government expecting Oakajee port to begin construction in the next four years?

Mr W.R. MARMION: I think there are two questions there; are there two questions?

Mr W.J. JOHNSTON: It is one question about two issues, yes.

Mr W.R. MARMION: I will provide some brief commentary before I explain the precise timing. For Anketell, with the iron ore price low—is the member all right?

Mr W.J. JOHNSTON: I am listening.

Mr W.R. MARMION: That is good. With the dropping off of the price of iron ore, the financial viability of the Anketell port project is on hold at the moment, but I understand that the private proponents are looking at other options. I will get the director general to expand on that. Was the other question again about the timing of Oakajee?

Mr W.J. JOHNSTON: Yes.

Mr W.R. MARMION: Oakajee is suffering the same fate, but we are very supportive of it. It is the port through which the commodity of magnetite will be exported, through Geraldton. With the low iron ore price, activity in the midwest has subsided, but when the economic prices of commodities go up, I expect that will go ahead. The Department of State Development will provide all support necessary when those projects are viable and when they are ready to go ahead, they will. The director general might like to add more to what I have said.

Mr S. Wood: Oakajee has always been connected to iron ore developments, for the purposes of getting started. Given the market and the state of mines in the midwest, I am not expecting Oakajee to start within the next four years. The joint venture for Anketell, which includes Aurizon, POSCO, American Metals and Coal International and Baosteel, commented in March that it was having a rethink on the project given the costs and where the market is. That is exactly what it is doing at the moment; it is having a rethink. I do not have a time line for Anketell. They are the only proponents with enough ore and carrying power to seek to enliven that site.

Mr W.J. JOHNSTON: So there is no expectation in the next four years for Oakajee and there is little expectation about Anketell?

Mr W.R. MARMION: The member is right.

Ms R. SAFFIOTI: My question relates to page 418 and I refer to the regional infrastructure and headworks fund.

Mr W.R. MARMION: Where is that?

Ms R. SAFFIOTI: Also referred to on page 417 is the Bunbury to Albany gas pipeline. An amount of \$3 million is being allocated in the 2016–17 budget. Then there is \$3 million in the forward estimates in 2017–18 and \$1 million in 2018–19. Can the minister describe exactly what types of work will be carried out for that \$7 million in the forward estimates?

Mr W.R. MARMION: I think the member will find that it shows \$3 million in the budget estimate for 2016–17. Is she talking about the amount of \$3 million? It is not \$7 million.

Ms R. SAFFIOTI: It is \$7 million in total.

Mr W.R. MARMION: That amount of money was put aside for land acquisition readiness. That is what it is available for. If we can be more specific, although the project has not reached a finite stage where it is going ahead, there is money available, so we can do some land acquisitions to make it project ready. Maybe the director general would like to elaborate.

Mr S. Wood: The total of \$7 million from royalties for regions was set aside for land clearing the route, environmental surveys, planning et cetera. That money has not been spent. We do not have a reasonably fundable solution for the pipeline at present. The issue has been to reduce the cost of the pipeline, so we have not spent the money on land clearance because route and costs are part of the same equation.

Ms R. SAFFIOTI: I refer to the income statement on page 418. Does that mean that the department budgeted for the \$7 million in 2015–16 but it did not eventuate, so it is basically just re-cashflowing those unspent funds over the next three years; is that correct?

Mr W.R. MARMION: That is correct. Basically because of the route, as the director general explained, we want to keep all options open. The money is there for however it might progress.

Mr W.J. JOHNSTON: Has any other pipeline option been examined? Apart from building a physical pipeline, have any sorts of virtual pipeline options been examined? Has the minister looked at the cost effectiveness of those alternatives? Getting natural gas to Albany is important because currently people there are using LPG. There are serious safety issues with piped LPG and piped natural gas is better than LPG, so has there been any examination of other alternatives?

[7.10 pm]

Mr W.R. MARMION: What does the member mean by “virtual pipeline”? Does he mean other routes?

Mr W.J. JOHNSTON: That is terminology used in the industry. I am sure it has been used with the minister. I give the example of the virtual pipeline from the Maitland estate to Broome for the gas-fired power station in Broome where trucked LNG is used. There might be a range of reasons why the minister would not want to use trucked LNG; however, I am asking whether he has examined the other alternatives to building a physical pipeline to find another cheaper alternative to deliver the fuel to Albany.

Mr W.R. MARMION: Before my time—I have had some knowledge of it—a number of routes were considered before the preferred route came up some years ago. At the moment, all options are on the table. Would Mr Wood like to add to that?

Mr S. Wood: The short answer is yes. Every way we can think of to reduce cost, to marry with demand, there being lumpy and limited demand and there being a specific problem, as the member mentioned with Albany, obviously, the preference has been to construct a pipeline, but any options or variations on that including staging we have looked at as a means of reducing cost and still getting a viable outcome.

Mr W.R. MARMION: Some years ago the Grange Resources project would have used a lot of gas. That was when it was rolling on as a strong, economically viable project. The department does not want to commit to the route in case we come up with a cheaper alternative. Watch this space and hopefully something will emanate later this year.

Mr W.J. JOHNSTON: Obviously, the previous announcements are that the department wanted to have a commercial partner for the project. When was the last time you talked to a commercial partner?

Mr W.R. MARMION: I will just give some preliminary commentary. I am not involved in the actual process —

Mr W.J. JOHNSTON: When I said “you” I meant collectively.

Mr W.R. MARMION: The director general will be able to elaborate a little more. A process is underway and when that process finishes, we can look at other options.

Mr S. Wood: There has been a sequence of discussions with commercial parties—I would not say commercial partners, but commercial parties—including out of the request for proposal exercise and then subsequently in terms of people bringing forward unsolicited proposals to government for us to look at. In each case we would have to say there is a reasonably large expense by government to make the exercise work.

Mr P. ABETZ: I refer to industry development and investment facilitation on page 415 of the *Budget Statements*. Can the minister inform us of the status of the proposal for a solar thermal power plant at the Mungari industrial park near Coolgardie? It is a project that people talked to me about over a year or two ago. What is happening with that?

Mr W.R. MARMION: I will ask the director general whether he can provide detail on that.

Mr S. Wood: Ms Ginbey has had direct dealings with the parties involved and she is better able to answer the question.

Ms C. Ginbey: The Mungari strategic industrial area is about 23 kilometres from Kalgoorlie and a similar distance from Coolgardie. Although the Mungari area is approximately 700 hectares of core area, a number of proponents have come to us with proposals for solar power. The latest proposal was from a company called Exergy Power that wanted to put a solar thermal tower within the core and surround it with solar panels. There was a similar example of a project in the US that the proponent was looking at. We provided a licence for Exergy to access the site and undertake all the investigations it needed to. Unfortunately, it found that the cost associated with the project did not make it a viable project to stack up and Exergy came to us a couple of months ago and advised us that it was not going to go ahead.

Mr P. ABETZ: What other measures has the department adopted in trying to facilitate investment in renewable energy in that region, given the energy shortage in that area?

Mr W.R. MARMION: I have driven out to Mungari, which is just out of Coolgardie. Our role as the Department of State Development is to have industry-ready land. This is a site just out of Coolgardie that is close to a railway line. It is still a bit of a dirt track to get there but it is available for development. Renewable energy projects probably come more under the Minister for Energy, but someone may have a project that State Development can assist in; I am not aware of any specific one. Perhaps the director general can advise everybody about any renewable energy project that we might be working on in our department.

Mr S. Wood: There was one earlier proposal that has been publicly known and spoken about, including in this place. Perhaps Ms Ginbey can speak to the proponent.

Ms C. Ginbey: Investec was interested in a similar proposal. It wanted a joint project with a data centre. When information is put into the cloud, it does not exist in a cloud; it is held in a data centre in some location. Mungari was seen as an ideal location for it because there was very little seismic movement there; one would think there would be, but there was not. A joint arrangement between a solar farm and the data centre was seen as being a very good arrangement. Again, Investec ended up pulling out of all the renewables in Australia. It advised us of that some time ago.

Mr P. ABETZ: What is the show stopper of getting a project? Obviously, there is a need for more electricity in that area. A lot of the mines use diesel generators because they cannot access electricity from the grid, but they are very keen to access electricity. Is there anything that is the show shopper or not?

Mr W.R. MARMION: The member is right: energy is something that a lot of the mining companies are keen on, but they are looking at gas. Reticulated gas, if it is possible, is what they are looking for. To use solar energy for powering operations that might want to go 24/7 does not work at night.

Mr P. ABETZ: The solar thermal does.

Mr W.R. MARMION: The solar thermal? Okay.

The CHAIRMAN: Members, it sounds like we are just in a general discussion here. We might want to move on.

Mr W.J. JOHNSTON: I refer to the last dot point on page 414 under “Significant Issues Impacting the Agency”. The first dot point is the comment about Browse floating LNG and the last dot point is about Western Australia being a major global LNG producer. I want to get an update on the government’s view of the possibilities around Browse.

Mr W.R. MARMION: Yes, I will give the member a bit of a snapshot and the director general might be able to add more detail. As the member knows, the final investment decision was announced not to go ahead. It was not helpful that the gas price was low, obviously.

[7.20 pm]

Mr W.J. JOHNSTON: Yes, it is!

Mr W.R. MARMION: For this particular project it was not. As the member knows, the joint venture was looking at floating LNG. The member knows the sequence. Torosa was not going to be one of the first ones. It is my understanding that the second generation floating LNG might be more efficient than the current one, so the joint venture is revisiting the project's feasibility. It told me last year that it has to go through a works program and get approval to maintain the lease, and it intends to have one. Mr Wood might have more updated information. At the moment it is my understanding that the joint venture partners are revisiting the project to see whether they can make it more cost effective.

Mr S. Wood: I will speak to the comments that are in the market. The FLNG concept that the joint venture was pursuing could not be progressed largely because of costs and a lack of take-up on the market. It is seeking to develop a further concept. It will be an FLNG concept, and it is said to be smaller in size and differently sequenced, as we would expect. We have not engaged in discussion with the joint venture partners at this point, because they are still contemplating what they will do and what they will bring to government. Separately, we were in negotiations leading up to the decision the joint venture made to converting the key principles agreement document, which has been tabled in Parliament, into a more formal contract. Obviously, that negotiation has ceased; it is concept and timing dependent.

Mr W.J. JOHNSTON: When does the retention lease on the state's waters finish?

Mr W.R. MARMION: It finishes five years from June last year, which is when I issued it as Minister for Mines and Petroleum.

Mr W.J. JOHNSTON: So in 2020.

Mr W.R. MARMION: Yes, that makes it 2020.

Mr P.T. MILES: The second dot point under "Significant Issues Impacting the Agency" on page 414 refers to the Roy Hill and Gorgon LNG projects. It states that there has been an increase in export volumes. Does the minister have the figures for those export volumes?

Mr W.R. MARMION: Yes, I can give some updated figures and how we have been going in the first half of this year. In the first half of 2015–16, the volume measure for Western Australian exports increased by 5.9 per cent compared with the first half of 2014–15. Unfortunately, because of the price for our main exports of iron ore and liquefied natural gas, the value of our exports decreased by 12.2 per cent to \$56.1 billion. The higher volume but lower value scenario is most evident when one looks at iron ore and LNG. Western Australia produced 383.5 million tonnes of iron ore in the first half of 2015–16, which was a 7.3 per cent increase on the first half of 2014–15. However, the value of iron ore production fell by 14.8 per cent due to the lower iron ore price. The World Bank Group's measure of the iron ore price fell from an average of \$US82 per tonne in the first half of 2014–15 to average \$US51 a tonne in the first half of 2015–16. Given that I know that the member is really interested in LNG as well, our LNG production was 11 million tonnes in the first half of 2015–16, which was a small decrease of 0.6 per cent, so it was pretty well flat in the first half 2014–15. However, the value of LNG production fell by a massive 27.3 per cent due to the lower LNG prices. If the member thinks back to his final year of physics, he will remember that the British thermal unit is how we measure LNG, because it is the measure of heat capacity to energy capacity. The price of LNG—this highlights the impact—went from 15.15 million per British thermal units to 9.1 million per British thermal units this year. The drop in price was quite significant.

Mr W.J. JOHNSTON: The minister outlined the increase in production and a reduction in price. What impact have those changes had on employment? Has there been a significant fall in employment in the sector since the member for Nedlands became the minister? Does the minister expect the decline in employment to continue while he is the minister?

Mr W.R. MARMION: No. I do not have the figures at hand—we can probably get them—but using the example of LNG, Gorgon has more trains to come onstream and Wheatstone has another lot to go. There are 7 000 workers onsite at Wheatstone—I visited Wheatstone on Wednesday—and there are still a considerable number of workers at Gorgon. The number is quite high at the moment. It is obvious that they will drop off as construction concludes. In terms of iron ore, Roy Hill has come onstream and the construction side is dropping off. Citic Pacific is still going very strong and has another couple of trains to put on. Obviously, there will be a reduction in the number of people tied up in construction, as expected, but there will be ongoing jobs in production.

Ms R. SAFFIOTI: I refer to "Royalties for regions—Brand WA" on page 413, for which the expenditure is \$150 000 in 2015–16 and \$535 000 in 2016–17. It is obviously funded by royalties for regions. Can the minister describe exactly what this involves?

Mr W.R. MARMION: I will give a snapshot, but the detail can be clarified better by the director general. We are exploring the possibility of branding the state to see whether we can market agricultural products overseas and to see whether there is a benefit in having nice, clean and green Western Australian fresh food in that space. We are doing some market research to see whether there is any value in doing that. It is important. We know some Western Australian farming communities and regions brand their area to help market their products. It is worthwhile exploring, so money is available to look at it, and we are going through the process at the moment.

Ms R. SAFFIOTI: Does that involve market research and other investigations?

Mr W.R. MARMION: This is an area I have been involved in in a past life. We cannot rush in; branding is an art. We need focus groups to check it out to see whether it will work before we go down the expensive path of branding.

Mr W.J. JOHNSTON: If the department is conducting focus groups on Brand WA's effectiveness, in which country will it do the focus groups?

Mr W.R. MARMION: I am not involved in the day-to-day running of the program, but China and South-East Asia are obviously our focus. Perhaps the director general can be a little more specific on where we are going with the process.

Mr S. Wood: Phase 1 of the project, which was roughly about \$50 000, involved research on brands generally, their effectiveness and what we might do in the construction of brands. Phase 2, which cost about \$60 000, has involved going to tender for creative thinking leading to creative design. The panel for selection of a preferred proponent will in fact meet tomorrow to make its selection. Following that we see the creative work being done on a design concept. Then we will test the acceptability of various designs/messaging in various markets. The work is towards finding out whether we can effectively get a brand initially for export in agriculture that will lift the state presence in key markets. The key markets are essentially where we have major exports currently, such as Indonesia, China, Japan and Korea.

[7.30 pm]

Mr W.J. JOHNSTON: Can the minister clarify where the research into the effectiveness of the brand is being done?

Mr S. Wood: Testing consumer acceptance and acknowledgement of the brand, if you like—or the understanding thereof—will be undertaken in key Asian export markets.

Mr W.J. JOHNSTON: The testing has not been done yet, but that is where it is going to be done.

Mr S. Wood: The meeting of the panel to select the preferred proponent is tomorrow.

Mr W.J. JOHNSTON: Is that the proponent to do the research?

Mr S. Wood: The proponent to engage with us to set up the contract to do the creative work first, then to do the testing of the concept with consumers in Asian markets.

Mr W.J. JOHNSTON: Will the creative talent be selected first and then have their talents tested after they have already been hired?

Mr S. Wood: No. The expressions of interest went out and a whole series of people were interested in the exercise. We are now down to a shortlist of three candidates. Those three shortlisted candidates have shown their credentials and they were paid \$20 000 each for doing the early concept work and the pitch, so to speak. Once a preferred proponent is selected, we will work with them towards developing proper creative options that we can then test in markets.

Mr W.J. JOHNSTON: As a fat, old, bald, white guy, will fat, old, bald, white guys be making the decision about who we select as a creative to market to Asian people?

Mr S. Wood: If the member is talking about the selection panel of four, no; they are not all fat, old white guys with or without hair.

Mr W.J. JOHNSTON: It seems to me that the fundamental issue about a brand WA is to make sure that it works in the market that we are targeting; therefore, we are probably not going to find the best people through this process.

Mr W.R. MARMION: Is the member an expert on the process? He does not know who has tendered, nor do I. I think it is hypothetical—we shall see.

Mr W.J. JOHNSTON: The minister will be pleased to know that we will not stay long on this division; we are going to go on to another division fairly soon.

Mr W.R. MARMION: I am disappointed.

Mr W.J. JOHNSTON: I bet the minister is.

The fourth dot point under the heading “Significant Issues Impacting the Agency” at page 414 states —

The Department has increased its focus on agricultural investments and exports and identifying new markets ...

What percentage of the agency’s effort is now focused on agriculture?

Mr W.R. MARMION: I have some preliminary comments. We are beefing up our overseas offices. Three overseas offices have had an extra staff member appointed to focus on agriculture. I think that the budget papers mention that Rob Delane has been put in charge of our agribusiness expansion unit. Obviously, we already have overseas offices, so we might as well take advantage of them, rather than have the Department of Agriculture and Food go overseas. That is the aim. The percentage of our effort in that area is something the director general might have a stab at, but, obviously, it is early days.

Mr W.J. JOHNSTON: What percentage of the department’s 148 full-time equivalents is going into the agricultural effort?

Mr W.R. MARMION: I am not sure whether the figures—the director general can confirm this—actually identify all the agriculture staff. The director general can give a bit of an outline on where that is at.

Mr S. Wood: To date there has been a relocation of staff to create the agribusiness expansion unit, which is worth about \$970 000. The budget sits at about \$33 million in total. In addition to that, the costs in relation to the head of the unit, Rob Delane, and his executive assistant support have come across and they have been absorbed. There is a diversion of about \$1.4 million for that purpose in the budget. Coming to a quick calculation, we are around just above three per cent of budget. In addition to that, the work is supplemented, obviously, by the work that the minister has indicated. In addition to that it is supplemented by all our international trade and investment support or by our project people or by our industrial lands people or whatever is required for a backup purpose.

Mr P. PAPALIA: Noting that our grain export markets are fairly mature, I assume that the vast majority of the effort in this agribusiness expansion role is focused on live exports. I have heard about nothing other than live exports. Is there any activity beyond trying to source and expand live-export markets?

Mr W.R. MARMION: Is the member asking whether there is a focus other than beef cattle?

Mr P. PAPALIA: I do not think we live export chickens, so sheep and cattle.

Mr W.R. MARMION: We want to market any agricultural product and encourage investment. Those are the two things we want to do. Obviously, our strength is cattle.

Mr P. PAPALIA: Minister, I want more than generic statements. I want to know what activity has been conducted and whether it is entirely focused on trying to grow live-export markets in the agribusiness world or on, for instance, building markets for fruit and vegetables, chilled fruit, chilled meat or any other products beyond live exports.

Mr W.R. MARMION: Our offices have been set up to promote everything; they have always been there to promote anything in small business. Importantly for this project the markets are large. For instance, the Chinese market is large and there needs to be some sort of scale and we need the expertise to connect the suppliers and markets.

Mr P. PAPALIA: I want to know what the agribusiness expansion unit is doing.

Mr W.R. MARMION: The member wants to know the products the unit is focusing on.

Mr S. Wood: Each market is different. As one would expect, the work in Indonesia has been different from the work in Singapore and from the work in India. For instance, the work in Singapore to date has been largely on fruit and vegetables, with traders and buyers who need additional product and matching them with an exporter of that. The early phase of the agribusiness unit in Perth has been trying to complete work that has been going on in China for some time on live-cattle exports. Live cattle export is not necessarily specifically live cattle; it is a question of increasing the protein export from Western Australia. China is a particular market for that that was identified some time ago. Quite a lot of work has been put into that. Mr Delane has been over there to try to complete some of that work. He is currently either in Singapore or India as a market development exercise to try to strike and confirm some additional relationships for the purposes of what relationships might be a take-off of product in the Indian market. At this stage there is no one particular product. Obviously there has been quite a lot of work with respect to China and live cattle, but it is a case of building relations for the purposes of then saying, “Yes, this market would be receptive of us doing more work in X.”

[7.40 pm]

Mr P.T. MILES: Further to that, on that same theme, as the minister knows, I have fairly large growers out in my electorate of various sorts. How do they access the agency to be able to export their product?

Mr W.R. MARMION: I will let Mr Wood give the specifics of this one.

Mr S. Wood: It would be the same way that they have always accessed it. I suppose we have always had the access through our international trade and investment division. Typically, we use desk managers there for the purposes of locality. For example, if one of the member's constituents who was producing product wanted to, for example, export into Singapore, they would typically contact the desk manager and work through from there. Alternatively, others have been in the market and have made contact with the office in Singapore for the purposes of saying, "I'm here. I do this. These are my contacts." They make their connection that way. By the addition of the agribusiness unit, they may seek to come into the agency through that particular unit, except that it is relatively new so the number of contacts for them to date has not been high. Methodology for contact will typically be through ITI in the first instance anyway.

Mr P. PAPALIA: I refer to the sixth dot point under "Significant Issues Impacting the Agency" on page 414 of the *Budget Statements*. What work has the department done on developing plans for an outer harbour in Cockburn Sound?

Mr W.R. MARMION: I will ask the director general to advise what work my department has done on that. I am not aware of what we have done.

Mr P. PAPALIA: The dot point states —

The Department continues to ensure that land and infrastructure is available for future project development. This is achieved, in part, by creating and managing strategic industrial areas throughout Western Australia that are suitable for new industrial activities and supporting multi-user access to strategic infrastructure such as ports and rail.

I thought that might encompass a new port in Cockburn Sound. I was wondering what the department has done about it.

Mr W.R. MARMION: We focus on industrial areas. There are a lot of industrial areas at the back of ports that we have utilised. I can list all 12. But in relation to that particular one, I will ask the director general to comment on what we have specifically done about an outer harbour in the metropolitan area.

Mr S. Wood: The project for an outer harbour in Cockburn Sound is with the Department of Transport, not with us, in terms of any lead agency arrangement. We would support the department on any such initiative, including our various port users who use the industrial state that we are responsible for. We deal with that. We have done more work when we are lead agency, for instance, in Anketell and the Oakajee–Narngulu infrastructure corridor.

Mr P. PAPALIA: Further to that, the department has expertise in analysing potential for port development and necessary infrastructure requirements and planning and management around that activity. Has it done anything in Cockburn Sound? Has the Department of Transport requested to support the Department of State Development in developing a potential outer port at Cockburn Sound?

Mr W.R. MARMION: The actual expertise is in the Department of Transport. We have other expertise. Maybe the director general can explain how we have supported the department, if required.

Mr S. Wood: The short answer is yes. As the Department of Transport wishes to include us or seek our advice on the outer harbour, we would provide that advice. In respect of any port sale and use of land and corridors and what we might have to say about corridors, we would provide that advice to it.

Mr P. PAPALIA: I was asking whether the department had supported the Department of Transport, not whether it would support it.

Mr S. Wood: There has been a whole lot of discussion about a raft of things relating to the Fremantle port sale, including corridors and policy on the outer harbour, and we have been part of those discussions.

Mr P. PAPALIA: With respect to the advice provided, noting the speciality skills that DSD has, did it canvass interest from the private sector with respect to developing an outer harbour at Cockburn Sound?

Mr S. Wood: The answer to that is no. If we are not the lead agency, we would not take a seat in doing that sort of work. We would take a back seat in providing advice to the lead agency.

Mr P. PAPALIA: Has the department received any unsolicited approaches from any private sector operators interested in developing a port in Cockburn Sound?

Mr W.R. MARMION: They have not come to me.

Mr S. Wood: We have unsolicited proposals from proponents who wish to use the marine facility in Cockburn, but specific to the member's question about an outer harbour development, not that I am aware of.

Mr P. PAPALIA: Further to that, with respect to the unsolicited approaches, have those proponents had the capacity to and been willing to invest capital in further developing the current facilities? Noting that they have

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[ASSEMBLY ESTIMATES COMMITTEE B — Thursday, 26 May 2016]

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Mr Bill Johnston; Mr Bill Marmion; Ms Rita Saffioti; Mr Peter Abetz; Mr Paul Miles; Mr Paul Papalia

not approached the department with respect to an outer harbour, what about the infrastructure that is there at the moment?

Mr S. Wood: I do not want to deal with—I do not think the member is asking me to deal with—specific proponents, but typically it is a proponent that wishes to produce a product using the industrial estate. It seeks to have a marine facility for the export of that product. That may be a build or it may be partnering on to an existing facility, whichever way it can effectively get its product out in a cost-efficient way.

The appropriation was recommended.

[7.50 pm]