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LEGISLATIVE ASSEMBLY ESTIMATES COMMITTEE A

Thursday, 25 May 2023

Legislative Assembly

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ESTIMATES COMMITTEE A

The meeting commenced at 9.00 am.

Division 14: Jobs, Tourism, Science and Innovation — Services 1 to 7, State Development; Jobs and Trade; Hydrogen Industry; Tourism; Science, \$636 461 000 —

Ms A.E. Kent, Chair.

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

Mrs R. Brown, Director General.

Dr P. Gorey, Deputy Director General.

Ms S. Spencer, Deputy Director General.

Mr R. Sansalone, Chief Finance Officer.

Mr A. Dolling, Executive Director, Science and Innovation.

Mr J. O'Hare, Executive Director, Industry Development.

Mr A. Sutton, Executive Director, Hydrogen and New Energies.

Mr S. Dawson, Executive Director, Project Facilitation.

Ms D. Pope, Executive Director, Invest and Trade WA.

Mr A. King, Executive Director, Strategic Policy.

Ms C. Turnbull, Managing Director, Tourism WA.

Ms A. Last, Executive Director, Events, Tourism WA.

Ms S. Underwood, Acting Executive Director, Strategy and Engagement, Tourism WA.

Ms R. Lowe, Executive Director, Destination Development, Tourism WA.

Ms M. Forbes, Executive Director, Marketing, Tourism WA.

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

[Witnesses introduced.]

The CHAIR: Good morning. We are being proudly Australian this morning, Deputy Premier.

Mr R.H. COOK: I have the Matildas announcement today, chair, so I am very excited!

The CHAIR: That is great. The estimates committees will be reported by Hansard. The daily proof will be available online as soon as possible within two business days. The chair will allow as many questions as possible. Questions and answers should be short and to the point. Consideration is limited to items for which a vote of money is proposed in the consolidated account. Questions must relate to a page number, item or amount related to the current division, and members should preface their questions with those details. Some divisions are the responsibility of more than one minister. Ministers shall be examined only in relation to their portfolio responsibilities.

A minister may agree to provide supplementary information to the committee. I will ask the minister to clearly indicate what information they agree to provide and will then allocate a reference number. Supplementary information should be provided to the principal clerk by noon on Friday, 2 June 2023. If a minister suggests that a matter be put on notice, members should use the online questions on notice system to submit their questions.

I give the call to the member for Cottesloe.

Dr D.J. HONEY: I thank the minister for taking our questions today, and to what can only be described as a phalanx of advisers from various areas—but obviously very important.

The CHAIR: It is a massive portfolio.

Mr R.H. COOK: We want the member to have all the information he needs.

Dr D.J. HONEY: The minister always manages very well and I am always grateful for that. I will start at page 189 on spending changes. We will obviously go into a bit of detail on this, but perhaps if the minister could give us a bit of an overview of the table at the bottom of the page, “Climate Action Fund” and the line items “Climate Adaptation”, “Collie Industrial Transition Fund” and “Green Energy Approvals”. What are the major components of that?

Mr R.H. COOK: As the member knows, our response to climate change and how we manage our own impact on climate change is a very important part of the work that we are doing. We are trying to—the member will see, for instance, the reference to the Collie industrial transition fund—make sure that as Western Australia goes on this energy transition program we do so in a way that preserves jobs and lifestyles to the extent that we can. We also want to make sure that we continue to welcome and play our part in that energy transition to decarbonise our economy.

On 6 December 2022, the government announced the establishment of a cross-government green energy approvals initiative to drive timely approvals for green energy projects through clear fit-for-purpose assessment pathways that deliver strong environmental outcomes for the community. The first key aspect of this is making sure that we have the approval processes in place that are necessary for those green energy projects. That is obviously a piece of work that involves coordination by the Department of Jobs, Tourism, Science and Innovation, integrating the work of the Department of Water and Environmental Regulation, the Department of Mines, Industry Regulation and Safety, and other regulators to ensure that these projects are brought onstream as appropriate.

The green energy approvals program is colloquially referred to within government as the “green berets”. Its job is to identify blockages and assist companies navigate the regulatory pathways that are in place for a range of reasons and make sure that we get those new energy projects up as a matter of priority. As I also mentioned, we are in the business of reducing our impact on the environment, and the climate adaptation strategy is about working with the Department of Water and Environmental Regulation to make sure that we can improve our work in this particular space. That involves delivering on the Department of Jobs, Tourism, Science and Innovation program around the small to medium-sized enterprise sector adaptation plan, as well as accompanying a climate adaptation program for SMEs. The 2023–24 budget provides \$3.3 million to undertake that work. Of course, we also need to make sure that we are doing our part in working with heavy industry to identify what the government needs to do to put the right policy mechanisms in place around the sector emissions reductions process, or SERS. I will invite the director general and the appropriate officers to make some further remarks on those points.

Mrs R. Brown: It is fair to say that the green energy approvals team is an important part of the department. It works across the public sector with other approvals teams to find innovative ways to bring projects to Western Australia and to ensure a smooth pathway through the approvals system. Certainly, the focus on renewable energy and decarbonisation is a high priority for the department. We are seeing enormous interest coming into the department from a range of industry players, some existing in Western Australia and some new to Western Australia, some in the technology space and some in existing industries seeking to decarbonise. We are also seeing enormous interest from Western Australia’s key trading partners around the opportunity for Western Australia to be part of that renewable energy transition, particularly in South-East Asia.

Mr R.S. LOVE: On the green energy approvals that were spoken about, can the minister explain how that interaction will operate, because last night we were having a discussion with the Minister for Environment about the establishment of the approvals team within the Department of Water and Environmental Regulation, and he stated that the department has a role in that as well. I note a reference on page 145 of budget paper No 3 to the green energy major projects team being established. Can the minister explain how the department’s approvals process works in practice? I have asked for a briefing on this from the Minister for Environment but maybe the minister can outline how it will operate in the Department of Jobs, Tourism, Science and Innovation.

[9.10 am]

Mr R.H. COOK: JTSI’s role is to coordinate. That it is a concierge is probably a good way to describe the role. Obviously, we already have a capability that we utilise to work on major projects. We work with the key players to assist them to navigate government processes as they relate to different departments. Drawing on the principles of the green energy approvals program, we play a coordinating role to assist companies to understand their obligations and meet the regulatory requirements, which, as the member observed, are significant to the work of DWER.

I invite the director general to provide specifics on the work of that team.

Mrs R. Brown: As the minister outlined, it very much draws on the existing work of JTSI, including its role in providing case management and facilitation to a number of projects, including large-scale projects, very much under the existing well-established lead agency framework. The unit will focus on the additional coordination we need to provide in partnership with DWER, which is obviously the lead agency for approvals, for these new and emerging green energy projects that differ from some of the previous types of projects we have facilitated into this state. It is very much about looking at coordination and case management and taking a concierge role to facilitate infrastructure or land requirements. An important part of the partnership with DWER is finding ways to support projects through the approvals process, bearing in mind some of them are new to the state and some are both emerging projects and emerging technology. It is a very important part of changing the way we do business for these different really important projects coming to Western Australia.

Dr D.J. HONEY: How will this process be different? State Development has always had a function of coordinating projects between departments. Having been on the other side of the fence, as a customer, one of the frustrations

was that State Development was extremely helpful and benchmarked on wanting to put an arm around one's shoulder, if you like, but the individual departments were dogged in maintaining their own turf; they were not going to be pushed around or cajoled into doing things outside the way they normally do them. Although there was really good intention and the first interface was really good, it fell away after that.

What will be different with this process? Do we really expect to see an acceleration or will the problem still come up of departments holding things up? As a bit of further information, yesterday we were examining the Department of Water and Environmental Regulation and all of its approval times have blown out quite significantly—by 25 per cent for licences and the like. I wonder what is different now. I appreciate that it is a very good intent but is there some new mechanism in place or a direction from, for example, the Premier to those other ministers and departments to whip things into shape?

Mr R.H. COOK: I will ask the director general to make further comment.

Mrs R. Brown: I think there are two things. First, the state government has already heavily invested in the initiative to streamline approvals more generally, and there has been significant progress in a number of areas, with additional resourcing to meet both the volume of projects coming into the state and some of the changes potentially at a commonwealth level. I think there is a very strong existing focus on streamlining approvals. What is different about this initiative is that it was established as a partnership between our agency providing case management and the approvals agency, DWER in particular. Noting that some of these projects will bring new opportunities and challenges to the existing environmental approvals framework, the very strong focus from government to the two agencies is to find innovative ways together to case manage these projects that have quite different aspects from some of our existing infrastructure projects in Western Australia. It has been resourced and given priority to find some of those innovative solutions, particularly as they do have different characteristics, particularly around land and infrastructure requirements. It comes with both resourcing and a remit to find innovative solutions for new projects that have not been through the approvals process previously.

Dr D.J. HONEY: Will officers from other agencies be participating in this approvals team? I anticipate that would be the Department of Mines, Industry Regulation and Safety and the Department of Planning, Lands and Heritage. The director general indicated access to land would be an issue. Will there be cross-pollination between officers in teams because that facilitates that communication?

Mrs R. Brown: Certainly there is a cross-sector working group with the other key regulatory agencies, particularly DMIRS, DPLH and the Department of Biodiversity, Conservation and Attractions, but there is also strong engagement with some of the other parts of government and an understanding of requirements, whether that is land or infrastructure assembly. JTSI also plays a critical role in supporting access to our strategic industrial areas. I think there is a real joined-up focus on finding innovative ways to establish these really important projects in Western Australia.

Dr D.J. HONEY: I indicate from the outset that I do not expect the minister to deal with the substantive issue of the new approval process, but the Aboriginal Cultural Heritage Act will introduce a significant hurdle for a lot of projects to get started. For example, the Department of Water and Environmental Regulation now requires companies to prove that they have that approval before it will even consider their application for a licence. I do not expect that the department will be involved in the Aboriginal cultural heritage process but will assistance be set up for these small startup companies? The big miners are fine with Aboriginal cultural heritage; they have literally thousands of people in their approvals teams. But, for example, the new magnesium smelter proposed for Collie, which sounds like an excellent initiative, is a small organisation that is not used to having to get these approvals, which are quite complex and involved. Will some assistance be provided to companies starting up around the Aboriginal cultural heritage requirements? I think, as the minister indicated, these projects will require a lot of land and inevitably that is a major issue they will have to deal with.

[9.20 am]

The CHAIR: I am not sure if this is—it is up to you, Deputy Premier. I think it is stretching it.

Mr R.H. COOK: I was going to say that we are probably stretching the point of reference. I invite the director general to make some general comments around it, but I otherwise invite the member to be more specific about the budget line item.

Mrs R. Brown: It is important, as an agency that provides case management and support to industry and proponents, that we work closely with the Department of Planning, Lands and Heritage, which is the leading agency on the implementation of the Aboriginal Cultural Heritage Act. We are across the implementation and will work with our partner agencies. It is a very important state government reform and we are committed to building our capability to support proponents through that process, particularly as an organisation having more dedicated resources to support Aboriginal engagement and economic development.

Dr D.J. HONEY: In that \$260 million that has been allocated, there is a reference —

Mr R.H. COOK: Sorry, member —

Dr D.J. HONEY: I apologise, minister. I refer to page 189 of budget paper No 1 and spending changes. It references the climate action fund. Page 270 of budget paper No 3 refers to the climate action fund. I do not actually have it in front of me. There is a reference to support for native forestry. What involvement does the Department of Jobs, Tourism, Science and Innovation have in that or is that something that is the remit of another agency?

The CHAIR: Can you just specify where you are?

Dr D.J. HONEY: The climate action fund is in that table on page 189. What initiatives are there around forestry as part of that?

Mr R.H. COOK: I am not aware of specific details about the intersection with the native forests policy. I invite the director general to clarify that point.

Mrs R. Brown: The department has been supporting the state government's native forest transition package by supporting the Minister for Forestry, administering funding packages for workers and providing support for industry transition through the community development fund. We have been doing that since September 2021. The aspect of the inclusion in climate action is because, obviously, native forest logging is a big part of the state government's agenda on climate action.

Dr D.J. HONEY: I refer to page 190 of budget paper No 2. On the table at the top of the page, there is money allocated to hydrogen hubs. Can the minister explain what programs are scheduled under that?

Mr R.H. COOK: Obviously, the renewable hydrogen strategy goal for 2030 is that Western Australia's renewable hydrogen will have a share of global exports similar to liquefied natural gas. We are particularly ambitious about our renewable hydrogen capability. Not only do we want to decarbonise our economy through renewable energy and hydrogen; we want to be a world-leading energy powerhouse to make sure that we can assist other world economies—particularly those in our region—to decarbonise as well. Part of that strategy is to identify hubs for the development of renewable hydrogen. The government has identified two hubs in the Pilbara and midwest as locations where additional focus and effort will be required initially. Planning will assist with hydrogen exports, noting that the domestic market is also developing in these regions. We have committed \$127 million to build critical infrastructure for these two hubs and develop market initiatives. The state also supports a hydrogen hub in the Kwinana area. When talking about these hubs, I do not want to detract from the incredible work that is going on elsewhere in this state. The area of Arrowsmith, south of Dongara, has some very advanced projects at the moment. I think it represents an exciting opportunity for our domestic hydrogen supply.

The Pilbara hydrogen hub essentially has four components that are guiding our activities. One is hydrogen and/or ammonia pipeline systems between the Maitland industrial estate and the Burrup Peninsula to assist with decarbonising existing industry on the Burrup. The second is the development of a clean energy training and research institute in Karratha and Port Hedland to develop key skills for our workforce. The third is road infrastructure upgrades to be considered for a general cargo facility at Lumsden Point in Port Hedland and the fourth is a hydrogen hub expansion study to consider the broader infrastructure requirements.

The development of our large strategic industrial areas is an important part of activating these cells. We need the companies to have the same ambitions and sense of urgency that we have. We see that a number of the proponents are keen to get the shovel in the ground and get their projects going forward. We are working to quickly activate the SIAs to ensure that we have the infrastructure for them to develop their projects.

Dr D.J. HONEY: As the minister knows, I have a keen interest in all of those areas, but a couple in particular. The first is the Oakajee strategic industrial area. On page 190 of budget paper No 2 there is \$7 million allocated to the Oakajee strategic access road.

Mr R.H. COOK: Yes. There is \$7.5 million.

Dr D.J. HONEY: It is on page 190, on the middle of the table. It is an allocation of \$7 million for the access road. Can the minister explain who actually owns the land in that particular area? Is it crown land? I note that land was included as part of the Yamatji midwest native title settlement. It is not clear to me whether there was a transfer of ownership of the land to that corporation or whether the money is still in fact held by the Crown and there is some other benefit that the Yamatji group derives from that land.

Mr R.H. COOK: The \$7.5 million was part of our 2021–22 election commitment to develop an Oakajee access road and junction with the North West Coastal Highway. Oakajee is a project in the early stages of its development. We need to get moving on that because we are already starting to allocate land in that particular SIA. Indeed, I think we have entered into the initial lease.

Typically, strategic industrial areas are owned by the government through DevelopmentWA. For instance, in relation to the patch of earth in Kwinana that the member would be very familiar with, we like to maintain ownership and deploy the land through long-term lease arrangements so that we can continue to have the capacity to develop that estate in a way that is strategic and economically important.

We are working with Main Roads Western Australia at the moment to prepare an estimate. That will enable discussion with the government about the available funding, the extent of works and the impact on the development of the Oakajee port. Oakajee is one of those SIAs that people are looking to be developed in the early stages. I think most of the proponents there will have some expectation that they can onshore equipment and offshore product through there as well. It is going to be subject to significant development.

I will ask the director general and/or officers to make any further comments and provide the member with more detail.

[9.30 am]

Mrs R. Brown: Thank you, minister. I think the additional key point is in regard to the land itself, as the minister said, as a strategic industrial area that is owned by DevelopmentWA.

Dr D.J. HONEY: I am keen to understand how that formed part of the south west native title settlement. What interest does the Yamatji native title group have in that land? It was mentioned as part of the settlement for that land. I thought it had at least some interest in that land.

Mr R.H. COOK: That is completely out of our wheelhouse. I cannot help the member with the Yamatji claim settlement, but I can assure the member that the Oakajee strategic industrial area will be unencumbered by that. Indeed, one of the reasons that we have these settlements is so that we can be confident about the development envelope.

Dr D.J. HONEY: In relation to Oakajee, I think land has been nominally leased to five proponents for projects on that location. The minister can correct me very quickly if I am wrong. What is the progress of those proposals at this stage?

Mr R.H. COOK: I can confirm that the companies that we are in discussions with for land allocation are BP, Fortescue Future Industries, Copenhagen Infrastructure Partners, Green LOHC, Kinara Power Systems and Projects and Blue Diamond Australia. They are the six proponents that have been allocated land. Those conversations are continuing to move forward. My understanding is that we have finalised the lease arrangements with one of those proponents. I will defer briefly to the director general to confirm that response.

Mrs R. Brown: An additional point is that we are working with all the industry players into Oakajee. We have an industry reference group that meets regularly, particularly as the development of all of Oakajee is as important as each of the proponents.

Dr D.J. HONEY: One of the keys to any industrial estate is all the enabling infrastructure, be it roads, services, communications, water, power and the like, but initially I will focus on the port. At the last estimates I asked the head of the Mid West Ports Authority when they saw a port at Oakajee going ahead, and the comment was that it was not in the foreseeable future. I think it was a date of 2037 or something like that, which was when its plans went out. Are there any active discussions or is government considering constructing a port at Oakajee as common-user infrastructure? Otherwise, what approach is the government taking towards that?

Mr R.H. COOK: I can confirm that we are now in discussions with those six proponents to understand their requirements for the entire strategic industrial area. That will inform the government on planning infrastructure and what other supporting activity we can undertake to suit their purposes. As the member knows, the renewable hydrogen space, in particular, is an emerging area and there are a range of different views about what form and scale the production should take place in. Indeed, there are a lot of conversations at the moment around the form of the export product, whether that is as ammonia or as part of liquefied hydrogen, compressed hydrogen, or chemically bonded as part of some sort of agent. The member would have more insight into that process than I do. They are early discussions at the moment, but they are active discussions. We are moving forward as quickly as those companies need us to.

Dr D.J. HONEY: Is the government's attitude for that common-user infrastructure—all those things I mentioned before—that it will be paid for by the proponents or that it is a state asset so the state would build that common-user infrastructure and then recover moneys from proponents once the facility is constructed?

Mr R.H. COOK: I do not think we are at the point of being able to determine that. Obviously, we made an election commitment around access roads to Oakajee as part of initial early works to activate that site. We continue to work with the proponents and the community up in the Geraldton area. The Leader of the Opposition will recall a forum we had there recently at which we talked about all these things, including the needs of the community and the industry, and what the government needs to do to be a good partner in that process.

Mr R.S. LOVE: I refer to the hydrogen projects and paragraph 7.4 on page 192. The minister has outlined in some detail the Pilbara hub. Could the minister outline a little more the expectations for the midwest hub?

Mr R.H. COOK: As the member would be aware—I know he has a keen interest particularly in the development of hydrogen projects in the midwest—a lot of work is being done around our renewable hydrogen strategy. In December 2022, we reached our first lot of targets for renewable hydrogen—that is, the export, transport, remote applications and blending goals for 2022 under that strategy. The strategy continues to be refreshed and the government has invested more than \$170 million in initiatives to progress Western Australia's hydrogen industry.

As I have just been discussing with the member for Cottesloe, we have hydrogen hubs in the Pilbara, midwest and—I am not prone to forgetting this!—another location that we are developing in Kwinana as part of some of the work there. In terms of the actual midwest region, with the member and the chair's indulgence, I invite the department to provide general discussion around the midwest because that involves the Arrowsmith precinct as well as the Oakajee precinct. Hopefully that will fulfil the member's requirements for an answer.

Mrs R. Brown: Thank you, minister. I will ask Anthony Sutton to provide an answer on the midwest hub.

Mr A. Sutton: In terms of the midwest hub, the main things we are doing at the moment are the background studies for the common-user infrastructure in the future. We are looking at water, energy, cultural heritage matters, land planning works regarding the access road and also market initiatives to stimulate demand. The main work we are doing at the moment is all those background studies in preparation for the large-scale projects that might be in the Oakajee area.

Mr R.S. LOVE: Does the department have any interaction with the major players of the hydrogen cluster in that area that is being organised through the Mid West Chamber of Commerce and Industry? Is the department dealing with them as a group? Is it discussing what their needs might be going forward?

Mr R.H. COOK: I invite department officers to make comments.

Mr A. Sutton: There are about five clusters in Western Australia. The aim of the clusters is to make sure the small to medium-sized enterprise in those regional areas have an opportunity to participate in hydrogen development as it moves forward. In the midwest there is a cluster. At the moment, the Department of Jobs, Tourism, Science and Innovation is looking at the future funding of those clusters to facilitate the groups in those areas so that they are involved from the grassroots right through to the development of the industry.

Mr R.S. LOVE: Further to the discussion on the developments at Oakajee and the development of roads et cetera, I know that the member for Cottesloe was seeking information around the Yamatji settlement. I might offer my understanding that a percentage of any lease will be returned to the southern Yamatji group. It is five per cent, from memory.

The CHAIR: Is this a new question?

Mr R.H. COOK: I think he is helping me out!

Mr R.S. LOVE: I was just making a point. A question was asked and I am answering it for the benefit of the room.

[9.40 am]

Dr D.J. HONEY: I have a further question on these hubs. The minister may recall that BHP took a different approach on its mining leases, whereby it put forward a large 30-year proposal on its carbon footprint and then sought to get all the approvals in place. It was a bit like the long-term mining plans that my former employer had, whereby they got them in place early and dealt with it. Is it a role of government, in those areas, to perhaps facilitate those broader questions about the environmental, native title and cultural heritage issues, or do we allocate an area and then leave it to the individual proponents to do that for their individual areas? The reason I am thinking about that is just in terms of facilitating the speed of a project getting up.

Mr R.H. COOK: It is an interesting question. As the Minister for State Development, Jobs and Trade, I become engaged when we talk about the strategic industrial areas. I assume the member is alluding to the broader questions around wind farms, solar farms and things of that nature.

Dr D.J. HONEY: Or even those specific industrial areas, minister.

Mr R.H. COOK: In relation to strategic industrial areas, it really depends. Obviously, when developing a strategic industrial area like Kwinana, the approvals process is pretty straightforward, and one would probably be the second or third tenant on that patch of land anyway, so it is much more straightforward. In large part, it is a question of horses for courses. Maitland, which we are seeking to activate through the strategic industrial area process, is fairly new ground, so the companies will have a role to play in native title, for instance. The reason for that is that I think the native title holders will want to be able to eyeball the companies and understand their intentions, ambitions and processes. We will certainly stand by them to assist and guide them through that process, and to make sure that they have a realistic idea about their obligations as a proponent. From that perspective, we are again concierging their work. Obviously, the companies have much more insight into their businesses than we do, so they are in the best position to respond to the questions about those approval processes.

Dr D.J. HONEY: I will return to a familiar theme, but I will not dwell on it for too long. In relation to Oakajee, one of the key enablers for industry is there is access to a 330-kilovolt line into the south west interconnected system. I thought I had heard the Minister for Energy mention that there was some consideration by the government to complete the Three Springs to Geraldton connection for the 330-kilovolt line. Is the minister aware whether the government plans to do that to facilitate the development at Oakajee?

Ms J.J. SHAW: He is on in three hours. Why not ask him then?

Dr D.J. HONEY: I will, but that is not the point.

Ms J.J. SHAW: Literally, the Minister for State Development, Jobs and Trade cannot answer questions totally outside —

Dr D.J. HONEY: Chair.

The CHAIR: Thank you, member for Swan Hills. The member for Cottesloe has skated a bit close to the line on a number of questions on this portfolio. I am the chair and I am making that call. Can the member direct his questions specifically to the division that we are talking about. I will pass to the minister to decide whether he wants to deal with it or just leave it and go to the next question.

Mr R.H. COOK: I will just say that transport and utilities are an important part of developing any SIA. The member will be aware that the Minister for Energy recently released the demand modelling for the south west interconnected system. We are watching that program with great interest. The member will have ample opportunity to discuss that with the Minister for Energy, who I understand is going to be on in just three hours!

Ms J.J. SHAW: Three hours—I cannot wait!

Dr D.J. HONEY: There you go.

The minister would be aware that there is only one five-hectare area available for development in the Kwinana Strategic Industrial Area. The area is largely full. I certainly believe that that is a superb location for developing a hydrogen hub, but there will be a requirement for land. Are there any plans to increase the area available for that hydrogen hub development?

The CHAIR: Can the member just direct where the question is related to?

Dr D.J. HONEY: It was directed in relation to the strategic industrial areas and diversification of the Western Australian economy on page 190 of budget paper No 2. The Latitude 32 industry zone is obviously a large area of land that is available, and the northern portion of it is undeveloped. Will the government expand the boundaries of that industrial area to allow the development of significant new industry in the Kwinana–Rockingham industrial area?

Mr R.H. COOK: The member would appreciate that this is a particular body of work that I am very much engaged with. For the purposes of other people assembled, the Kwinana industrial strip is essentially made up of about three or four distinct industrial areas—that is, the Henderson industrial area, where we have the Australian Marine Complex; the main Kwinana industrial area; and the East Rockingham industrial area. Those particular parts are now being augmented with Latitude 32, which is the final piece of the industrial area puzzle for the Rockingham–Kwinana area. We have been doing some work on that area. A task force known as the Global Advanced Industries Hub, which is about understanding the future strategic needs for the Kwinana industrial strip, is guiding that work. What we are looking at, in particular, are the constraints around land, which the member referred to. I sit on the Industrial Lands Panel with the Minister for Lands, and we oversee the allocation of the land within the Kwinana Strategic Industrial Area. The member is right: it is highly constrained, so we want to make sure that we maximise the outcome for that land allocation. One of the things that we need to do is to make sure we allocate that land in a strategic way that will continue to diversify and decarbonise our economy.

We are focused on energy storage or future energy and battery solutions. That is why we are particularly pleased to see the development of the Tianqi Lithium plant; SQM developing its facility in partnership with Wesfarmers; and the well-established BHP nickel processing plant facility, which it now calls its battery development facility. Recently, we celebrated the allocation of a parcel of land to the Tattarang development involving Wyloo Metals and IGO Ltd—another precursor manufacturing proponent. We are making sure that we have the battery energy and hydrogen energy focus for the Kwinana industrial strip.

The member will be familiar with the development of Latitude 32, which is going ahead at pace. We are currently in the process of developing a general industrial area called Oracle, which is to the east of the Australian Marine Complex. We are also exploring what other industry we can place in the Latitude 32 area, working hand-in-hand with the Global Advanced Industries Hub task force to better design and further develop Latitude 32. It is a highly constrained site, but it is incredibly valuable, with over \$18 billion of output. It actually represents one per cent of Australia's GDP, so it is an incredibly important industrial area. From that perspective, we are making sure that we maximise the outcomes from it.

[9.50 am]

Ms L. DALTON: I refer to page 189, spending changes and the intellectual property policy. The WA government recently launched a new public sector IP policy. What is this targeted to deliver?

Mr R.H. COOK: It is an important question. One of the things that we have never done particularly well in Western Australia is understand the potency of the innovation discovery and development of new products, new procedures and new initiatives inside our public sector. Recently—in fact, on Monday—

Mrs R. Brown: Tuesday.

Mr R.H. COOK: The week is going fast! On Tuesday, I released the IP policy, which is an update of a collection of different approaches to IP across different departments. If we look right across the Western Australian public sector, we see that we have incredible innovations and discoveries taking place in the Department of Health, the Department of Primary Industries and Regional Development and in mineral resource development, particularly around geoscience and other discoveries in that space. We want to do two things. First, we want to incentivise people to continue to push the envelope of innovation. Second, we want to make sure that the state, particularly the Western Australian taxpayer, benefits from the development of that IP. This new policy will guide government departments in working with their employees to ensure that we develop that IP, commercialise it and provide a return as an incentive to the employee, but also a return to the state. As a result of that launch, we are funding \$1.4 million over four years to implement the IP policy and support its delivery, including through better management and commercialisation of WA's IP. If we look across the public sector, we see some exciting work going on.

I want to highlight one in particular that I do not think the state has done enough to develop and commercialise, and that is the development of an artificial skull, which is taking place in the basement of Royal Perth Hospital. There they 3D print a matrix based upon scans of a person's missing skull following a fracture or an operation. They 3D print that matrix, place it back in the person's cranium and, as a result of that, develop the regrowth of that bone through that matrix. This is world-leading stuff and really exciting. We want to not only make sure that Western Australians benefit from those initiatives, but also continue to harness that IP and commercialise it so that everyone can benefit from that great initiative.

Mr R.S. LOVE: I refer to page 190, spending changes and the subset "Climate Action Fund", specifically the line item "Hydrogen Fuelled Transport", for which there is a \$5 million allocation this year and the following year. I want to get an understanding of what initiatives might be funded through that allocation.

Mr R.H. COOK: I was very pleased to be part of an announcement in August 2022 to establish a renewable hydrogen transport initiative in the mighty electorate of Kwinana—all good things happen in Kwinana!—that will involve the setting up a renewable hydrogen production storage and refuelling facility at Woodside's H2Perth site in the Rockingham industrial zone by the end of 2024. The government's \$10 million hydrogen fuel transport initiative matched-funding program is designed to assist with hydrogen vehicle procurement costs as well as subsidise the costs of renewable hydrogen fuel for customers. What we are trying to do is stimulate early stage activity in the hydrogen fuel and transport refuelling space to continue to stimulate demand, which, in turn, will lead to further development of the renewable hydrogen industry. The project will also support the early adoption of heavy hydrogen vehicles, such as concrete agitator trucks, prime movers and waste collection vehicles. I might ask Dr Phil Gorey to provide more detail about that allocation.

Dr P. Gorey: Probably the bit I would add to that is that the hydrogen strategy the state published had a number of goals that we were looking to deliver; some of those were around generating domestic demand for hydrogen, which is very, very important, because not only does that create demand in the economy, it also creates those businesses, those technologies and that equipment that bring in and provide demand for training for small to medium-sized enterprises to support that. These local domestic demand initiatives, particularly around hydrogen, are quite important in supporting the overall adoption of hydrogen into our economy. The domestic refueller was one of them. It is one of the first facilities in Western Australia at which private and commercial vehicles can refuel. As was said, this relates to heavy vehicles for which the technology already exists. The partnership between Woodside and the parties—the vehicle owners—will enable the facility to be built, but also the example to be built into our economy, which will support those other SMEs in supports and skills.

Mr R.S. LOVE: As part of that, is there a plan to incentivise people to bring in vehicles that could use that fuel? How will that work?

Mr R.H. COOK: That is precisely the point of that particular sponsorship, member. It is true, though, that it is difficult to procure hydrogen-fuelled heavy vehicles at the moment because the whole world is beating a path to the door of those vehicle manufacturers. The only word of caution in getting hold of these supplier chains in heavy vehicle hydrogen-fuelled manufacture is that it is particularly difficult, but I will ask the director general or one of her officers to provide further comment.

Dr P. Gorey: The context very much has been the short-term goals that have been delivered under the hydrogen strategy. The government, through JTSI, has initiated a process to refresh the strategy. The intent here is to deliver some tangible outcomes along the pathway to hydrogen uptake; we have achieved some of those. We are now going through the process of identifying what the next milestones will be. Those next milestones might relate to domestic

demand as well as supply opportunities. We are working with that at the moment to identify the next steps to support refueller or other hydrogen supplies.

Mr R.S. LOVE: As part of that, I am wondering whether the government is working with the federal authorities because I am a little unsure whether there are any barriers to introducing those types of vehicles on our roads through things like the Australian Design Rules et cetera. That in itself could be a barrier and would make it more expensive to provide those vehicles.

[10.00 am]

Mr R.H. COOK: I am not familiar with anything that would block the import of those vehicles other than the fact that they are in high demand, but, as was observed, the member is not talking to an expert on this.

Dr D.J. HONEY: I refer to the availability of hydrogen. Obviously heavy transport is one of the key opportunities for hydrogen. There is a chicken-and-egg situation: we do not have the heavy take-up or the refuelling facilities. Are there any proposals to look at hydrogen refuelling facilities outside of metropolitan Perth? For example, an enormous amount of heavy transport goes from Perth to Karratha and Hedland and the like. Are there any plans to look at establishing hydrogen refuelling facilities that would allow those sorts of transport routes to be opened up and, as I said, break that chicken-and-egg cycle?

Mr R.H. COOK: It is a great question. That is why my predecessor Hon Alannah MacTiernan set in place a range of goals whereby we could continue to demonstrate progress or stimulate demand to keep that momentum going. One of those was the adoption of the one per cent renewable hydrogen component of the natural gas pipeline to continue to increase that demand. The role of government in these early days is to provide those—not showcase projects, but early activities so that people have things to plan towards. The renewable hydrogen strategy set goals for 2022 and 2030. The 2022 goals were reached through the state government’s financial support for the following projects that I will go through because it will give the member an idea about how we are continuing to stimulate activity. The first goal was to export renewable hydrogen, and that will be done through Yara’s Yuri green ammonia project to export renewable hydrogen as ammonia, and it will also establish Australia’s largest electrolyser at 10 megawatts. Another goal was to blend hydrogen, which is done through ATCO’s Clean Energy Innovation Hub and blends hydrogen into a gas supply network for up to 2 700 customers. Another goal was to provide renewable energy in a remote location. That is being done through the Denham hydrogen demonstration plant. That is a renewable hydrogen microgrid run by Horizon Power to provide power for up to 100 homes. Another goal was to transport hydrogen, which is being done through ATCO’s hydrogen refuelling station at Jandakot that can refuel up to 15 vehicles a day.

We will look back on those projects and say that they were very modest, early stage projects, but in the context of where we are at in developing these industries, these are important first steps to demonstrate how we can do this as a community. Further iterations of the renewable hydrogen strategy will include more goals to stimulate demand, as the member described. I ask the director general to ask one of her officers to provide further comment on the activity to stimulate demand.

Mrs R. Brown: Thank you, minister. I ask Anthony Sutton to answer.

Mr A. Sutton: To follow up on that advice, with regard to consultation with the Australian government, one of the things we are doing in the coming financial year is developing a business case for the hydrogen highway program, with a hydrogen highway between Kwinana and Port Hedland as a starting point. This year is about developing the business case for that.

Mr R.H. COOK: That underpins my point that all good things come from Kwinana.

The CHAIR: I disagree; there is another K in the mix!

Mr R.H. COOK: Kalgoorlie has a role to play, but all good things come from Kwinana.

Ms C.M. TONKIN: I refer to the Investment Attraction Fund under the headings “Spending Changes” and “Ongoing initiatives” on page 190. What were the outcomes of the inaugural round of the Investment Attraction Fund, and how is the fund governed?

Mr R.H. COOK: Thank you, member. I am particularly proud of the government’s work on the Investment Attraction Fund. One of the things we have always sought as a government in Western Australia has been to play a leading role in stimulating industries that continue to diversify and decarbonise our economy. The \$285 million Investment Attraction Fund seeks to encourage new investment that will create jobs, increase demand for local goods and services, and secure trade in new sectors and new markets. We have awarded \$156.4 million to support 42 industry-led investment attraction proposals following the inaugural round’s extensive two-stage application process. We received over 200 expressions of interest and undertook a rigorous process to make sure that we got best value for money for the Western Australian taxpayer. All 42 successful proponents operate within the eight priority sectors outlined in the WA government’s Diversify WA strategy. More than half of the 42 successful projects

are in the regions, which is an important part of it, or have statewide operations, while the remaining 19 are in metropolitan Perth.

I have announced two of those recipients so far. The member for Geraldton was very pleased to accompany me, I hope, on 12 May when I announced that Burt Cooper Pty Ltd was one of the successful recipients for stage 1 of its Geraldton West End precinct, which will include the revitalisation of Geraldton's Radio Theatre that will provide space for the creation and celebration of regional talent. I also had the opportunity to announce another successful proponent yesterday, which was ClearVue Technologies. It will receive funding to assist with the establishment of a WA-based photovoltaic and nanoparticle components manufacturing facility. This is an exciting project. That company has developed see-through photovoltaic windows. Essentially, members can imagine an office tower in the metropolitan that is surrounded by windows. Generally, they soak up heat, and time and energy is spent keeping the building cool. The windows developed by this company actually play the role of photovoltaic cells by using nanoparticles to redirect the light to photovoltaic strips that surround the window frame. It is incredibly exciting stuff. It is about backing those companies that are doing new and innovative projects that are creating jobs in Western Australia. The clever thing about what the company is doing is that it exports the products that are then incorporated into the windows by manufacturers both in Australia and overseas. The way the company described it to me yesterday was that under the United States Inflation Reduction Act, ClearVue Technologies is essentially building windows free of charge. It is incredibly exciting.

Obviously we have to guard this money carefully. It is really important that we get value for money for Western Australian taxpayers. Therefore, a governance board provides oversight for the implementation of the fund and provides informed funding recommendations to me as the minister on the allocation of those funds. The board is chaired by the director general, Mr John Van Der Wielen, who is also chair of Crown Perth and former CEO of HBF; Ms Ivy Chen, principal consultant, CSA Global; and Mr Larry Lopez, partner, Australian Venture Consultants. They advise other representatives on that board from government, including from Treasury, the Department of Primary Industries and Regional Development, and Treasury Corp. The exciting aspect of the Investment Attraction Fund is that it leads, supports and stimulates the type of economic activity that we want to see, which is around diversification, decarbonisation and the creation of local jobs.

Dr D.J. HONEY: I refer to paragraph 3.2 of budget paper No 2 on page 191, which states —

spending \$1.3 million to undertake targeted studies that will inform the Heavy Industry Sectoral Emissions Reduction Strategy ...

Can the minister please explain what effort is going into that and how the government is assisting industry in that space?

[10.10 am]

Mr R.H. COOK: I mentioned earlier the work we are doing within the Department of Jobs, Tourism, Science and Innovation as part of the general climate policy work of the McGowan government. As part of that work, we are responsible for working with heavy industry to understand the government's sectoral emissions reduction strategies that are needed for that part of the sector. This includes the mining, oil and gas and manufacturing sectors. The SERS are anticipated for release at the end of 2023 and will provide robust and credible emissions reduction pathways for Western Australia, with tangible actions for reducing emissions consistent with the state government's target of net zero emissions by 2050. If we are going to achieve that target, we need to work hand in hand with industry to ensure that it understands our ambitions and goals, and that we understand its challenges and needs in assisting the community to meet those goals. Last year, JTSI consulted with peak bodies of operators to understand heavy industry decarbonisation barriers and enablers. The initiatives coming out of this overall consultation process will be developed as part of SERS. As I said, this is about supporting heavy industry sectors because that is key to WA achieving significant emissions reductions.

We also want to make sure that while we are on this road towards net zero emissions, we are not crulling ourselves in terms of our global competitiveness. We want to make sure that our industries remain globally competitive, but at the same time we want them to adapt their businesses towards these new goals. In the 2022–23 budget, the government provided \$1.4 million for JTSI to develop the heavy industry SERS, and it established a climate industry action team made up of four FTEs to lead this development.

Dr D.J. HONEY: I believe that in that answer the minister mentioned that the target for the group looking at industrial effects was net zero emissions by 2050. I am not overly apprehensive about that particular target. The one that concerns me is the imposition of the federal government's 43 per cent emissions reduction target, which also includes a substantial carbon tax if it is not complied with by 2030. Is that team looking at that 2030 target? I would have thought that was the immediate existential threat to some of our heavy industry.

Mr R.H. COOK: It is not so much a threat as a great opportunity. We are familiar with the government's new safeguard mechanism. JTSI is looking for opportunities around how it can work with the commonwealth, particularly around co-funding, but also the co-design of the SERS policies and initiatives. The commonwealth has set a target

and, as part of that work, we are keen to work with the commonwealth to understand what the opportunities are for Western Australia.

Dr D.J. HONEY: On the basis of this work, is the minister confident that we will not see some of our major heavy industries in the state—downstream industries—shut down because of their inability to comply with the 2030 target?

Mr R.H. COOK: I am confident that if we do not take decisive and informed action on climate change, we will destroy the planet for our children and our grandchildren. It is not a question of whether we take these actions around emissions to reduce our impact on the environment, but how and when. Everyone would agree that we have to take decisive action. One thing we could do is to simply ignore the impact of climate change, which the previous federal government did, and allow the planet to continue to boil. Alternatively, we can say that we are going to be part of this global movement and work with governments across the world to reduce climate change and to reduce our impact on the environment. The McGowan government will do that by working closely with industry to understand what its barriers and enablers are. It will stand by industry to help it overcome those barriers by accentuating those enablers, to ensure that we continue to remain globally competitive, keep jobs in Western Australia and meet our overall ambitions around reducing carbon emissions and the impact of climate change.

Dr D.J. HONEY: I am still interested to know whether the minister is confident that we will not see those industries shut down. We had discussion before from the chair about going into a broad area —

The CHAIR: I think the minister has answered the question.

Dr D.J. HONEY: This is a specific question, chair.

The CHAIR: Okay.

Dr D.J. HONEY: I am especially concerned about a large refinery in the minister's electorate of Kwinana that is a substantial carbon emitter. Is the government confident that by working actively with that particular refinery, it will not shut down as a consequence of the imposition of this federal government policy?

The CHAIR: I am not sure that the minister can answer that question.

Dr D.J. HONEY: Why not?

The CHAIR: Well, I am sorry, but I am the chair. What can be asked during the estimates process is very specific. I do not believe that that question is relevant. I am sorry, member for Cottesloe.

Mr R.H. COOK: I do not know what refinery the member is referring to, but if he is asking whether I am confident with the McGowan government's climate action plans, the answer is yes, I am.

Ms J.J. SHAW: The existential threat in Cottesloe is from the teals, when it comes to climate change.

Dr D.J. HONEY: Point of order, chair! We have had constant commentary from the member for Swan Hills, which is entirely inappropriate and does not sit within standing orders.

The CHAIR: I give the call to the Leader of the Opposition.

Mr R.S. LOVE: I will move the discussion away from hydrogen and carbon to event tourism. I refer to the table of spending changes on page 190 of budget paper No 2. Specifically, event tourism shows a budget of \$18 855 000 for this year. I also refer to page 193 and the explanation around attracting major blockbuster events, for which there is an additional \$10 million. Was the recent announcement about the securing of Coldplay made possible through expenditure under this allocation; and, if so, how much money has been allocated to attract Coldplay to Western Australia?

The CHAIR: For the sake of Hansard, is the Leader of the Opposition talking about events tourism on page 190?

Mr R.S. LOVE: Under events tourism there is a subset of major one-off blockbuster events and attractions —

The CHAIR: Are we referring to paragraph 8.1 on page 190?

Mr R.S. LOVE: Yes, paragraph 8.1.

[10.20 am]

Mr R.H. COOK: I can confirm that we utilised the major events budget to attract Coldplay to Western Australia. Coldplay is a game changer for Western Australia; let me explain why. Western Australia is used to being on the tail end of a national tour by major acts. As a result, we usually miss out. We represent a significant cost burden to touring acts. It is a significant disincentive for them to bring their events or acts to Western Australia. We have sort of flipped the scenario and, in some respects, this is part of our Asian engagement strategy policy. We have decided to not think about ourselves as part of an Australian tour, but as part of an Asian tour with a Western Australian leg. That therefore provides us with exclusive content for these major events. That exclusive content provides us with the opportunity to bring significant numbers of people to Western Australia.

As the member will be aware, our major events strategy essentially revolves around three particular components. One, it is a great event. Western Australians benefit from these terrific events, and that makes us all feel good and makes Western Australia a great place to live. Two, we want to make sure that Western Australia continues to be promoted in the hearts, minds and eyes of people around the world. They see the World Surf League taking place in Margaret River. Sure, they might not have bought a ticket to Margaret River, but they look at the Instagram feeds of the surfers and the incredible landscape in which it is being filmed and they think, “You know what? I want to visit Margaret River in Western Australia”, and they buy a ticket and come as tourists. Third, it is around the direct visitor spend. That is to make sure that we bring people to Western Australia so that they can spend money in the pubs, clubs, cafes and hotels, and continue to stimulate our economy, particularly the hospitality and tourism economy. We talk about direct visitor spend, and that is an important part of it, but as the member knows, there is a whole bunch of economic activity of indirect spend as a result of that.

We attract these major events—I am coming to the member’s question—for those key economic outcomes and tourism activities. We try to work on a KPI of around two dollars coming into WA for every dollar spent. For instance, we spent around \$67 million in 2022–23, so we are expecting a return of between \$120 million and \$130 million as a result of that activity. Another aspect is that we have to engage with acts and entities to make sure that we can bring them to Western Australia, but everyone else is trying to get those acts as well. It does not matter whether it is a one-off piece like Coldplay, or regular events like Gather Round or Magic Weekend—things like that—we are competing against the rest of the world and we are competing against every other state. That means we have to make sure that we undertake these commercial negotiations in confidence.

With particular regard to Coldplay, they have a specific requirement that we do not talk about the transaction and the dollars involved. Also, in respect of our bids against other states, we want to make sure that we remain competitive, so in answer to the member’s question about how much we paid for Coldplay, we are not in a position to provide the details of specific events in this place, but I can inform the member that of the roughly \$67 million that we spent in 2022–23, we get somewhere between \$120 million and \$130 million as a result of direct, out-of-state visitor spend.

Mr R.S. LOVE: I will ask directly: how much total expenditure was required to attract Coldplay? That is not the same thing as asking how much they were paid, because I am sure there would have been other expenses involved. Perhaps the minister can enlighten me about how much expenditure was undertaken in total.

The CHAIR: I think the Deputy Premier has already answered that question, in total.

Mr R.H. COOK: Yes, I will just confirm that my first answer to the member was that I am not in a position to provide him with information on the commercial aspects of that particular major event attraction.

Mr R.S. LOVE: As a follow-up question, does the minister know the number of ticketholders who are not residents of Western Australia but will be attracted to Western Australia through the event?

Mr R.H. COOK: Yes, I am in a position to inform the member that approximately 30 per cent of the tickets have been sold to ticketholders from outside Western Australia, which will drive millions of dollars in visitor spend in our economy. I do not know the actual number of people we can fit in Optus Stadium; I understand there were around 70 000 for Ed Sheeran. For each night, 30 per cent of the tickets sold were to visitors from outside Western Australia. Someone asked me this morning whether it was possible that anyone bought a ticket for both nights; I guess it is possible, but it would have been very difficult, because there was a lot of demand. However, we can safely say that 30 per cent of the people attending on each night will be from outside Western Australia.

Mr R.S. LOVE: I have a follow-up question on those numbers. Is there any indication of whether there were international ticket sales as well? What numbers can the minister provide for that?

Mr R.H. COOK: It would be a combination of both. In these situations, we do not actually have control of that transaction information, so I am not in a position to advise the member about whether these people are coming from outside Western Australia but domestically, or are international. For our purposes, we do not particularly mind; we know that pretty much everyone who comes from outside Western Australia will have to buy accommodation and dinner, they will go out in the evenings and they will travel.

Mr R.S. LOVE: At the start of the discussion the minister mentioned that there was a benchmark expectation of two to one in terms of return for every dollar expended.

Mr R.H. COOK: Around that, yes.

Mr R.S. LOVE: Around that. Is the minister in a position to provide some sort of indication of the expected return from the Coldplay expenditure in dollar-for-dollar terms?

Mr R.H. COOK: No, I will not, because then the member will ask, “Can you then confirm that half of that was how much we paid for Coldplay?” I am not in a position to do that.

Mr R.S. LOVE: If I can clarify, I am not asking for a figure; I am asking for a ratio.

Mr R.H. COOK: Is it whether we will meet the KPI of two to one? Obviously, I am always confident of the work Tourism WA does and I am sure we will meet that target, but we will just have to see what the wash-up is. When we undertake these events, we then go back and, through a range of survey techniques and metrics, we establish what we believe is the overall visitor spend so that we can have an idea about whether we are meeting our KPIs.

Mr R.S. LOVE: I have a further question on the publication of that information. When that work is undertaken and the metrics are studied, is it done for each event; and, if so, will the minister make that information available so that we can at least know whether the money has been spent wisely?

Mr R.H. COOK: I will invite the director general or one of her officers to answer that question.

Mrs R. Brown: Every event goes through a thorough assessment process, including assessments based on projected return on investment. I will ask the managing director to make further comment on that detail.

Ms C. Turnbull: In addition to what the Deputy Premier has just explained, we are anticipating 30 per cent of the tickets to be sold outside Western Australia. I think once the event has taken place, we will be in a better position to understand the clear results of those ticket sales.

Mr R.S. LOVE: Will that information be made available so that we can understand the value of the investment?

Mr R.H. COOK: We usually pitch that into our post-event announcements. We are not shy about talking about the successes of these sorts of events. I watched the hapless member for Collie–Preston trying to purchase her tickets to this event; she lamented that there were over 200 000 people in the queue ahead of her, so we know that this is a highly successful exercise! The member would be aware that we are bringing the FIFA Women’s World Cup to Perth and the Ultimate Fighting Championship came to Western Australia—if that is your thing! I talked about the Margaret River Pro and the Australian Surf Life Saving Championships. We bring events to Western Australia that are attractive to a variety of demographics and target groups. I think the Coldplay tour will shoot the lights out on its return on investment when it comes to visitor spend but will also really elevate Western Australia as a tourism destination.

Mr R.S. LOVE: Could I have a final question?

The CHAIR: Sorry; I am going to go to member for Churchlands and then, as requested, we are going to have a short comfort break, so could we please keep the question and answer brief, thank you.

Ms C.M. TONKIN: My question to the minister is worthy of the Leader of the Opposition. I refer to page 199 and item 6, event tourism. I note that funding for events in 2023–24 has increased to almost \$75 million. Can the minister please explain how that funding will be used to support smaller regional events around the state?

[10.30 am]

Mr R.H. COOK: We often get caught up in the excitement of the large events taking place in the city but we need to understand that some great events are also going on around the state at all times. I am very pleased to be able to work with the Minister for Regional Development on our regional events program and our regional events scheme. First, I will talk about the regional events scheme. It is an annual funding round that is administered by Tourism WA for smaller developing regional events that request funding of between \$5 000 and \$40 000. Put next to the million-dollar events we have in Perth, that does not sound like much, but it has a huge multiplier impact in small regional communities. Under the regional events scheme, through Tourism WA, we awarded funds to 65 events in 2022–23 and we continue to look at more opportunities for that scheme. Let me give the member a flavour—pardon the pun—of the sorts of things that we fund. There is the Taste of the Kimberley. The member for Geraldton will be familiar with the Shore Leave Festival, although I think that is funded under the regional events program nowadays, which is for larger regional events. Backroads Gravel will be held on 12 August this year. I am thinking about getting to that one. There is the South West Festival of Japan, the 2023 Denison Foreshore Sprint, the Midwest Show ’n Shine, Reimagining Three Springs, the Northam Heritage and Multicultural Festival in the wheatbelt, CinefestOZ, the Great Southern Stage Run and the Red Country Music Festival. The Lake Argyle Swim in Kununurra is a great event. I participated in it. There were 700 people at the end of event dinner. That is 700 people who paid good money to go to that community. They buy coffees and food, dine out and pay for accommodation. They set these towns abuzz and everything gets a bit of a boost. From that perspective, they are a really worthwhile part of our events program. It is not all Coldplay and UFC; sometimes it is the small events that make a big difference in smaller regional communities.

The CHAIR: The committee will now take a short break and recommence at 10.45 am.

Meeting suspended from 10.33 to 10.45 am

Ms M. BEARD: I refer to page 193, paragraph 8.1, still relating to the \$10 million investment. The minister referenced before that he used some of those funds to attract Coldplay. Did Coldplay guarantee that they would not come if the funds were not there?

Mr R.H. COOK: This was not part of their tour. I want to make that really clear. We inserted ourselves into their tour. We have been working with the event industry for some time around the proposal that we secure content out

of Asian tours as opposed to content out of national tours. I talked to Live Nation Entertainment, which I think is the promoter of this concert. It said that the reason this works so well is that when Coldplay does an Australian tour, it is a land-based tour—for want of a better term. They truck the equipment around. However, when they do an Asian tour, it is all by air transport. We were able to leverage the capacity to fly them into Perth. It was put to me that with a national tour, a band like Coldplay would require about 100 trucks at about \$15 000 a pop to come across the Nullarbor, whereas with this tour, we can fit in between Jakarta and Singapore. It is a coup for Tourism Western Australia, to be honest, because we are the ones that went to them and said “Hey, we have a proposal for you.” I think it is fair to say that they were pretty confronted by the idea originally, but then I think we caught their imagination and they realised it was a great opportunity.

Ms M. BEARD: I refer to page 198, budget paper No 2, which discusses the destination marketing around Coldplay.

Mr R.H. COOK: Sorry, member for North West Central, what number is it?

Ms M. BEARD: It is on page 198. It is the minister able to specifically say how much destination marketing money was expended for tourism campaigns targeted to individuals attending the major event over that weekend?

Mr R.H. COOK: I am very happy to provide some commentary on that, but I might invite the director general and one of her officers to provide more accurate information.

Mrs R. Brown: We will utilise destination marketing funds for a whole range of activities to align with international, regional and interstate events. It is probably not specifically part of the budget that we can identify, but I will ask the managing director to give more detail.

Ms C. Turnbull: What we can say is that in addition to our overarching major events budget, Tourism WA spends approximately \$1 million per year on marketing. Coldplay will obviously be a part of that, as a state funded event. As the Deputy Premier mentioned, this is a really unique opportunity for Western Australia and very much forms part of our new strategy around acquisition and business development. We have always allocated a certain amount of our budget to marketing events, and Coldplay is no different.

[10.50 am]

Mr R.S. LOVE: Just before we had a break, we were talking about the benefit that has arrived from state visitation. In the context of this promotion through Tourism WA trying to drive some of that, the minister mentioned that some metrics were studied on a person’s spend and that it does not really matter whether they come internationally or interstate. Have those measures been updated since we had the change of experience as a result of COVID to people’s travel and arrangements? Have there been any updated studies on average visitor spend in Western Australia?

Mr R.H. COOK: If I may clarify, does the member mean out of major events or tourism generally?

Mr R.S. LOVE: I mean out of tourism generally. I assume that part of that metric is in major events, so perhaps it could be both.

Mr R.H. COOK: It will be a global figure. We know that since the borders opened in March 2022, through to December 2022 we had a \$14 billion visitation spend in Western Australia. That contrasts with our previous largest spend from 2019 which was \$13.5 billion, so 2022 was a great year for us when we consider that the borders were shut for at least two to three months. That is off the back of significant domestic and intrastate tourism activity, but international tourism activity is coming back. We are seeing that even though we have fewer tourists, there is a higher spend. In order to provide the member with more clarity in relation to that, I will invite Carolyn Turnbull to make further comments.

Ms C. Turnbull: In addition to what the Deputy Premier has just explained, the latest International Visitor Survey and National Visitor Survey results for the year ending 2022 are compared with the year ending December 2019, enabling results to be equated against the context of the pre-COVID norm. In 2022, as the Deputy Premier mentioned, the visitor spend was \$14 billion. That represented a growth of four per cent or \$0.5 billion versus 2019. I must say that the industry has been very happy with those results, particularly noting that we were only open for a certain amount of the year, since March 2022. The national growth in comparison with the same period was only three per cent; Western Australia surpassed that. The growth in spend was mainly driven by the increase in daily spend. That was certainly seen by overnight visitors from the domestic, interstate and international markets. That is touching on IVS and NVS and the overall measures.

Ms M. BEARD: I refer to page 189 under spending changes and ongoing initiatives. The very bottom line is “Business Events Perth”. Why is that funding not starting until 2024–25 and what does that line refer to?

Mr R.H. COOK: It is a great question, so I thank the member for it. The \$5 million is a top-up of Business Events Perth funding. This is part of our \$15 million increase around events, with \$10 million to major events and \$5 million to business events. Business events are the unsung heroes of our tourism industry. Their role is to basically scan the globe, find conferences and bring them to Western Australia and, as a result, significantly stimulate activity. This is an activity that has been going on for the last 50 years. It used to be called the Perth Convention Bureau. It

is a quasi-separate entity chaired by Bradley Woods who heads up the Business Events Perth team. I am looking at my notes at the moment.

This additional funding has resulted from original additional events funding being topped up coming out of COVID. That enabled us to secure events for the state which we otherwise would not have been competitive for, such as LNG 18, which is the largest business event the state has ever hosted. It attracted over 8 000 delegates and profiled Western Australia as a global LNG energy leader. In addition, other event examples include the Taiwan leadership seminar and the Perfect China thirtieth anniversary business exchange. They are two significant corporate incentive events. People are brought to Western Australia as part of an incentive scheme for their organisations. That will bring more than 4 000 international delegates from North Asia to Western Australia next year. We have a range of things in development at the moment, everything from industry-led events to, as I said, incentive schemes, sales conferences and things of that nature. The really cool thing about these conferences is that delegates come and they spend a lot. Their daily visitor spend is higher than average.

Dr D.J. HONEY: Corporate cards?

Mr R.H. COOK: Maybe, member. We know that they spend a lot in cafes, they all require accommodation and a lot of them, particularly those who come from further afield, then go on and sample other aspects of our tourism products. For example, they go down south to Margaret River for the weekend, or Rottnest Island, or some more adventurous will hopefully make their way to the Coral Coast and experience that incredible part of the world.

Ms M. BEARD: There is seemingly nothing allocated for 2023–24 for business events. Is there a reason for that?

Mr R.H. COOK: This is spending changes.

Ms M. BEARD: So it is increasing.

Mr R.H. COOK: It just has the \$5 million because it is an increase. With the chair's indulgence I invite the director general to make some further comments on the base funding for Business Events Perth to provide the member with some context for those movements.

Mrs R. Brown: Thank you, minister. As the minister outlined, it is an additional \$10 million over two years, which provided annual funding of \$10.5 million through Tourism WA to Business Events Perth to attract events. It is that continuation of the boost that the state government provided through the Reconnect WA package. That continues that boost for the next couple of years.

Ms M. BEARD: What is the criteria for the funding based around? Is it a certain number of projected income? For it to be placed in the regions, is there a baseline for something to be considered as a business event?

Mr R.H. COOK: That is a great question. I will ask the director general through one of her officers to answer that.

Mrs R. Brown: The first point is that these are highly competitive processes. We are bidding against other states and jurisdictions to land those events, so it is a fairly competitive bidding process. Each bid requires a detailed presentation by the state to try to win conferences. I will ask the managing director to provide more detail on what the construct is to win a bid.

Ms C. Turnbull: Thank you, director general. Just to further build on that, as the director general said, the bids are extremely complex, so every bid is very different. I think this boost will provide a significant ability for Business Events Perth to proactively go after additional business events for the state. I do not know whether our executive director of strategy engagement has further details on the construct of those deals that she can share.

[11.00 am]

Ms S. Underwood: The KPIs largely measure the direct allocated expenditure, so we are measuring the amount that those coming into the state spend. We also have higher KPIs tied to the diversification agenda of the state, so we try to encourage business to focus on events that encourage our diversification agenda through the Department of Jobs, Tourism, Science and Innovation, and that brings in delegates that we can wraparound with services, tie-in missions, delegations, and investment and attraction initiatives as well. We purposely do not tie anything to the number of events, because our preference would be for fewer larger events than many small events.

Dr D.J. HONEY: I refer to page 191, budget paper No 2, at the very bottom. Paragraph 5.6 states —

facilitating the development of major projects, including administering State Agreements ...

Recently, I heard some commentary from government around state agreements. I am wondering whether state agreements are something of the past in the government's view, or will we still see state agreements as the main way we progress major projects in the state in the future?

Mr R.H. COOK: It is an interesting question. I think our tendency is to avoid state agreements. They are, as the member knows, acts of Parliament that form a contract between the people of Western Australia and the proponent. State agreements tend not to be fit for purpose in a more nimble economic climate. As the member would be aware, occasionally we come back to the Parliament to seek a variation of a state agreement or something of that nature.

I think, increasingly too, our regulatory regime is much more sophisticated so it is able to adapt to these complex projects. Typically, a state agreement has to involve a port and a railway line, because it is usually about connecting a project through a range of different pieces of infrastructure to facilitate the transport of that product to the port. Our tendency is to move away from state agreements, but that does not mean that they will not be used in the future.

Dr D.J. HONEY: Obviously, the minister would be aware that, particularly for very large-scale investments for industry for very long-term projects, state agreements provide a great deal of confidence to investors. For the major projects that are coming—there are significant projects in the pipeline—are those companies asking for state agreements, or are they comfortable with the government not providing them?

The CHAIR: There are two questions there, minister, but I am sure you can manage.

Mr R.H. COOK: Yes. The member made the observation earlier and I thank him for that. JTSI has a huge reputation in the way it concierges proponent companies and assists them with their investments in the state. That remains the case today. JTSI is doing some terrific work providing lead-agency status to major projects, which it then concierges and assists through the various regulatory pathways. No company has come to me to say that they want one form of legal framework as opposed to another. In my experience in this portfolio, companies are just grateful for the work that JTSI does in assisting them to meet their obligations under the various regulatory pathways that we have.

Ms C.M. TONKIN: I refer to page 198 and services and key efficiency indicators, science and innovation. The government has signalled strong support in developing WA's space sector. Can the minister please provide an update on that activity?

Mr R.H. COOK: Thank you, member. I want to acknowledge the work that the member does in this space as well—pardon the pun!

This is an exciting area for our state. Since 2020, we have committed more than \$40 million to support space and space-related projects. Many people would not be aware that there are over 100 companies, both international and Australian, operating in space and space-related services in Western Australia today. It is really quite a thriving and important industry, and is one of those industries that we have identified as part of Diversify WA. We are supporting a range of key projects. One project is the Australia Remote Operations for Space and Earth, or AROSE, which is a consortium of different companies within the space ecosystem and which works together to realise more opportunities. We have the Australian Space Data Analysis Facility and Curtin University's Binar CubeSat space program. The Binar program provides an opportunity for young scientists to have space mission experience, which is a huge boost to their CVs. The space cubes are about yay big. We have launched one and I think another one is going up in the very near future. I think the ambition is to have about seven launched over the next 18 months. It will provide an opportunity for students—postgraduate students in particular—but also for local industry to trial or put into the payload of the satellites whatever technology it is looking to test. That is a really exciting part of the development.

We also have the Space Automation AI Robotics Control Complex—I never realised it stood for all that—but we all know it as SpAARC. SpAARC is basically world-leading and is part of the new lunar projects taking place over the next 12 to 18 months. It is working with a company called Intuitive Machines, which is one of the major NASA subcontractors, as part of that program. The AROSE-led consortium has secured \$4 million from the Australian Space Agency, Moon to Mars trailblazer stage 1 mission to develop a moon rover. If there is capacity in a workforce to drive a remote vehicle a couple of kilometres under the sea to monitor gas pipelines, chances are that same robot can be run on the moon. We should never underestimate the capability that we have here in Western Australia and what we can do as part of the space industry. We are increasingly becoming the focus for global space industries. The member will be aware of the European Space Agency's facility in New Norcia. That is being upgraded at the moment. I think the parliamentary secretary recently went over there.

Ms J.J. SHAW: I drove a satellite! It was a space radar.

The CHAIR: Member, you are being disorderly! Thank you.

Ms J.J. SHAW: It would not be the first time.

Mr R.H. COOK: It is incredibly exciting stuff. Space is going to be a key leading-edge industry for Western Australia as we diversify our economy. We have the capability amongst this incredibly skilled workforce, leading out of our strengths and resources—mining, oil and gas—to take those skills and apply them to this new industry.

Mr R.S. LOVE: I want to return briefly to the discussion on page 193, paragraph 8 and Tourism WA event support. Today the minister announced the snaring of the Matildas to Western Australia, so this might be a bit of a Dorothy Dixier.

The CHAIR: Do you want to rephrase that, member? It sounds painful.

Mr R.S. LOVE: All right. The successful attraction of the Matildas to Western Australia. Congratulations, minister. This is not, however, completely a Dorothy Dixier.

Mr R.H. COOK: No, I did not think it would be, member!

Mr R.S. LOVE: I just wanted to get an understanding of where that fits into the idea of attracting tourism into the state. Does the minister feel that that would be an attractor of international and interstate tourists? Can the minister give some indication of what the expectation is on the numbers of people who might be attracted into the state and how such a calculation is made?

Mr R.H. COOK: Thank you, member, and thanks for acknowledging the securing of that event. Many Western Australians were disappointed when we did not get a Matildas game for the FIFA Women's World Cup, which is coming up in the next couple of months. I was saying to the media today that we have to be realistic; the Matildas are a huge drawcard in the context of that competition, so they would certainly be dedicated to the larger cities as part of that co-hosting process. But the opportunity to secure these Olympic qualifying matches is obviously a coup for Western Australia. Western Australians are saying, "We want to see Sam Kerr; we want to see the Matildas", so I am very proud to say that the McGowan government has delivered on that request. The Olympic qualifier games will be played between 26 October and 1 November, with more than three days of back-to-back games. The pool comprises the Matildas, Chinese Taipei, Iran and the Philippines. The member is right: this is another opportunity for us to highlight Western Australia as a tourist destination—all eyes of the football world will be on Perth at that time. We often take the opportunity in the context of these things to run Western Australian tourism promotions to back up the commentary of the commentators, which is usually, "What a great place Perth is to visit." In addition to that, the member would be familiar with our aviation Reconnect WA package. We recently introduced a Manila–Perth flight. Given that the Philippines is part of this competition, we are pretty confident that that will help fill the seats on that flight, and that will bring in extra tourists as people say, "That's interesting. They've now got this new direct flight and the Philippines women's football team is playing in Perth; I think I'll take advantage of that." That is a happy coming together of events.

A bunch of work goes into the modelling and understanding of what the visitation from these events might be and therefore the extent to which we bid for them. Different cities have different levers and buttons to press. We attract more international tourists from Singapore and Jakarta because it is such a short distance between those places and Perth. An event in Adelaide, for instance, attracts more people from the east coast because it is a shorter distant to travel. I will ask the managing director of Tourism WA to provide further commentary about how we judge visitation from these events.

[11.10 am]

Ms C. Turnbull: Thank you, minister. As a major one-off event, this Olympic qualifier presents an incredible and exciting opportunity for Western Australia for all the points that the minister just mentioned and not only for the relationship that exists between our international markets and our aviation partners, such as Philippine Airlines. In addition, other games that will be played, such as the Chinese Taipei game, present an opportunity to shine a light on Western Australia with emerging markets, and potential benefits will arise from that. As it relates to the KPI target for the 2023–24 events suite in total, direct expenditure is likely to be, as the minister mentioned, between \$120 million and \$130 million across many different major and regional events. This is just one of those events that forms the entire suite of major events in total. If I may, I will ask our executive director of events, Anna Last, to provide additional comments about visitor expenditure and direct expenditure that is anticipated from this particular event.

Ms A. Last: The only thing I will add is that in addition to the visitation that will come from tourists who will buy tickets to the matches, the travelling teams also bring multiple travelling parties with them, so when we calculate our visitor expenditure, we work off tourists who are coming as well as travelling parties. The games will be broadcast nationally and internationally, which will give us a huge global audience for Perth, HBF Park and Western Australia in general.

Mr R.H. COOK: As the member would be aware, Sam Kerr is the most significant woman footballer around the globe today; she will be a huge attraction to these games. It is a negotiation and an understanding about the impact of the broadcasts of these events. Interestingly, coming into sharper focus is the social media footprint of a particular event. For instance, the outreach of the Margaret River Pro is around 60 million people worldwide when we combine the followers across each of the social media platforms of the surfers and the World Surf League. All these things go into forming a judgement about the value of an event to Western Australia.

Mr R.S. LOVE: Further question.

The CHAIR: I cannot believe there is anything left to say!

Mr R.S. LOVE: There certainly is! In her final comments, the adviser—I am sorry; I have forgotten her name—mentioned the promotion of Perth and HBF Park when people watch the football. The promotion of HBF Park will probably not be all that powerful on the international stage, but it brings to mind that with all the analysis that is undertaken, would it not be worthwhile for the government to analyse whether it should buy back the naming rights of Optus Stadium and make it "Perth Stadium" as a marketing exercise to drive value from the attraction of events?

Mr R.H. COOK: I am really not in a position to make that call or to comment; it is for the Minister for Sport and Recreation, through his oversight of VenuesWest, to make that call. We obviously take every opportunity we can to promote Perth as an event destination. I think Perth could be one of the top three event destinations of South-East Asia. Hong Kong has gone off the boil as an event destination. We compete with Singapore, Kuala Lumpur and Jakarta perhaps, but we have a great opportunity to carve out a niche in the South-East Asian region to attract people for short-stay tourism opportunities as a result of these events. We continue to make sure that Perth, Western Australia and our Walking on a Dream brand are front and centre when we stage events. The member raises an interesting point.

Mr R.S. LOVE: I am sure that if the minister undertook the analysis, he would be able to convince the Minister for Sport and Recreation.

Dr D.J. HONEY: I refer to the spending changes on page 189 and specifically to the Collie industrial transition fund. Can the minister outline what that fund will be spent on over the years?

Mr R.H. COOK: The \$200 million Collie industrial transition fund is part of the government's commitment to support the town of Collie and its community as it transitions away from coal-fired power generation through the activation of industrial land and the attraction of new industry. The fund will target large-scale green manufacturing, minerals processing and renewable energy projects. Companies are essentially invited to submit an expression of interest online to demonstrate how their project aligns with the target sectors, as well as how many jobs would be delivered for the transitional workforce. As of March this year, we have received more than 20 inquiries, with seven expressions of interest submitted. Of those, six companies have been invited to present their projects to the assessment panel in relation to the level of funding required. On 6 April, the first funding milestone was reached, with \$5 million in grant funding to support the establishment by Magnium Australia of a pilot plant in the Collie light industrial area—a project that I think the member would be familiar with. The pilot plant will deliver almost 30 jobs to the community and pave the way for the establishment of a commercial-scale facility in Collie that has the potential to deliver more than 350 direct jobs for the community, plus additional jobs in the construction and service industries. It is about understanding that in the Collie community we have a highly skilled workforce that we can redeploy to these green future energy-facing industries and making sure that we work with companies to incentivise them to look at making Collie their home. The member would also be familiar with the fact that Collie is essentially at the centre of a very complex and sophisticated electricity network, so all those companies that are either looking to be part of that network or to drawdown from it recognise that Collie is strategically well placed as a future site for their proposals.

[11.20 am]

Dr D.J. HONEY: I think focusing on Collie as a major industrial centre is an excellent initiative for all the reasons the minister knows.

The CHAIR: Is there a question?

Dr D.J. HONEY: Yes. Obviously, the main area that the government is focusing on is replacing the jobs from the closure of the power stations. Given that the power station will be shut in 2029, which is relatively near, there will be some workforce decommissioning and the majority of the skilled employees will not have jobs then. Does the minister have a projection for the proposed new projects and the loss of the jobs in Collie?

Mr R.H. COOK: As the member knows, this is a whole-of-government project. The Collie industrial transition fund is part of my portfolio and, as Minister for State Development, Jobs and Trade, I also have oversight of other aspects of industry in that area, but I do not have a handle on that workforce development issue. I assume that Minister McGurk would be able to provide the member with further information on that.

Dr D.J. HONEY: Does the minister think it is a project that his department could take on? I believe that the objective is excellent and the vision is achievable. My concern is the time line for achieving that vision and the possibility that we will lose that excellent skilled labour if we do not have a match between the new industries and the existing power station that is being shut down.

Mr R.H. COOK: I take the member's point, although I think that ultimately Collie will be importing a workforce rather than offloading its workforce. The industrial sites in that region include Kemerton, Shotts and Coolangatta. They all represent significant industrial opportunities. The member will have seen the recent announcement by Albemarle that it will double its capacity at its lithium hydroxide processing plant at Kemerton. That will literally double the workforce required, including 1 000 jobs in construction. I think it currently employs 350 under its current set-up and is going to employ 870 as part of that expansion process. For the benefit of the chamber, that will make Albemarle the biggest lithium hydroxide plant outside China. It is a globally significant development. As we look to activate all those industrial sites across that region, we will see an attraction of workers. I do not think finding jobs for those who are transitioning out of either coalmining or coal-related industries such as thermal power generation will be a struggle and that they will find further opportunities.

Dr D.J. HONEY: I refer to the availability of land zoned for industrial purposes. Is there adequate land for the proposed projects going ahead? Obviously, this will become another major strategic industrial area for the state.

Mr R.H. COOK: There is certainly an availability of general industrial land in and around Collie. In terms of strategic industrial land for heavier industry, I think we will see further development of Kemerton in the short term, which, as the member is aware, is nearby. Preparing this land to make it project ready is the challenge for me and the department. We will work with industry partners to understand their needs for the land. A lot of work has been put into the development of Shotts at the moment and Coolangatta continues to be available. Kemerton will always play a key role in strategic industrial activity in the south west region.

Mr R.S. LOVE: I return to event funding on page 193. The eighth significant issue impacting the agency is about tourism. This is the last question I will ask about tourism. I will turn to something else after this.

Mr R.H. COOK: We can talk about tourism all day; I enjoy it.

Mr R.S. LOVE: I am minded to ask this because I see that the member for Swan Hills is in the chamber. At the Moondyne Festival she told me that she was representing the minister because the minister was off to a much more prestigious event, apparently—the AC/DC High Voltage event. I understood that many ministers were going to that. The predicted attendance of ministers was quite high. What was the predicted attendance of other people at that event?

Mr R.H. COOK: I thank the member very much. I appreciate the question because it provides me with an opportunity to talk about a key issue we have been working on within tourism.

Mr R.S. LOVE: It was a specific question about the AC/DC High Voltage event.

Mr R.H. COOK: That is right, but I need to put it into context. Through Tourism WA, we have been developing what we call our homegrown product, which, essentially, is a product that represents a major event but is not something that we have to buy off the shelf or bid against other cities for to have in our state. This is inspired by events such as Vivid Sydney in New South Wales and Dark Mofo in Tasmania. Through events such as High Voltage, we are seeking to have a quintessentially Western Australian event that could not be picked up and taken anywhere else.

Mr R.S. LOVE: The Moondyne Festival would already qualify.

Mr R.H. COOK: It is a terrific event and is a good example —

The CHAIR: You have already distracted the minister. He has not addressed the question, which was about the predicted attendance. The more you distract the minister, the more he will wax lyrical.

Mr R.H. COOK: The member is quite right; the Moondyne Festival is a great example of an event that we hold not only in and around Perth, but also throughout regional Western Australia. We want to make sure that there is something for everyone, and the High Voltage event is one of those events that appeals to a particular demographic —

Mr R.S. LOVE: Yes, ministers!

Mr R.H. COOK: It appeals to those people who follow AC/DC, which is a quintessentially Western Australian rock band. That festival gives us the opportunity to celebrate that. That event attracts visitors and stimulates economic activity. We have to grow these types of events. The idea is that we do not put them on just once, but again and again so they become key points in people's calendars and people plan their holidays around them. We anticipate that rockers in the UK will think about that really exciting event that happened in Western Australia last year and will plan to go to it the next year. I did that with the Vivid festival. My wife and I travelled to Sydney as tourists to see Vivid, but that took about four years to get going. It was not until Lou Reed and Laurie Anderson were invited to be the creative directors that Vivid came into its own. Before that, it was growing year after year. We are looking to grow events like High Voltage, and High Voltage itself, year after year. People will come back to it year after year and it will become a quintessentially Western Australian event. This is the first year that this event has taken place; it was held earlier this month. The crowd attendance was estimated to be between 40 000 and 45 000 people who went to Fremantle to watch the 55 bands that were on show, providing their creative interpretation of Bon Scott and AC/DC songs. It is a great first hit out. I was really pleased with the atmosphere and the spirit in which it was staged. As the member mentioned on more than one occasion so far this morning, I was there. I thought it was a great event.

We will continue to develop that program to make sure that we can improve on those bits that were the success factors, and tweak it year after year to continue to improve it. One thing we will do, for instance—he said without actually talking or consulting with anyone—is hold it earlier in the year, closer to summer. It was just the first year and those were the dates foisted upon us. Even though the weather was a bit iffy, between 40 000 and 45 000 people attended.

[11.30 am]

Mr R.S. LOVE: I do not think the minister actually responded to the question: what was the prediction on attendance?

Mr R.H. COOK: I was told to anticipate anything up to 100 000. We had half of that. Given the weather, I thought that was pretty good.

Mr R.S. LOVE: Has there been any interaction with the business community in the nearby area, before or after the event, to either gauge expectation or measure what the economic impact was for businesses?

Mr R.H. COOK: I ask the officials to answer the question.

The CHAIR: Anyone in particular?

Mr R.H. COOK: I refer it to the director general. I am sure she can take us from there.

Mrs R. Brown: As a general practice, for each event there will be a post-analysis calculation of numbers and economic benefit. That is part of the rigorous process for each event. We are probably still in that phase for this event, but I ask the managing director if she wants to add anything further.

Ms C. Turnbull: We are still in that process, but as the Deputy Premier mentioned, the initial police report indicates somewhere between 40 000 and 45 000 attendees. Although that is half what we initially projected, given the time of year and the unpredictable weather that particular weekend, we were actually really pleased with those initial results. We are working closely with the City of Fremantle and the local businesses to obtain feedback to ensure that each year we hone and fine-tune that event to become bigger and better. It is great to recognise it. Almost 60 bands were present at that event, and it was a great celebration.

Mr R.S. LOVE: Does that information become available for others to read, or is it kept as internal information for Tourism WA?

Mr R.H. COOK: No; we make that information available.

Dr D.J. HONEY: I refer to budget paper No 2, page 195, the outcome and key effectiveness indicators. One of the key activities the government has promoted is the idea of diversifying our economy. Looking at the line item, “Share of Western Australia’s merchandise exports in key markets for diversification”, I think it would be fair to say we are seeing a flatline performance. Does the minister care to comment on whether we are actually getting benefit for our dollar in diversifying our state economy?

Mr R.H. COOK: The Diversify WA strategy is a deliberate focus by the government to broaden the base of our economy and make sure that we continue to produce high-value jobs for Western Australians. To provide some background, it targets the sectors of energy; tourism, events and creative industries; international education; defence industries; mining and mining equipment, technology and services; space industries; health and medical life sciences; and primary industries. A lot of those are recognised as industries that we have had traditional strengths in. We are now trying to leverage those strengths—particularly in resources—to make sure that we can continue to diversify the base of the Western Australian economy, and move us away from the boom–bust cycle, which is often anticipated when relying upon the volume and price of commodities for economic prosperity. We continue to develop our work in each of those industries through a range of measures, but of interest is the investment attraction fund to stimulate those particular sectors.

As a total proportion of the economy, we continue to see the dominance of energy and resources. This is consistent with the fact that in a post-COVID world and because of the Ukrainian conflict we are seeing a significant increase in the value of oil and gas, and the price of iron ore remains high. As a proportion of the overall economy, we are not seeing that diversification take place yet. We are seeing growth in those sectors, but when compared with the behemoth that is our mining sector, it is still early days.

Dr D.J. HONEY: This should have been my first question: can the minister please explain how that metric is derived?

Mr R.H. COOK: I will hand over to the director general.

Mrs R. Brown: For the share of Western Australia’s merchandise exports in key markets for diversification, the indicator is very much drawn from the Australian Bureau of Statistics trade data, which is used in measuring the share of WA’s merchandise exports to India and Association of South-East Asian Nations countries. As the minister has outlined, given the strength of the Western Australian economy and the continued strength of the resources sector, the diversification agenda—which is very much around the resources sector—plus the numbers relating to the strength of the Western Australia economy probably do not bring through the real efforts that are being made and the real growth in the diversification of new industries and new markets. The ongoing importance and role that certain commodities play in certain markets is really where the stability in those numbers comes from.

Ms M. BEARD: I refer to two line items towards the bottom of page 189 in the spending changes table. The first one under “Ongoing Initiatives” refers to the total solar eclipse, which we all enjoyed.

Dr D.J. HONEY: Some of us did.

Ms M. BEARD: Some of us did! I wonder whether the minister could advise us of the total amount of money allocated to actual advertising campaigns for that event.

Mr R.H. COOK: Member, I will speak to this for a period and then I might hand over to the managing director of Tourism WA to provide a bit more colour and movement.

It was an incredible opportunity to showcase Western Australia, because all eyes of the world were literally on Western Australia, and Exmouth in particular. There was a \$6.87 million commitment by the government for the total solar eclipse to support the project's delivery of the three primary objectives of safety, participation and legacy. We wanted to make sure that the event was safe. In the end, roughly just over 19 000 people went to Exmouth for that event, which is pretty extraordinary for a township that usually enjoys a population of around 2 800. It was a particularly good outcome. We were very pleased to have the necessary impact of public sector workers and infrastructure to make sure that that was safe. That included State Emergency Service workers, health department workers, Main Roads Western Australia workers and upgrades to the highway in different aspects to make it safer.

We also wanted to make sure that it was a great experience for people to participate in. As the Leader of the Opposition, the member and I witnessed, there were around 2 000 people on the viewing platform that day to watch the event. It was an extraordinary experience. It was like a village at the United Nations. There were so many people from around the world, with their cameras and equipment, to participate in the event.

We also wanted to make sure that there was a legacy aspect to this event. A key component of the installation of infrastructure was the upgrades to Town Beach in Exmouth, which I thought came up really well on the day. On the last evening of the total solar eclipse event, I think we had 5 000 people on Town Beach to watch the drone show and participate in the festivities there. As I also mentioned, upgrades have been made to roads and other infrastructure that will be there forever. That was a great opportunity to do that work. The other legacy that we wanted to leave was the opportunity for people to see what a great part of the world the coral coast is and to really put it on their bucket list of places to visit. We always take the opportunity to highlight these features. For example, the member will be familiar with the Walking on a Dream campaign and the iconic image of the whale shark, which is unique to that part of the world. We took the opportunity to highlight that in all our advertising capabilities. As part of that event, we took the opportunity to undertake a range of festivals. One that particularly struck me was the festival at Cardabia station, which was put on by the Baiyungu Aboriginal Corporation. The extraordinary drone show and the culinary opportunity and concept was really a highlight for me.

[Interruption.]

The CHAIR: Sorry, minister.

[11.40 am]

Mr R.H. COOK: We did not have Dave Brubeck there and that was disappointing. We could have done with a little bit of jazz. We could have done with a bit of *Take Five* as well while we were there.

The CHAIR: I wish you would take five instead of 15!

Mr R.H. COOK: As I was saying, those projects will continue into the future.

The CHAIR: I believe the question has not yet been answered: how much was spent on advertising?

Mr R.H. COOK: Is that for specific tourism advertising?

Ms M. BEARD: Yes.

Mr R.H. COOK: I will hand over to the director general.

Mrs R. Brown: To add to the minister's comments, communications were an important aspect of the overall project, particularly around safety. We had a lot of activity through government channels and our partners in local government, but also through the local chambers of commerce and industry for communicating important information around the event from a safety perspective. There was no direct marketing through Tourism Western Australia for the overall event, but we had marketing and communications for each of the festival-type events. We did not have an explicit marketing element to it, but within all the elements were important communications for providing information on safety, options for people to experience the region and, more importantly, public information about the events, particularly those in Exmouth. A large number of free events were held, so it was really about providing information on those aspects.

Ms M. BEARD: Is it possible to get an indication of what some of those legacy projects are? I guess they would be across the region and not just in Exmouth.

Mr R.H. COOK: Yes, absolutely. I will undertake to provide some supplementary information. We spent over \$800 000 on a total solar eclipse round of grants under the local capability fund. That provided a range of grants that local businesses and local government authorities could take advantage of. A classic example was the installation of a new pizza oven at Whalebone Brewing so that it could meet the needs of the people visiting. That will be in place forever. I will provide supplementary information on the legacy items made available for the total solar eclipse event, plus a list of the successful recipients of the local capability fund's total solar eclipse round of grants.

[*Supplementary Information No A6.*]

Ms M. BEARD: Did the department contract any interstate businesses to undertake work for the event?

Mr R.H. COOK: That is a great question. I do not think so. Most of our funding was for events and festivals. Of course, the local capability fund was involved, plus local contractors and government contractors as part of event management. I will ask the director general to make a further comment.

Mrs R. Brown: Where possible, we worked very closely with the local governments to use local contractors, particularly those that were working on other projects in the region—for example, with the assembly of the viewing site. Just as the state government has done with many elements of this event, we used local contractors from either the region or from Western Australia.

Ms M. BEARD: Were any from interstate?

Mrs R. Brown: I do not have that specific information. We very much hoped to use local content. For the Dark Sky Festival, we partnered with Mellen Events, an eastern states firm, but it worked very much with our local operators and providers in the region as well.

Ms M. BEARD: Was an amount allocated to that interstate work?

Mrs R. Brown: We do not have that information or that breakdown.

Ms M. BEARD: Has the department received data yet on the visitation, by location, to the event and satisfaction?

Mr R.H. COOK: Yes, I have. An estimated 15 700 people were in Exmouth for the week, with an additional 3 000 travelling into the town for the day of the eclipse. It is estimated that 23 000 people visited the region over the total solar eclipse period, including the towns of Carnarvon, Coral Bay, Exmouth and Onslow.

Ms L. DALTON: I refer to the service summary table on page 195 and the fact that Prime Minister Modi is in Australia at the moment, strengthening Australian links with India. With regard to international engagement, trade and investment, what outcomes were achieved as a result of the Invest and Trade Western Australia mission to India in July 2022?

Mr R.H. COOK: I appreciate the opportunity to talk about what an incredible impact we are having around the world at the moment as a result of our international investment and trade network. Some great work is being done by our trade commissioners around the world. For the member's information—I am going to kill these numbers but here we go; I will give it a try—we have regions around the world in terms of our international investment and trade hubs based in London, Chennai or Mumbai, Jakarta, Tokyo and Shanghai—let us not forget China. We will soon be opening an investment and trade hub in Austin, Texas.

These hubs essentially provide a front door to Western Australia around the world. The teams at those hubs are able to reach out to investors and investors can also reach out to the teams to explore the opportunities that come with having that profile in market. One of the key ways for us to boost that profile in market is through trade missions. In July last year, I was joined by Minister Templeman, Minister for International Education, on the largest ever business delegation of investment and trade, which we took to India. More than 110 representatives from more than 70 Western Australian businesses and organisations joined the mission. We had representatives across six priority areas, including mining and mining equipment, technology and services; international education; energy; innovation hubs and smart cities; primary industries; and tourism, events and creative industries.

When we go to these places, we are competing for attention. We really draw attention to ourselves when we go over with such a big group, and it had a high-level impact. We went to four cities: Delhi, Mumbai, Visakhapatnam and Chennai. The opportunities that come from that mission are really about unlocking the investment, trade and demand that is there and seeing how we can continue to benefit from that as a result of these trips.

The mission resulted in the signing of more than 30 memoranda of understanding between Western Australian and Indian businesses, and government agencies across a range of industry sectors. These included Western Australian business Ultra Power Systems and the Chennai-based Hild Energy, which is a wholly owned subsidiary of Indian conglomerate Eagle Press Group. The advanced vanadium developer Technology Metals Australia Ltd entered into a non-binding MOU with Indian steelmaking company Tata Steel. The WA Technical and Vocational Education and Training Consortium entered into an MOU with the Andhra Pradesh State Skill Development Corporation; and the Future Battery Industries Cooperative Research Centre signed an MOU with the India Energy Storage Alliance.

These were all really important opportunities to build business-to-business, people-to-people and government-to-government relationships wherever we went. Going back to advocating for the space industry, I was particularly pleased that a great MOU was signed by Space Angel, which is looking to develop launch capabilities in the north and south of the state with India's Skyroot Aerospace, and that is going to be a great collaboration.

Also as part of that trip we took 200 kilograms of rock lobster to showcase our great primary produce. That was really successful. The Geraldton Fishermen’s Co-operative and the Western Rock Lobster Council spearheaded that effort and it really highlighted export opportunities. We are now working, particularly in Tamil Nadu, to see whether we can secure a direct link for rock lobster going from Geraldton to that important Indian market. This will also continue to diversify our markets. As members know, our rock lobster market is particularly dependent on China, and that is subject to shocks from time to time, so that is another important part of the overall trip.

Mr R.S. LOVE: I want to ask about some of the items mentioned under “Spending Changes” on pages 189 to 190. I refer in particular to “Attracting Skilled Migrants”, which is \$1 million this year and \$1 million next year, so \$2 million in total; “Digital Economy Strategy”, which is several hundred thousand dollars; “Kimberley Flood Tourism Recovery Package” and “Affordable Airfares Program” —

The CHAIR: It might be better, member, to ask them separately, because I suspect the minister has different briefing papers for different pages.

Mr R.S. LOVE: No, if the chair could bear with me for a moment.

The CHAIR: For greater efficiency!

Mr R.S. LOVE: Bear with me please, chair; I am getting to a point. I am pointing out that there are many items, including those I have already mentioned, plus “Future Battery and Critical Minerals Industry”, \$1.7 million; “Invest and Trade Western Australia”, \$14 million; and “New Industries Fund”, at over \$9 million, that have a note attached that states —

Existing Department spending has been reprioritised to meet some or all of the costs of this initiative.

All those initiatives are simply funded from the ordinary operations of the department. My question is: What is not being done that used to be done? Which items are no longer viewed as priorities in order to fund the many millions of dollars in spending changes outlined in this table?

Mr R.H. COOK: It will not surprise the member to hear that I will soon hand this question over to the people with technical understanding. I understand that some of these are through re-cashflows as a result of programs that are either currently in the process of being spent, or that have not had particular stages of their expenditure realised. I will hand over to the director general.

Mrs R. Brown: Thank you, minister. In many areas where we have had previous underspends against programs because of lower uptake than we had anticipated or changes in strategy where we have cashflowed across the years, we will reprioritise to get best impact, or reprioritise existing funding. For example, under “Attracting Skilled Migrants”—a very important priority for the state government and for the economy—we have been able to reprioritise a small amount of money from our existing campaign expenditure or existing internal FTE resources. It is really about being agile with regard to what our priorities are, rather than non-delivery.

Mr R.S. LOVE: Would it be possible to get some more detail on what some of those underspent items were that are now no longer seen as being priorities?

Mr R.H. COOK: It is, but I think the member would have to put that question on notice because it is going to be a fairly complex question; the member mentioned about eight different line items on which he is seeking some clarity. I would be very happy to provide that information that way.

Mr R.S. LOVE: It is not the line items I mentioned, it is the line items that are no longer funded that I am asking about.

The CHAIR: I think you have the minister’s answer, member.

Mr R.H. COOK: Yes, but maybe I can invite Mr Sansalone to make further comment.

Mr R. Sansalone: I can provide further details on the line items that the member has pointed out. Those spending changes are a combination of new funding and reprioritisation of existing funding. In the case of “Attracting Skilled Migrants”, everything from 2023–24 onwards is new funding, with the \$1 million for 2022–23 having been reallocated from existing funding. With regard to “Kimberley Flood Tourism Recovery Package”, \$2 million of that was new funding, with \$3.9 million funded from within the existing marketing budget that was already slated for spending in the regions, but was then targeted towards that recovery package. In the case of “Future Battery and Critical Minerals Industry” and “New Industries Fund”, those were funded from within the existing investment attraction funding across the forward estimates.

Dr D.J. HONEY: I refer to paragraph 6.1 at the top of page 192, which states —

growing the Invest and Trade Western Australia global network, with \$10.1 million committed to establish a new Americas hub in Austin, Texas;

I am wondering how that location was lighted on. I understand that there may be a synergy between Texas and Western Australia because of natural gas —

The CHAIR: Maybe get the minister to answer the question. The question was: “How was that location arrived upon?”

Dr D.J. HONEY: I am just trying to make it a little more subtle, thank you, chair. I understand that link, but surely we are looking at renewable energy development and exports as our future. Los Angeles, California, for example, would perhaps be a better location. I am wondering how Texas was lighted on as the place to invest in America.

Mr R.H. COOK: I thank the member very much. I appreciate that we could explore this to our heart’s content, trying to work out the relative merits of different places. Some people have asked, “Why not Houston? Surely that is where you get the oil and gas tie-ups.” It is my understanding that it was decided to base the hub in Austin because that is where a lot of the new industries that sit at the back of energy transition programs are basing themselves. They are moving out of California to Austin for a range of reasons but the view is that the ecosystem in Austin is better established for these new energy industries. I might invite the deputy director general, strategy and international engagement, Simone Spencer, to provide some further detail.

Ms S. Spencer: As the minister noted, there are a lot of economic complementarities between Western Australia and Texas, more broadly, and a lot of existing partnerships with Houston and our traditional investment partners in the resources industry. Austin has become known as “Silicon Hills”. It is very much a shift from the Silicon Valley model to its own startup community, particularly in a lot of sectors in which we seek to diversify. It is the close proximity to our existing partnerships, which are our resources or energy partners, and the technology, R&D and venture capital going into the energy transition story that is very much coming out of that Austin hub. It is not just about energy for us; it is about other sectors within the Diversify WA strategy. Austin is also a hub for the health and medical life sciences sector and a lot of the technology that we are looking to explore in things like the space sector. Our upcoming mission will visit partners in the Austin area connected to our diversification objective. In many ways it is for us about that new capital and new technology development in that Austin base.

[12.00 noon]

Ms M. BEARD: I refer to page 193 and significant issues impacting the agency. Paragraph 8.4 states —
addressing workforce challenges through the delivery of workforce ... as part of the \$3.9 million Tourism Workforce Development Program;

Does the minister have information on how many training workshops have been delivered, how many people have been trained and how many international workers have come to work in WA as a direct result of that program?

Mr R.H. COOK: The development of our tourism product of which the workforce is a key component is one of three central focus points for Tourism WA, and a range of programs were run in 2022–23 and 2023–24. With the chair’s indulgence, I will ask Renata Lowe to make some comments on that program.

Ms R. Lowe: The \$3.9 million tourism workforce development program is delivered in four streams. Workshops are delivered in all of those streams. There is a stream to support local jobs for local people that provides short courses to encourage youth, the aged and others into the tourism industry. Over 400 people have participated in those job ready and upskilling workshops. We are also leveraging working holiday-makers, particularly for seasonal jobs in regional Western Australia. They like to follow the sun so there is a lot of activity. There was also activity to support working holiday-makers to participate in the Gascoyne during the total solar eclipse. We have had 34 000 international students return to Perth, and there have been upskilling workshops on responsible service of alcohol and bar and barista activity. We are collectively providing opportunities for upskilling and connecting individuals to employers. We connect them to employers through the WesternAustralia.jobs website that was developed with the Australian Hotels Association. Over time, individuals have been pushed to that portal and, up to 30 April, 4 752 jobseekers had registered for 2 283 jobs.

Ms M. BEARD: Can the minister let me know whether there is a list of the different regions and locations that have tapped into those training programs?

Mr R.H. COOK: I will ask Renata Lowe to answer that question.

Ms R. Lowe: I can explain where some of those activities have been happening. In particular, some were to upskill individuals in Exmouth and Carnarvon for the total solar eclipse. We also held some of those activities in Albany in November last year. We had some bespoke projects with Southern Regional TAFE. Bar and barista activities for 80 people were held with the City of Stirling between May and June. Going back to the Exmouth and Carnarvon workshops, 21 job ready upskilling workshops were held in March with 234 participants. Those are the ones I have at hand at the moment.

The CHAIR: New question anyone?

Mr R.S. LOVE: Yes.

Dr D.J. HONEY: Yes.

The CHAIR: That was a dead heat! Who is further down their text message? I give the call to the Leader of the Opposition.

Mr R.S. LOVE: I am not reading text messages. I am actually quickly updating myself on the Western Australian future battery strategy. I refer to page 191, support energy transition and the future battery and critical minerals industries strategy. Part of the department's work is to continue to implement that strategy. I have the strategy open in front of me; that is what I have here. I am not reading texts at all.

The CHAIR: I am sorry; you are forgiven.

Mr R.S. LOVE: Could the minister outline the department's role in that particular strategy? I see the Minister for Mines and Petroleum seems to be the lead minister. Perhaps the minister could explain how that interaction works and how that strategy is structured in terms of time frames and how far it is down the track. I note that we are supposed to have downstream processing in this state by the end of 2025. Can the minister give an update on that?

Mr R.H. COOK: I thank the member. Prior to me coming into this role, Minister Johnston, as the Minister for Energy, was the lead minister in developing the future battery and critical minerals industries strategy. When I came into this role, the minister and I compared notes and decided that we would continue to work together on a lot of the policy settings and things of that nature, with Minister Johnston providing that leadership role to steward the strategy. The operational and functional aspects of the strategy fall to me and the department, although one would anticipate that Minister Johnston, as the Minister for Mines and Petroleum, will also have a key role in projects developed within the context of the Mining Act.

Essentially, the government is working with several proponents to bring projects online to attract investment, including IGO's proposed battery chemical manufacturing plant in Kwinana, which I mentioned earlier. In the 2023–24 budget, \$1.7 million has been allocated from the investment attraction fund to meet the cost of priority activities including identifying key barriers to investment, estimating future supply of critical minerals, investigating opportunities for battery procurement, co-funding business cases for downstream processing and hosting an international battery and critical minerals summit. In the 2023–24 budget, \$13.2 million of unspent funds from the previously approved precursor cathode active materials lithium ion battery project has been reallocated to enhance and accelerate WA's invest and trade activities, including batteries and critical minerals. The \$1.7 million allocation I mentioned is about value-adding with the processing of battery and critical minerals, identifying the key barriers to investment, estimating future supply of critical minerals, investigating opportunities for battery procurement and, as I said before, co-funding business cases.

I guess what we are trying to provide is a policy setting whereby people understand that Western Australia has all elements of a lithium and vanadium ion battery and so we represent a key player in the critical mineral space. We do not want to just benefit from that in terms of the mining and export of these products; we want to process them to move up the value chain and benefit from the value-add that comes from that. To give an example, if spodumene is converted—the precursor product to lithium hydroxide—the value of the product is essentially doubled in that single step alone. That represents a key opportunity for us. We are working with a range of companies around the Kwinana industrial strip that I mentioned earlier. Wyloo Metals and IGO are some of the key entities looking to develop precursor products for battery manufacture. We will continue to identify more opportunities for that.

To give the member an idea of the significance of this industry, Hon Madeleine King, the Minister for Resources and Northern Australia, allocated \$50 million worth of commonwealth funding for the development of our critical minerals and battery manufacturing industry last week. Of that \$50 million, \$30 million was allocated to Western Australian companies. That funding was across 13 projects, seven of which were in Western Australia and two of the last six outside Western Australia are actually mining in Western Australia. We play a crucial role and are a significant national and international player in the global supply chain for critical minerals.

[12.10 pm]

Mr R.S. LOVE: That is a pretty high level strategy. The minister has mentioned that there are barriers. Is the minister methodically breaking down the barriers or is he just noting the barriers and moving on?

Mr R.H. COOK: That \$1.7 million in 2023–24 will be used to complete work to identify barriers to investment in downstream processing, such as the management of waste from lithium hydroxide refineries. As the member would appreciate, this is a complex supply chain and production process. We need to work closely with industry while it informs us of what it needs from us. We are doing a lot of work in the goldfields at the moment because we want to see the processing of critical minerals and rare earth minerals undertaken in that particular region. We have also got the Lynas rare earth project in Kalgoorlie and Iluka Resources project in Eneabba doing work to move further along the supply chain so that we can continue to add value. We are doing intensive work with those companies to try to get their projects off the ground.

The CHAIR: I understand that we are not going to spend a lot of time on the Chemistry Centre, but there is one other division. Have I got any indication of how much longer you want?

Dr D.J. HONEY: We thought we would end at about 20 minutes to one.

The CHAIR: We will finish division 14?

Mr R.H. COOK: Yes.

Dr D.J. HONEY: I refer to page 200 of budget paper No 2, “Election Commitment—Wind Turbine Manufacturing”, which discusses new works. What is the nature of the facility that the government is looking to establish? Will it be an assembly or manufacturing facility?

Mr R.H. COOK: Wind turbine manufacturing obviously represents a significant opportunity for us. A small renewable hydrogen project will have anywhere between 700 and 1 000 wind turbines and the larger projects will have 1 500 and above. The production, transportation, insulation and particularly the manufacture of wind turbines represents a significant related economic activity. The 2021–22 budget included \$10 million over four years towards the wind turbine manufacturing initiative that aims to identify, support and facilitate local wind turbine manufacturing, as well as verify opportunities for WA businesses and identify requirements for a potential manufacturing hub, including suitable industrial lands.

The funds will be resourced in the following two stages: stage one is a comprehensive independent full economic feasibility study undertaken by Aurecon Australia Pty Ltd to progress findings from a previous analysis that examined wind farm supply opportunities in WA. The second stage is the implementation of recommendations from stage 1, including \$8 million towards a future common-user facility and suitable industrial land for a manufacturing hub for wind farm componentry for onshore and offshore wind projects. I believe the work stage 1 of the project is starting to come to a conclusion. I will ask Mr John O’Hare, executive director of industry development, to make some further comments.

Mr J. O’Hare: The draft study from Aurecon has been delivered to the department and we are currently looking at the recommendations. It is still a draft and has to go to the Deputy Premier’s office. We will be giving a briefing there on 1 June. It has identified where there are opportunities for Western Australians to manufacture. The fabricators would obviously do the manufacturing of any of those components if there is a business case for it. It looks like there will be a good business case.

The companies would obviously have the infrastructure themselves and would have to work out some of their rolling capacity. As the Deputy Premier said, we are working to create common-user infrastructure for this. As the member may be aware—particularly around the offshore sector—these structures are getting larger at all times and some of the blade sizes are becoming incredibly large—around 200-odd metres. The infrastructure to have a laydown area to be able to put them together is critically important. The report has recommendations around that, but obviously at this stage, I am not at liberty to say anything further.

Dr D.J. HONEY: Thank you for that. If I am hearing correctly, perhaps it is going to be more about assembly than manufacture. What potential areas are being examined for the common-user facility—or if I am hearing correctly, the common-user facilities?

Mr R.H. COOK: Intuitively, we anticipate that we will move up the value supply chain of the wind farm as our capabilities develop. A wind turbine needs a big base and cabling connecting the base to other networks. It has a big stem, a blade and the actual turbine itself. As the member said, I would have thought that in the early stages we would be looking at the basic elements of a wind turbine, followed by the assembly. Members of the industry have encouraged me to keep our gaze high and that we really should aspire to both blade and turbine manufacturer in Western Australia.

Ms M. BEARD: I refer to page 195 of budget paper No 2, volume 1, “Service Summary”. At the top of the page are services 5, 6 and 7, which are destination marketing, event tourism and tourism destination development. I note that the actuals are lower than the previously budgeted amounts. What does that underspend, particularly in destination marketing, relate to? What might have contributed to it?

The CHAIR: There are four questions there, but do your best, minister.

Mr R.H. COOK: Sorry member, I am just having trouble locating it.

Ms M. BEARD: It is at the top of the page. There is 5, 6 and 7 —

Mr R.H. COOK: Destination marketing?

Ms M. BEARD: Yes. Destination marketing actually has the largest variance.

[12.20 pm]

Mr R.H. COOK: Before I hand over to the managing director of tourism, tourism has, essentially, three key components: firstly, destination marketing, building demand, creating reasons to visit and making sure we are stimulating the demand for the market; secondly, developing a product and making sure that when people come to Western Australia they have the services, facilities and attractions that they would anticipate as paying tourists; and, thirdly, access to the market, such as direct aviation and other transport links required to make it work. Destination marketing is obviously a key part of what we are doing. In September last year we launched the Walking on a Dream campaign, which is about targeting that premium market in Western Australia. We know that we cannot compete on volume with big jurisdictions such as New South Wales and Victoria, but we can provide people with a unique

premium product when they come to Western Australia to enjoy that product. With the chair's indulgence, I will hand over to the managing director to make some comments about those numbers in destination marketing.

Ms C. Turnbull: Further to expand on the explanation of tourism budget movements, over the forward estimates, specifically to the estimated actuals, Tourism WA's budget for 2022–23 was originally \$167 million but has been adjusted to \$150 million, mainly because of the deferral of spending on some programs, which the member pointed out, to align with expected timing of agreements and sponsorships, in particular for the aviation recovery fund and events program.

Ms M. BEARD: Does the funding for destination marketing for regional tourism organisations come from the same bucket of money?

Mr R.H. COOK: Yes. The RTOs are funded by Tourism WA. I ask Carolyn Turnbull to make further comment.

Ms C. Turnbull: Thank you, Deputy Premier. The RTO funded partnership is outside the destination marketing bucket of funding.

Ms M. BEARD: Is there somewhere to identify what those amounts would be for each RTO?

Mr R.H. COOK: Ms Turnbull.

Ms C. Turnbull: Thank you, Deputy Premier. That is not highlighted in these budget papers.

The CHAIR: That is not what the member asked.

Ms M. BEARD: If they are not highlighted in the budget, are we able to obtain amounts that each RTO receive in marketing funding per year?

Mr R.H. COOK: I think the best thing to do is for the member to put that question on notice so that we can provide a proper analysis for her.

Dr D.J. HONEY: I refer to page 189 of budget paper No 2 and in the table at the bottom of the page is the "Kimberley Flood Tourism Recovery Package". Given that the area was flooded, will there be any continuing or carryover funding for that, or will there not be any moneys allocated?

Mr R.H. COOK: It was a devastating event that impacted the Kimberley. That devastation was felt acutely by the tourism industry, particularly in the East Kimberley and by those overland tour operators who require those east–west transport links to work properly. In particular, the flooding from ex–tropical cyclone Ellie had a devastating impact on not only the physical infrastructure but also the image that people have of the Kimberley. Obviously, the government had to move swiftly to stabilise the transport corridors. I want to commend Minister Saffioti and Main Roads for the work they did to resurrect some of those transport links. They did a very good job. The other part of the problem was to stem the flood of cancellations that came as a result of people seeing in the media how devastating those floods were. The government made an initial tourism flood recovery package of \$6 million. That package included 19 000 discounted airfares from Perth to Broome and Kununurra. We also launched an "open for business" national marketing campaign. That was as much working with people in the travel industry itself to make sure they are advising their clients that their bookings are still safe and they can still get a good tourism experience. We provided a 50 per cent discount on tours and incentive programs. The importance of that particular program was that it allowed people who were in the region to access good local tours. They were snapped up like hotcakes through the visitor centres and were highly successful. We also had financial support for impacted overland tourism operators, as I said, many who were devastated by the impact of the cancellations.

I am really pleased and proud that we can say that the tourism operators of the East Kimberley have a season. There were a lot of cancellations. One estimate put cancellations across the industry at around \$10 million, but at least they have a season. In Kununurra a couple of weeks ago I sat down again with people in the tourism industry and they expressed relief—I suppose; they were not excited, but they were relieved—that they had a season where they could at least move on. I indicated to them that we would continue to work with them to identify any needs or opportunities that they might have for further support. The member will not be surprised to hear that our Tourism WA people in that market are working with operators at the moment. It is early days in terms of the season. The member would be aware that the season starts around late April/early May. We are seeing how that develops over the next few weeks. We will continue to work with them around any sort of further supports that they might need.

Ms M. BEARD: Regarding the Kimberley and the timing of that event, people make their plans early and they go around the top and then come south. Has there been any analysis or numbers gathered around the impact further south of the Kimberley that might have happened with bookings and people not coming? Will there be any impact or analysis done on that?

Mr R.H. COOK: We continue to work with industry to monitor the impact of tourism on the way up, working with the Caravan Industry Association for instance and looking at those numbers regionally right up through that corridor. I have not received any advice that there has been a significant impact. As the member knows, people get to the Kimberley two ways: they drive or they fly. The indication we have is that our locals, who like to drive,

feel that the corridors are now open again and they can get access into that market. I am stalling because the member was asking about another aspect. The other point I want to make is that when I spoke with a lot of the operators in Kununurra very recently, one of the points they wanted to make was that they will survive this season. The important thing we need to do is lock in early bookings for next season so they at least have an assurance that there will be ongoing sales and they can make decisions off the back of that. A lot of the work of Tourism WA over the next few months will be about how we can continue to promote the regions so that we can secure the 2024 season, now that the 2023 season has started.

[12.30 pm]

The CHAIR: Before I give the call to the member for Cottesloe, I welcome Carey Baptist College students to Parliament today.

Dr D.J. HONEY: There have been two significant events in close proximity. The first event was the border closure due to the COVID pandemic and the next was obviously this flood. A lot of tourism is based on reputation, and the minister has already alluded to that. Is there any thinking around further advertising going into the next financial year, given that those communities depend heavily on tourism? Groups like Fitzroy River Lodge, which has a big impact on the local Bunuba Dawangarri Aboriginal Corporation, may need some extra support to re-advertise that they are indeed available and open for business.

Mr R.H. COOK: Yes. This goes to the point I was making to the member for North West Central. I think we need to focus as much now on next season as we are focusing on maintaining business for this season. We want to make sure that the people who are starting to make plans now are being targeted with the right sort of advertising and promotion. We have a little bit more work to do in that space in understanding what the industry's key needs are both for the back end of this season, but also to promote for next season. As I said, that work is ongoing.

Ms L. DALTON: I refer to page 202 of budget paper No 2 and the line item "Aboriginal Tourism Fund" under "Tourism WA" in the controlled grants table. I understand that funding has been allocated to initiatives in the *Jina: WA Aboriginal tourism action plan 2021–2025*, which is now in its third year. Can the minister please outline what is being done in Aboriginal cultural tourism to support economic development opportunities for First Nations people and deliver cultural experiences that visitors are actively seeking out?

Mr R.H. COOK: I thank the member for the question. I am the incredible beneficiary of having had two amazing Ministers for Tourism prior to me coming to this portfolio. The work of Minister Papalia and Minister Templeman was amazing in establishing the Jina plan, which is the cornerstone of our Aboriginal tourism strategy. There has been \$20 million committed to the four-year plan, with 2023–24 being the third year of delivery. The Jina plan is about understanding and appreciating that there is only one unique feature of our tourism industry. Many jurisdictions have beaches, gorges and things of that nature, but that one thing that makes us truly unique compared with the rest of the world is our First Nations people and the culture that they bring to this amazing landscape. The Jina plan is about really enlivening that product. We know that 81 per cent of visitors who come to Western Australia have a strong interest in Aboriginal tourism experiences. Unfortunately, very few of them go away having had that experience. The Jina plan is really the beating heart of our overall tourism strategy to make sure that we can elevate Indigenous tourism product and continue to benefit from that.

The other great thing about the Jina plan is that it is a partnership with the Western Australian Indigenous Tourism Operators Council. It is doing a lot of work around supporting its members and enhancing their work to build their products. In 2023–24, we will open the seventh Camping with Custodians campground at Lombadina community on the Dampier Peninsula. We will be undertaking work with the Wunambal Gaambera community in the Kimberley to establish visitor centres on Jar Island to enable the community to deliver cultural performances for expedition cruise passengers. We are looking to continue the partnership with the City of Perth and WA Museum Boola Bardip to provide weekly Nyumbi cultural dance performances and smoking ceremonies every Saturday morning.

The funding to WAITOC is a key aspect of it running its Aboriginal Tourism Academy, which provides specialist capacity-building support to elevate market-ready businesses. The funding to WAITOC will also deliver a smart program called Business Hub, which will provide support for new Aboriginal tourism businesses to establish their websites and online booking service platforms, which are obviously incredibly important, and assist them with bookkeeping and call centre support. All these things are about building up that Indigenous tourism capacity, which will be a key feature of our overall tourism product into the future. WA has in excess of 110 Aboriginal tourism businesses that contribute \$63.8 million to the economy and employ over 500 Aboriginal people in the industry. It is a really important part of the state.

I will conclude by highlighting that one of the features of the total solar eclipse was the cultural event at Cardabia. It was an outstanding event that I think will become a permanent part of our Aboriginal tourism calendar, as we invite people to travel north through that late summer period to experience dark sky tourism and cultural tourism. That will become a really important part of the coral coast opportunity.

The CHAIR: All right. We have got time for a couple of short, sharp questions. Member for North West Central.

Mr R.S. LOVE: I thought I was next!

The CHAIR: Okay, Leader of the Opposition. I love being bullied!

Mr R.S. LOVE: I refer to page 191 of budget paper No 2 and paragraph 4.5 under the support energy transition section, which refers to the decarbonisation initiative through the LNG Jobs Taskforce. That is about the decommissioning of the gas fields. What has the minister's department done to further the development of any industry after the gas fields are decommissioned?

Mr R.H. COOK: I know the chair is looking for a quick answer. It was a fairly broad question, though.

The CHAIR: You can take as long as you like, minister.

Mr R.H. COOK: I will do my best.

Mr R.S. LOVE: It is a one-point question. I just want to know what has been done.

Mr R.H. COOK: Yes, that is right. The LNG Jobs Taskforce is an important opportunity for us to coordinate and collaborate with the industry around not only workforce-related matters, but also other important big policy questions. I have the honour of chairing that task force, and each of the chief executive officers of our major oil and gas partners sit on the task force with me. We are identifying a range of opportunities around the industry. Over the next 12 months, the LNG Jobs Taskforce will collaborate on opportunities relating to carbon capture, utilisation and storage, the decommissioning of offshore oil and gas assets, micro-credentialing, and the delivery of an expanded hyperbaric chamber and a testing and maintenance facility at the Australian Marine Complex.

The Leader of the Opposition asked particularly about the decommissioning aspect of that. The Centre of Decommissioning Australia was previously funded by National Energy Resources Australia, a commonwealth-funded program. The commonwealth defunded it, so we picked up that funding. The Centre of Decommissioning Australia has recently joined the LNG Jobs Taskforce to support the growth of the state's offshore oil and gas decommissioning industry. Decommissioning is predicted to be an \$18 billion industry over the next 10 to 20 years. It is going to be a huge opportunity for us, and that is when we consider just the oil and gas assets that sit off our coast. It does not include Bass Strait or the Timor Sea. This represents a huge opportunity for our industry. The Centre of Decommissioning Australia continues to work to identify sites for the decommissioning work. West Pilbara is emerging as a key site for that work to take place. It is also looking at what we need in capitalisation, a workforce and so on. In 2023, we committed \$5 million towards the Centre of Decommissioning over the forward estimates to assist in standing up that decommissioning industry. The member is right to identify it as an important part of our work; it will be a key industry into the future.

[12.40 pm]

Ms M. BEARD: I refer to page 693, significant issues impacting the agency, paragraph 8.1 —

The CHAIR: Page 693? That is a different division, member.

Ms M. BEARD: Sorry!

Mr R.H. COOK: Division 14 is big, but it is not that big!

The CHAIR: Does anyone else have a question? We have 30 seconds left.

Dr D.J. HONEY: Chair, with your indulgence, I was conferring with my colleagues and we wondered whether we can push through to 12.45 pm on this division.

The CHAIR: All right.

Dr D.J. HONEY: I refer to page 193, "Enabling Science" and paragraph 10.1, which states —

building skills, engagement and understanding in science, technology, engineering and mathematics (STEM), including implementing the STEM skills strategy ...

Can the minister outline the major parts of that strategy?

Mr R.H. COOK: As a former STEM student, I know that the member probably cares a lot about this area. A lot of what we want to achieve in diversifying our economy will rely upon growing a workforce of young Western Australians who have the capability and skills in science, technology, engineering and mathematics. That will be absolutely crucial to remaining globally competitive. A large proportion of the actions articulated in the 2019 state skills strategy have been progressed and/or completed. A mission update to the strategy is currently being developed to report back. The strategy was launched in May 2019, and it included funding \$3.4 million from July 2018 to June 2022 to support initiatives, including a STEM awareness campaign in-market from June to November 2020; a STEM professional learning and mentoring program delivered in partnership with the Department of Education, benefiting teachers across 136 schools; and a digital and technology skills program, providing a total of \$738 000 in grants to eight skill-building projects for under-represented groups in STEM from 2019 to mid-2022. We will be able to step back to look at the success of those strategies. The member would also be familiar that the government, through the Department of Education, has undertaken a lot of work inside the school system to promote

STEM, and that includes the upgrade of classrooms to create science laboratories. We are looking at how we continue to encourage students to look at STEM as a learning and career pathway.

Dr D.J. HONEY: This question relates to the minister's last point. As far as I am aware, we are still seeing a decline in the take-up of STEM subjects in schools. Will work continue to encourage children to take up STEM subjects in our schools?

Mr R.H. COOK: I obviously cannot speak for the Minister for Education, but I can say that the government is committed to building our skills workforce in the STEM area. As the member knows, and as we have talked a lot about today, a tsunami of economic and investment activity will be a part of the energy transition—renewable energy, renewable hydrogen, critical minerals and battery energy storage. We will need workers from literally all corners of the world. One of the things we need from the Australian government is a skills migration program that is fit for purpose and able to attract the workers that we need for all these industries to grow.

Dr D.J. HONEY: The minister mentioned earlier the Karratha Jobs and Skills Centre. Can the minister briefly outline what that involves?

Mr R.H. COOK: I would love to, but I will put the member in the hands of the director general to provide some information.

Mrs R. Brown: In terms of hydrogen, I will defer to Anthony Sutton.

Mr A. Sutton: This is in regard to the Pilbara hydrogen hub, of which there are four components. It is an infrastructure corridor, training centre—which the member mentioned—port infrastructure and a broader plan. The training centre is very much about making sure the skills in both the Karratha area and Port Hedland are fit and ready for renewable hydrogen, but also renewable energy. At the moment, we are negotiating the final agreement with the commonwealth on the funding for that aspect of the project.

Dr D.J. HONEY: Is that in Karratha or Hedland?

Mr A. Sutton: It will have an aspect of both.

The appropriation was recommended.

Division 42: Biodiversity, Conservation and Attractions — Service 2, Tourism, \$59 013 000 —

Ms M.M. Quirk, Chair.

Mr R.H. Cook, Minister for Tourism.

Mr P. Dans, Acting Chief Executive Officer, Rottnest Island Authority.

Mr J. Banks, Executive Director, Rottnest Island Authority.

Ms L. Cassetai, Chief Financial Officer, Rottnest Island Authority.

Mr N. Fergus, Chief of Staff, Minister for Tourism.

[Witnesses introduced.]

The CHAIR: The estimates committees will be reported by Hansard and the daily proof will be available online as soon as possible within two business days. The chair will allow as many questions as possible. Questions and answers should be short and to the point. Consideration is restricted to items for which a vote of money is proposed in the consolidated account. Questions must relate to a page number, item or amount related to the current division, and members should preface their questions with those details. Some divisions are the responsibility of more than one minister. Ministers shall be examined only in relation to their portfolio responsibilities.

A minister may agree to provide supplementary information to the committee. I will ask the minister to clearly indicate what information they agree to provide and will then allocate a reference number. Supplementary information should be provided to the principal clerk by noon on Friday, 2 June 2023. If a minister suggests that a matter be put on notice, members should use the online questions on notice system to submit their questions.

I have a question from the member for North West Central, and then the Leader of the Opposition.

Ms M. BEARD: I refer to page 694 of budget paper No 2, volume 2, significant issues impacting the agency, specifically paragraph 8.4 that refers to the Rottnest Island Authority's \$34.1 million upgrade to the drinking water supply network. Is there currently a water shortage on the island?

Mr R.H. COOK: I thank the member for the question. The power and water infrastructure on the island are significant pieces of work. The McGowan government has invested around \$60 million for maintenance upgrades to the power and water utilities on the island. There is not so much a question of water shortage—water comes from a small desalination plant—but it is true to say that a lot of the pipes and the network associated with that are somewhat aged. A key piece of work that Mr Banks is involved in at the moment is transitioning the water and power utilities away from the Rottnest Island Authority—for some historical reason, it has continued to be its own utility

provider—to Horizon Power and the Water Corporation. In relation to those challenges associated with water, I might invite Mr Dans and/or his officer —

[12.50 pm]

The CHAIR: That might be sufficient information for the member. I am mindful of the time.

Ms M. BEARD: Is there a need for bottled or potable water to be transported to Rottnest Island, or is it sustainable at the moment with the drinking water that is there?

Mr R.H. COOK: No; it is all done through desalination and the collection of a small amount of water through the local catchments.

Mr R.S. LOVE: I refer to the second explanation of significant movements on page 697. It talks about the estimated actual income being higher than the 2022–23 budget due to the recognition of the \$4.5 million grant for the national tourism icons program from the commonwealth, which was not budgeted for. Can the minister explain what that grant was for and what it was spent on?

Mr R.H. COOK: I will ask Mr Banks to provide information on that.

Mr J. Banks: We were fortunate to receive total funding of \$17.2 million from the commonwealth back in 2019. We have been rolling out a series of programs with that funding. That has involved the upgrade of our mall central area and we are undertaking works at the far west end of the island. We have also undertaken a significant welcome statement with that funding, as well as a significant upgrade to the basin area.

Ms J.J. SHAW: I draw the minister’s attention to the service summary on page 695 and the second service, “Visitor Services and Public Programs Provided at Rottnest Island”. Can the minister provide an update on the implementation of the new booking system, please?

Mr R.H. COOK: Thank you very much, member. As the member knows, booking a holiday at Rottnest Island has always been one of the great Western Australian challenges. Many people have perfected that art and the rest of us continue to be bewildered by it. One of the important developments that has taken place is the new updated online queuing and booking system. That has been rolled out over the course of this year and has been a particularly successful aspect of the upgrades that the Rottnest Island Authority has taken on. The importance of the booking system is that it has to be able to guard against bot purchasing. A lot of work has been done to build in an appropriate level of cybersecurity and bot protection to ensure that people do not continue to game the booking system under the new system. Protections are in place, and the effectiveness of that can be seen over the last two days as more bots are targeting the system. If the source is a known bot data centre, it is immediately blocked. If the source appears suspicious to the user, the user is asked to complete a CAPTCHA response to ensure that they are human, which is usually the matrix to identify traffic signals. I am sure that one day someone will invent a technology that can identify traffic signals, but that protection is proving to be particularly important as we move more to an online arrangement for booking accommodation.

What is really pleasing is that the new consumer website and online system, rotnestisland.com, was awarded winner of the 2023 Australian Web Awards in the category of government websites for government, government agencies or wholly government-funded programs. This is all about continuing to upgrade and update the infrastructure and the online experience of Rottnest, and to continue to make sure that Western Australians enjoy the premium tourism service that they would expect if they were booking accommodation or something else at a premium tourism destination.

Ms J.J. SHAW: I have a further question.

The CHAIR: There is no further question. I give the call to the member for North West Central.

Ms M. BEARD: I refer to the line item “Karijini National Park Upgrades” under the asset investment program on page 702 of budget paper No 2, volume 2. Can the minister give a brief update of the national park upgrades—sorry, I am looking at the wrong one.

Mr R.H. COOK: There are not too many gorges at Rottnest!

Ms M. BEARD: I refer to the average level of visitor satisfaction for Rottnest Island on page 696. There has been a decrease in visitor satisfaction to 75 per cent. Is there an explanation for that?

The CHAIR: It would be the booking system, I suspect!

Mr R.H. COOK: I will ask Mr Banks to provide further commentary. The member can see that in 2022–23 we sought a budgeted satisfaction level of around 75 per cent and the actual estimated is 84 per cent.

Ms M. BEARD: I am wondering why the government thought it might have been lower.

Mr R.H. COOK: I will ask Mr Banks to comment.

Mr J. Banks: As the minister has clarified, the target for the previous period was 75 per cent and we have exceeded that target. In recognition of that, we have set a higher target of 85 per cent in the future. It is generally trending up.

Mr R.S. LOVE: I refer to the completed works on page 703 and the line item “Holiday and Tourism Facilities”. Obviously that program has come to an end or is estimated to end at the end of the financial year. Has that project been completed and are there any plans to further enhance the holiday and tourism facilities in the future?

Mr R.H. COOK: Thank you very much, member. This program was anticipated for 2022–23. The works that were targeted for that financial year have been completed. We are obviously looking at opportunities to undertake further upgrades. I will ask Mr Banks to comment on that shortly. The projects completed in 2022–23 are essentially across three key areas: the refurbishment of visitor accommodation and ablutions, which cost \$7.3 million; the North Thomson wastewater sewerage pump station and flow-balance tank replacement, which cost \$2.2 million; and the generator replacements, which cost \$274 000. Mr Banks can provide an overview of what we are anticipating in 2023–24.

Mr J. Banks: The budget line item for the top program—the national tourism icons program—relates to that commonwealth funding. That project is coming to an end and will be fully expended this financial year. We are in the final stage of the last project, which is the west end project. The other line item is our recurrent budget approval. That flows on to page 704 where the program picks up again and the member will see the recurrence of our recurrent capital program and any specific purpose funding streams that we have in those future years.

The appropriation was recommended.

Division 32: Chemistry Centre (WA), \$12 461 000 —

The appropriation was recommended.

Meeting suspended from 12.58 to 2.00 pm

Synergy —

Ms M.M. Quirk, Chair.

Mr W.J. Johnston, Minister for Energy.

Mr D. Fyfe, Chief Executive Officer.

Mr J. Cowper, Chief Financial Officer.

Mr J. Thomas, Deputy Director General; Coordinator of Energy, Department of Mines, Industry Regulation and Safety.

Mr R. Sao, Chief of Staff, Minister for Energy.

Ms A. Keogh, Principal Policy Adviser.

Mr J. Stephens, Senior Policy Adviser.

[Witnesses introduced.]

The CHAIR: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available online as soon as possible within two business days. Questions must relate to the operations and budget of the off-budget authority. I will allow as many questions as possible. Questions and answers should be short and to the point.

A minister may agree to provide supplementary information to the committee. I will ask the minister to clearly indicate what information they agree to provide and will then allocate a reference number. Supplementary information should be provided to the principal clerk by noon on Friday, 2 June 2023. If a minister suggests that a matter be put on notice, members should use the online questions on notice system to submit their questions.

I give the call to the member for Cottesloe.

Dr D.J. HONEY: I refer to page 776 of budget paper No 2 and significant issues. Item 1 refers to the government’s announcement to retire all state-owned coal-fired power stations by 2030. One of the suggestions for dealing with any interruption to power supply with intermittent renewables was to use pumped hydroelectricity. Is Synergy and the government still considering pumped hydro or has that plan now been abandoned?

Mr W.J. JOHNSTON: We are still considering it.

Dr D.J. HONEY: If the minister is —

The CHAIR: Is that a further question?

Dr D.J. HONEY: Sorry, I have a further question. Chair, you will have to forgive me. We are at the tail end of a very long couple of days. As part of that plan, where is pumped hydro being considered?

Mr W.J. JOHNSTON: It is within the south west interconnected system. Let me cut to the chase. The member is probably asking about these private proposals. They have nothing to do with Synergy. There are people around who are looking at private proposals. If any of them come up with a plan, I am sure that they will pitch it to government,

but at the moment nobody in government or Synergy has received any commercial offers for pumped hydro. At the same time, Synergy has a team investigating what other options might be available to us, but every single option has lots of problems. As I have said on many occasions, there is no silver bullet in Western Australia when it comes to pumped hydro. We need long-duration energy storage; we all understand that. Lithium ion batteries cannot provide long-duration storage. Western Australia has everything we need for pumped hydro except for mountains and water. Given that they are the two things that make up pumped hydro, it makes that option very complicated. As I say, we have a team that is looking at it. We have not made a decision about any particular proposal. In respect of those commercial operators who are out in the market talking about stuff, not one of them has ever made a specific offer to government for any proposal.

Dr D.J. HONEY: The minister has spoken before about the difficulties with pumped hydro, which are logical concerns. What is the next cab off the rank in terms of high priority alternatives to provide that backup for intermittent renewables?

Mr W.J. JOHNSTON: In the end it is really a question for the Australian Energy Market Operator, not Synergy. Synergy is replacing its coal-fired power units using a combination of rooftop solar, wind and lithium ion batteries. That is exactly what we said we would do when we announced the closure and we are implementing that. At the time we announced the closure, we also explained that we were going to see whether pumped hydro is a business case for Synergy. Other people are looking at pumped hydro, but they do not need the government to get those to market because, in the end, the Australian Energy Market Operator will decide what the system looks like in terms of generation capacity because it controls the capacity market.

Dr D.J. HONEY: I refer to generation at the bottom of page 779 and item 4. This is obviously related to the point the minister just talked about but I will be asking a new question. It explains that Synergy's existing portfolio is coal, gas, liquid fuel and renewable energy assets. It lists an amount for major investments. Does the minister anticipate constructing a new gas-fired coal plant prior to the closure in 2030?

Mr W.J. JOHNSTON: Sorry, I do not understand the question—gas or coal?

Dr D.J. HONEY: Gas-fired power plant.

Mr W.J. JOHNSTON: There are two elements to that. The first is that Synergy has an existing fleet of gas-fired plant, some of which is old and some newer. Synergy keeps in mind the age of its plant to make sure that it continues to be effective. We are looking at whether any additional volume of gas plant would be needed. If we think about the profile of the supply, it is unlikely that we are going to need more gas megawatt hours, but we might need more gas megawatts, if the member sees the difference. Again, it is the Australian Energy Market Operator that is principally involved in that, not Synergy. Notwithstanding that, Synergy would be responding to the needs of the operator of the system—sure, we are looking at what options are available. Having said that, we still need to get our carbon reductions and that is our overriding principle. That does not change the obligation on Synergy to reduce its carbon emissions by 80 per cent, which is what we are doing.

Dr D.J. HONEY: I know that the minister is on top of his portfolio so he would be aware if we need significant increases in gas-fired generation capacity in the south of the state. Based on the current forecast, it is likely that our gas pipeline will be constrained. Is Synergy looking at that or is it relying again on AEMO or some other body to look at that in relation to gas supply into the south of the state?

Mr W.J. JOHNSTON: There are a number of elements to that question. Some of those elements can be asked about when Energy Policy WA is around because they are not really related to Synergy. Synergy has a sufficient supply of gas for all its current expected scenarios. The member is asking about a separate issue: what is the constraint on the pipeline for other users of gas? That is not a challenge for Synergy because Synergy already has sufficient gas for its needs.

Dr D.J. HONEY: For example, if Synergy required a 20 per cent expansion in its megawatt capacity for gas, would it have access to sufficient gas to achieve that?

[2.10 pm]

Mr W.J. JOHNSTON: As I have explained previously, it might need more megawatts, but not more megawatt hours. Therefore, it is not a question of the total volume of gas, because we turn the gas into energy. According to the advice I have, Synergy has sufficient gas to meet its current expected scenarios for generation into the medium term.

Dr D.J. HONEY: Just to elucidate that a little more, I understand the difference between peak energy and total energy consumption and between megawatts and megawatt hours, or whatever number we want to use. I thought the area of concern was the instantaneous demand in that moment; over the year it is fine, but in the period of an hour there can be a potential constraint on supply.

Mr W.J. JOHNSTON: Again, I think people are talking about a separate issue, which is the total volume of gas needed by industrial consumers in the south west. That has nothing to do with Synergy. If the member wants to ask me the same question when Energy Policy WA is here, we can have that discussion. Synergy has sufficient supply to take account of its needs.

Dr D.J. HONEY: I am looking at the income statement table on page 782 and the line item “Other expenses”. I am interested to know how much money Synergy is spending on advertising, particularly on the “Greater, connected” campaign. How much money was spent in the last financial year on that campaign, and how much is proposed to be spent in the next financial year?

Mr W.J. JOHNSTON: I do not know the answer to either of those questions because Synergy is a government trading enterprise that makes decisions about these sorts of matters itself. I am happy to ask Mr Fyfe whether he has any information on that.

Mr D. Fyfe: We would need to take that question on notice to get the exact figures.

Dr D.J. HONEY: Can we have that as supplementary information?

Mr W.J. JOHNSTON: No, I think it will be easier if we put it on notice.

The CHAIR: Are there further questions or new questions?

Dr D.J. HONEY: Absolutely. We are festooned with questions! I have a further question. I am intrigued about why Synergy needs to advertise. It is effectively a monopoly supplier, certainly to residential customers. There is no potential for competition. I appreciate that it might do that for larger customers, but I am certain that the larger customers are not swayed by advertising; they are affected more by commercial decisions. Why is it necessary for Synergy to advertise its brand in that way, given that it is a government monopoly?

Mr W.J. JOHNSTON: Firstly, Synergy engages with its customers on a regular basis and responds with the information its customers tell it to provide. It provides information so that its customers understand what activities and engagements it has. People often say that they do not understand the energy system, why decisions are made or how the elements of the business connect with each other, and that is why Synergy invests in keeping in touch with its customers.

Ms J.J. SHAW: I have a further question. Just on that very same point, I wonder whether the minister could elaborate on Synergy’s role in educating its customers, through the advertising it provides, about energy consumption patterns and the ways in which customers can influence their own energy costs.

Mr W.J. JOHNSTON: That is a very important issue because people often complain about the cost of energy. Obviously, the cost of energy in Western Australia is not going up by 25 per cent, as it is in New South Wales, South Australia and south east Queensland. It was announced yesterday by the regulator that the price in Western Australia will actually go down this year, when we take into account the contributions being made by the federal and state governments to the rebate. If people understand the way they manage their own electricity, it can help them to reduce their bills. Working with its customers is actually one of the elements in which Synergy has invested quite strongly.

I might ask Mr Fyfe to talk about some of the programs Synergy is running to help hardship customers—things like case management and working with customers to try to reduce their costs.

Mr D. Fyfe: I thank the member for the question. Synergy has a dedicated team for our vulnerable customers that consists of a case management team. As soon as a customer phones in with hardship issues, such as having trouble paying their electricity bill, an agent will stay with that customer throughout the journey. It has a very good record of success in assisting vulnerable members of the community to get through difficult periods in their lives. We are also assisting with the household energy efficiency scheme with the Department of Communities. We go out to households and assess their electricity usage, the kinds of appliances they have and help them change out to more efficient appliances as well. I should say that the community looks to Synergy to be that voice when it comes to decarbonisation, for example. The community has indicated that it wants to be a part of the decarbonisation journey. With more than 30 per cent of households having solar panels on their roofs, it is clear that people want to be part of this transition. I think it is important for Synergy to connect with the community, and that is part of the reason we have the advertising campaign. We want our customers and the community to know who they should contact in the event of hardship, and when they have questions around energy.

Mr W.J. JOHNSTON: Just to add to that answer, the member will have seen Synergy branding at bus stops. People see the TV ad, they see the branding and they understand that the two things are connected. As the member has not done TV advertising as a former party secretary, I can tell him that it needs in-depth advertising. The outdoor advertising is directed at specific messages, including hardship messages and even small business hardship messages; I have seen those on the outdoor ads. We can see how Synergy is working in an integrated fashion through its advertising, along with what goes into the bill inserts, to make sure that people understand what the options are and what Synergy is doing to transition the generation fleet for the future.

The CHAIR: Before I give the member for Cottesloe the call, I welcome the students from Carey Baptist College.

Dr D.J. HONEY: I refer to page 782 of budget paper No 2. The first line item of the income statement table is “Sale of goods and services”. The actual for 2021–22 is approximately \$3.12 billion, which is 10 per cent higher than the estimated outcome in the last budget of \$2.84 billion. The same result is found in the budget for this year,

with an estimated revenue of \$3.08 billion, which is again higher than the budget estimate of \$2.76 billion. What was the surprise in that? That is a vast amount of extra electricity being sold. Is there some new commercial customer, or is that just general growth in sales of electricity?

Mr W.J. JOHNSTON: Because Synergy has the largest generation fleet, it is most commonly called by the Australian Energy Market Operator and it charges from the short-term energy market because it is making a bigger effort. When other generators do not bid, Synergy is called, so it is just the market outcome; it is about the operation of the south west interconnected system by AEMO and Synergy's contribution to that.

Mr D. Fyfe: Overall system output as a total over the year has not really changed that much, year on year; our fleet of assets has just been called upon more by the Australian Energy Market Operator and, for various reasons, market participants have not been able to participate as much as in previous years, so Synergy has been asked to take up that shortfall.

Dr D.J. HONEY: Given the continuing dramatic rise of rooftop solar, I am surprised—perhaps the minister cannot comment.

Mr W.J. JOHNSTON: I can.

Dr D.J. HONEY: It seems to be counterintuitive; we would think sales or income would be going down rather up.

The CHAIR: That is just rhetorical, minister. You can choose whether to answer.

Mr W.J. JOHNSTON: I will just make the comment that I think we can talk about these issues when Energy Policy WA is here, rather than Synergy. There is no question that buying electricity for \$70 or \$25 a megawatt and then selling it for minus \$180 a megawatt is not a good business project. In fact, closing that gap, as I have said in public previously, is the source of the funds to pay the \$3.8 million for the decarbonisation process. But of course daytime energy use is only one element of the south west interconnected system. Again, when EPWA is here we can have a long conversation about minimum demand, which is actually just as complicated as maximum demand, but the net effect for Synergy is that it has had a good couple of years on revenue.

[2.20 pm]

Dr D.J. HONEY: I should have covered this when I asked my first question. I refer to page 776 of budget paper No 2, paragraph 1 and the announcement of the retirement of state-owned coal-fired power stations in 2030. We are obviously a little way down that path and there has been more analysis. Is the minister still confident that we will not require government-owned coal-fired generation capacity past that announced date?

Mr W.J. JOHNSTON: Yes, that is right. Again, people confuse two separate issues—that is, the capacity needed by the Australian Energy Market Operator and the capacity required by Synergy to serve its customers. The coal fleet no longer serves its purpose for Synergy. Therefore, the longer we operate the coal units, the bigger the losses are going to be. We need to use less coal so that we lose less money. We have talked previously about the fact that in 2021 the Collie A unit was switched off for six weeks, from September to November. It had nothing to do with coal supply or anything like that; it just does not fit into the market.

Hon Dr Steve Thomas occasionally asks me about baseload power supply. The baseload in Western Australia is now below 700 megawatts. Think about it; the Muja units by themselves are more than that. That is the challenge we have. Remember coal works best when it is used at the same level all the time. That is what it was designed to do. It is not designed to ramp. Synergy needs to get out of coal for commercial reasons. The great advantage of that is that we get this massive benefit to our carbon emissions profile. We can reduce our carbon emissions by 80 per cent by doing this because Synergy is 95 per cent of the government of Western Australia's carbon emissions. Just that one decision will make a massive difference to the government of Western Australia's scope 1 and 2 emissions.

It is a really fundamental issue and I get very frustrated when so many commentators get confused about the business needs of Synergy and the Australian Energy Market Operator's responsibility to manage the electricity system, which are two separate things. The idea that Synergy has to continue to run a commercial loss because somebody else has a problem does not make any sense. No commercial business would operate like that, and we are not going to.

The good news is that all the batteries are starting to work. This afternoon I was given a download from AEMO that shows that the Kwinana battery, which is in its startup phase, has participated in the market—only a very small amount. It is the first contribution from the battery. Obviously it cannot be turned on at 100 per cent straightaway in case something goes wrong. It has to be turned on progressively to make sure that an unknown fault does not cause trouble. But it is now participating in the market, which is good. The other good thing about this is that Synergy now has all those learnings from doing a battery, not talking about it, so when it does its next projects—Kwinana battery energy storage system 2 and the Collie battery energy storage system—it will be in a much better position to make them work effectively.

Dr D.J. HONEY: I refer to page 776 of budget paper No 2 and significant issues impacting the government trading enterprise. Paragraph 7 states that additional renewable generation and energy storage projects will continue to be progressed. Can the minister outline which other battery storage projects are going to be progressed this year?

Mr W.J. JOHNSTON: We have announced what we will be doing for the next financial year, which is KBESS 2 and Collie BESS plus the King Rocks wind farm and the expansion of the Warradarge wind farm. They are the projects that we have announced we are doing and are being executed. When they are finished, we will do the detail of the next ones. It is 200 megawatts, or 800 megawatt hours, at KBESS 2; 500 megawatts, or 2 000 megawatt hours, at Collie BESS; between 70 and 140 megawatts at King Rocks wind farm; and the expansion of Warradarge, which of course is a Bright Energy Investments project, not a Synergy project. They are the projects we have announced, and that is what we are doing at the moment. Remember it is about 20 years since Synergy did a major project so it had to create a major projects team to execute these projects. This is for our current profile and there will be further projects to complete the other parts of the announcement, but we are not yet at the point at which we can say what those projects will be. The point is that this \$2.8 billion is for a big set of projects. We want to get them done efficiently and effectively. It is a very difficult market to work in. People around the world, not just around Australia, are building this stuff so there are lots of challenges on supply chain and other issues. There are challenges about making sure we have sufficient workforce. We are working with all our different contracting partners. There are all those things, so let us get these ones done, and then we will do the next ones.

Dr D.J. HONEY: I refer to page 782 of budget paper No 2 and the income statement. Is the electricity credit the government is paying borne by Synergy or by general government so that it does not affect Synergy's revenue?

Mr W.J. JOHNSTON: Yes. It is a pass-through. Treasury pays it to Synergy and Horizon and they hand it on to their customers. It is not carried by Synergy and Horizon.

Dr D.J. HONEY: I refer to page 776 of budget paper No 2 and the announcement of the closure of the coal-fired power stations. Since that announcement was made, we have had an issue with coal supply into that power station. What does the government anticipate coal imports will be in the coming financial year?

Mr W.J. JOHNSTON: We have never imported coal.

Dr D.J. HONEY: Into the state—the Newcastle coal?

Mr W.J. JOHNSTON: Does the member mean the coal that came from New South Wales?

Dr D.J. HONEY: Yes.

Mr W.J. JOHNSTON: We have never imported coal. We did bring 100 000 tonnes from New South Wales. I have answered a question on this topic in this chamber recently; there is no expectation of needing any additional coal. We responded to the opposition's call for that action.

I remind the member that on 3 October last year he was reported as saying —

“If we have the hot weather that we had last December then we're getting to a stage where there could be a threat to the power supply for the whole of south-west of Western Australia.”

Because we did not know in September or October how our coal supply would perform, we took out insurance—exactly as the member said we should—and bought 100 000 tonnes of coal from New South Wales. We have learnt a lot about doing that; that is, it is much more difficult than it looks. The coal is not lost. Again, I think I answered a question from Hon Dr Steve Thomas the other day about where we are at with the burn rate. We are through 50 per cent of it now and we will be done by October or November. We have a blending rate to take account of all the issues in the system, and that means we are able to manage our coal supply and we know that we will not have these challenges next summer because Premier Coal's performance has improved and we have a 100 000-tonne buffer.

[2.30 pm]

Dr D.J. HONEY: When we were going through the port section in the budget discussion, the Bunbury port manager said there was not an issue with importing material. It can import large volumes of material, but there was a substantial issue with trucks and the logistics on that port side. Is that a contingency that the government has looked at in case there is a requirement for the importation of coal in the future?

Mr W.J. JOHNSTON: In answer to that, Premier Coal brought the coal through the port of Bunbury, not us. We worked with it in detail on all the challenges there. It is very complicated to bring in the coal. We know that other users of coal have talked about using genuinely imported coal, such as coal from Indonesia. It would be up to Premier Coal to work with the port of Bunbury to find a solution. It shows us that it is really only an emergency solution. To the extent that we can be confident about a third party, we are confident that Premier Coal will deliver the contracted volumes. As I said previously, we understand that as volume goes down, the price goes up, and we are continuing to talk to it about that.

The CHAIR: That completes the examination of Synergy.

Horizon Power —

Ms M.M. Quirk, Chair.

Mr W.J. Johnston, Minister for Energy.

Ms S. Unwin, Chief Executive Officer.

Mr M. Houlahan, Chief Financial Officer.

Mr J. Thomas, Deputy Director General; Coordinator of Energy, Department of Mines, Industry Regulation and Safety.

Mr R. Sao, Chief of Staff, Minister for Energy.

Ms A. Keogh, Principal Policy Adviser.

Mr J. Stephens, Senior Policy Adviser.

[Witnesses introduced.]

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I give the call to the member for Cottesloe.

Dr D.J. HONEY: Thank you, chair. I did not manage to get a break over lunch today, so I am a little slow.

I refer to page 800 of budget paper No 2 and the customer satisfaction ranking, which is obviously measured by an annual survey. First, can the minister explain how that survey is conducted? It is in the top table, “Outcomes and Key Performance Indicators”.

Mr W.J. JOHNSTON: I ask Stephanie Unwin, the chief executive, to reply.

Ms S. Unwin: The surveys are typically conducted by phone, but also by other media such as online surveys.

Dr D.J. HONEY: I note the target of 70 per cent. I have had a chance to look at customer satisfaction with other agencies and bodies during this process. People are typically looking at satisfaction of 90 to 95 per cent, and they seem to have achieved that. I am wondering why that target of 70 per cent was lighted upon and whether it is not ambitious enough, given what other agencies seem to achieve.

Mr W.J. JOHNSTON: There are only two electricity companies governed in Western Australia, so I do not know how we can benchmark Horizon and Synergy against, say, the Department of Finance. They are completely unrelated entities. The satisfaction of the education department is probably very high, but that is because it does not send bills to people. Horizon Power is an organisation that sends people bills that demand money from them, so it is understandable that the satisfaction profile is going to be different.

Dr D.J. HONEY: Better than Health!

What are the principal areas of dissatisfaction with the service, given that it is a reasonably significant body of people?

Mr W.J. JOHNSTON: I ask Stephanie Unwin to reply.

Ms S. Unwin: The typical causes of dissatisfaction relate to the high cost of energy bills. It is not the unit rate, but the actual consumption in very high temperature towns. Some dissatisfaction would relate to outages through to adverse weather events—the periods when customers are out of energy.

Mr W.J. JOHNSTON: Can I make a comment about that? First is the price. For the highest cost town that Horizon serves, the cost of producing electricity is \$2.70 a kilowatt hour. At the last election, the Liberal Party had a policy to say that there would not be a subsidy, so people would have to pay the actual cost of energy. That would have seen a 1 000 per cent increase for some people in Horizon Power’s footprint. We have a uniform tariff policy, so everybody pays the same. One of the challenges for electricity consumption that is known around Australia is that our houses are not very energy efficient. I congratulate the new federal government on finally closing in on the building energy efficiency standards, which have been hanging around for six years, from back when I was the Minister for Commerce. That is finally being implemented and that should reduce people’s consumption over time.

Similar to what we talked about in Synergy, Horizon also has a team of people working with customers in hardship to try to help them reduce their bills. The best way to help people in hardship is not to give them a hardship utility grant, but to reduce their energy consumption. The last government just used HUGS as a way of papering over all the problems. We are trying to address and solve the problems.

Dr D.J. HONEY: In relation to customer concerns about the organisation, have we seen an improvement in the number of total hours of power outages over the last year, or has that deteriorated?

Mr W.J. JOHNSTON: Horizon is a vertically integrated entity. It is not like in the south west, which has a gentailer plus a network business; Horizon runs everything. Each of its communities has 38 separate microgrids. They each have their own challenges and therefore their outage profile is different. They are not related to each other. Some will have a good time and some will have a more challenging time, depending on the circumstances in each of those different communities. It is a bit harder than it is for Western Power, because there are completely separate communities.

Dr D.J. HONEY: I appreciate that, but surely there must be an ability to aggregate the number of hours of outages for customer, for example. That would be a straightforward calculation.

Mr W.J. JOHNSTON: There is, but again, this is one of the challenges we are looking at. I am getting away from Horizon, but back when members opposite were in government, Western Power always reported averages. However, averages hide the challenges of individual locations. The point I am making is that an average for Horizon is almost meaningless, because there are 38 separate microgrids and each has its own performance challenges. An average does not tell the real story, because the real story is what individual customers experience.

The CHAIR: Member for West Swan, is that a further —

Ms J.J. SHAW: Swan Hills.

The CHAIR: Swan Hills. I am sorry.

Dr D.J. HONEY: She is going to make the move one day!

Ms J.J. SHAW: I sit next to you, chair!

The CHAIR: I know.

[2.40 pm]

Ms J.J. SHAW: I would like to discuss the climate change policy under paragraph 8 on page 798 of budget paper No 2. I congratulate Horizon Power for doing some genuinely world-leading innovation and sandboxing of some absolutely incredible sustainable energy options. I am not being biased—I used to work there many years ago! Horizon Power has set a very ambitious carbon emissions reduction target of 80 per cent by 2030. How is Horizon Power looking to deliver on this ambitious target?

Mr W.J. JOHNSTON: It is a very good question. I invite the chief executive officer to comment, because I know that she is very passionate about Horizon's improving carbon profile. I know that she has great ambitions, on behalf of her business, to see it do even better.

Ms S. Unwin: First and foremost, we either have a series of power purchase agreements with independent producers or we use our own generator. Each town has an end-of-life profile. Our recent success in Esperance took that town from about 80 or 90 per cent thermal energy to 50 per cent renewables. That was done through a combination of solar and wind farms with a backup battery. That idea now needs to be rolled out across each of our systems as those PPAs roll off. Our next one is Exmouth, which is due to expire in 2024. We have a proposal and we are in commercial discussions to settle for an 80 per cent renewable solution in that town. That will be exactly as described for Esperance, but with a higher penetration of renewables. For each of those, a series of approvals and the like need to be taken through their natural course, particularly with the land in the local shires—a considerable amount of our effort goes into acquiring land. Essentially, that is the process. We take each town, look at its renewable content and then work out, based on the age of the assets and the profile of the town, how we can then deliver 80 per cent. The next project of magnitude after Exmouth will likely be Broome.

For a bunch of other high-cost diesel towns, we really look to the customer to do a lot of the heavy lifting. We really try to encourage rooftop solar, which we will then manage through what we call our distributed energy resources management system to enable all that little stuff to play with our centralised system. That is how we are trying to do it. At the same time, the idea is to minimise the overall cost by going after the biggest emitters first and in the right order.

Dr D.J. HONEY: It seems that getting to a 70 per cent reduction in emissions with renewables is not trivial, but it is reasonably straightforward. However, going the additional 10 per cent or so seems to be the really hard nut to crack. Is the minister confident that Horizon will achieve the full 80 per cent reduction required by 2030? Is the agency confident that it will do that, or is it going to be difficult?

Mr W.J. JOHNSTON: There are two issues there. One is the carbon emissions and the other is the question of renewable content. They are not quite the same thing. Generally speaking, people think that 80 per cent renewable is achievable under current technologies. It is the last 20 per cent that is the problem. Achieving that usually gets to what is actually needed out of the carbon question. Of course, the other thing is that if we put 80 per cent renewables in a diesel town, it will lead to a bigger reduction in carbon emissions than in a gas town, because a gas town has less carbon emissions. There is a balance to get what is needed out of the business. Look at the Denham trial. It was a great innovation. It was a world-first use of a hydrogen electrolyser and fuel cell in an electricity grid. That is

the sort of thing that we are doing. The other thing we are doing is zero refusals for rooftop solar. I ask Ms Unwin to make further comment about the technology being looked at for these solutions.

Ms S. Unwin: In reference to zero refusals for rooftop solar, it was really important in our footprint that we enable all customers who want to put solar on their rooftops, big and small, to have the opportunity to do so. Our challenges are quite different from the south west interconnected system. We typically have only one or two generation opportunities. Keeping that system stable is really important. In order to do that, we have a DERMS platform, which I spoke about earlier, that we trialled in Onslow. We have been supported by the state to roll that out across our footprint. That will enable us to see the demand that is required to keep a town running, look at the supply that is available to meet it, adjust that based on the weather that we can forecast and bring into the mix, and also deal with all the small customer-related distributed energy. We are trying to create a way to have all those pieces operating at the same time for a reliable system. For each of the towns in which we have rolled that out, that has enabled us to say yes to any customer who would like to connect their rooftops. We will do that progressively over a period of time, because we need to get the installers lined up and ready to go to make sure that it works with what is often a limited supply pool. That is the technology that enables us to do it.

That does not mean that a customer will not be curtailed ever again. From time to time, we will still need to manage the system for reliability and ask ourselves, as well as our customers, to throttle down the amount of generation to keep the renewables running and the whole town reliable.

Ms M.J. DAVIES: I refer to the asset investment program on page 801 of budget paper No 2, volume 2, and to paragraph 3, under the heading “Energy Storage in Regional Towns”. I suspect it crosses over with some of the things that we have been talking about. I am specifically asking about the shifting of the—what is it?

The CHAIR: The two batteries were moved to Halls Creek and Fitzroy Crossing.

Ms M.J. DAVIES: It is the shifting of the BESSs—the battery energy storage systems—in Gascoyne Junction and Menzies to Halls Creek and Fitzroy Crossing. When the minister talks about substantial upgrades, what are we talking about? Are they still on the list? Will they be on the list in the near future?

Mr W.J. JOHNSTON: The member for Vasse asked a question on notice about the rollout of the BESSs that was announced a few years ago. We are rolling them all out. However, for technical reasons that I will get Ms Unwin to explain, we had to shift some. It is not because we choose not to do it there; for a range of reasons, we were not able to deploy the BESS to that town. We are deploying it to a different town. I will let Ms Unwin explain some of the challenges. Each town is different. There are different demand and generation profiles and different PPAs. If there is a minimum demand on the PPA, it can often cost more than it needs to if it is put into the wrong town at the wrong time. I ask Ms Unwin to explain.

Ms S. Unwin: There were two main reasons why we moved the batteries from Gascoyne Junction and Menzies up into the Kimberley to Halls Creek and Fitzroy Crossing. Both those towns in the Kimberley were fast approaching what we call our hosting capacity limit, which is the ability to say yes to rooftop solar. It was felt that there was more utility in providing that opportunity to customers in the near term. The second very difficult technical challenge we had was about the information technology and operational technology systems. We have operating technology that enables us to control the BESSs. Based on the existing technology in Gascoyne Junction and Menzies, the upgrades needed were very significant and nearing \$1 million per battery, which made it quite an uneconomic decision compared with the benefit we could get in the other two towns. We want to go back and revisit how we can get a better technology solution for a lower cost, which will then make the battery a more viable outcome for those two towns. However, at this point, they do not need hosting capacity; they are in fairly good shape from a customer perspective. That is why that preference was made.

Ms M.J. DAVIES: That work is underway. How long will it be until we see that alternative solution realised?

Mr W.J. JOHNSTON: Horizon has a very detailed understanding of all the communities it operates in. It has short, medium and long-term plans for each community. As the CEO just pointed out, when there is no hosting challenge at a location, the pressure for the battery is smaller. In terms of the cost for the consumer, it is exactly the same, because we have the uniform tariff and the government absorbs the higher cost, not the consumer. Eventually, all these towns will have more dynamic electricity systems, but the exact timing is an operational issue and Horizon Power will come to me each time it needs to make a decision. Using Exmouth as an example, the preferred provider organisation agreement is coming to an end. Horizon has engaged with the commercial side and with the community. It has come up with a plan and is taking advantage of the learnings it had at Onslow with the new technology available and the ambition to reduce carbon emissions at the same time as wanting to have zero refusals, and it is coming up with a technical solution that works in that location. We will continue to do that for all our communities over a period and at the same time we are also rolling it out in 115 remote Aboriginal communities, plus the standalone power system rollout in the Horizon footprint, which is obviously much smaller than the Western Power rollout, but very significant nonetheless.

[2.50 pm]

Dr D.J. HONEY: Whilst the minister mentions that, I refer to page 801 in budget paper No 2 and the standalone power system rollout. The government had what I thought were pretty ambitious targets for that standalone power system.

The CHAIR: Question please.

Dr D.J. HONEY: The question is: did Horizon Power achieve its target in the last financial year for the rollout of those standalone power systems?

Mr W.J. JOHNSTON: I will ask Ms Unwin to let the member how she is going and what our expectation in the future looks like as well.

Ms S. Unwin: In the last financial years we installed an additional nine SPSs in our footprint. It is important to note that for the Horizon Power footprint we cannot do that automatically. Until there is regulatory change, we need to sign up every customer as prerequisite and get their consent before we can move ahead. We have another 45 customers signed up and 43 site layouts completed. That now means we can install the rest of the SPSs under that program because we have those in place. Definitely a limiting factor for our speed to execute has been the need to get every individual customer to say that yes, they are happy to move off, in a sense, an overhead to an SPS. That is quite a body of consultation and work to get done.

Dr D.J. HONEY: What was the target last financial year?

Mr W.J. JOHNSTON: There is not an annual target; it is a total target of 50. Western Power is the one with the biggest effort in the SPSs.

Dr D.J. HONEY: Just to be clear on those standalone power systems, is each power system for an individual property or are some for aggregated properties?

Mr W.J. JOHNSTON: Each customer is separate, but we might need more than one SPS in a location.

Ms J.J. SHAW: I refer to paragraph 6 on page 798, the “Esperance Energy Transition Plan”. Obviously this was triggered by the withdrawal of services of ICG from the market, but is also an example of the electrification of a township, which is so important as we transition. Can the minister give us an update on the progress of the Esperance community energy transition plan?

Mr W.J. JOHNSTON: I certainly will. I will ask Ms Unwin to talk on it in detail. It has been quite a success. It was forced on us; it was not like we chose to do it. Interestingly, 93 per cent of customers were satisfied on the project and 95 per cent answered yes to the question, “Was the application process straightforward?” It was highly regarded by the people in Esperance. Interestingly, we are the first place in Australia to transition away from natural gas. It would not be my first option as 850 000 gas connections on the ATCO system would cost about \$8.5 billion. If we had \$8.5 billion to spend on decarbonisation, it would not be on the top of my list. On the other hand, there might be other ways to decarbonise the gas network. I notice that the United Kingdom is seeing whether it can use its existing network for zero carbon gas; we will see whether that is a better pathway. I invite Ms Unwin to talk about the customer experience and how everything has gone down there.

Ms S. Unwin: The customer experience on the Esperance transition plan was very, very satisfied—93 per cent was an extraordinarily high satisfaction rate. We found that, logistically, even with a burning platform of an end date within one year when the gas was going to be cut off, there was a huge reluctance for people to move through a process to switch out their appliances. In effect, it meant that our project team, which we relocated to Esperance in order to do this work, had to really handhold every single individual customer through the process. We also went to great lengths to ensure we had local trades lined up ready to do both the gas parts of the electrification work, so ending the gas network and the meter, and then installing the electrical appliances, as well as making sure we had the local appliances ready to be ordered locally from businesses.

As of 31 March, I think we had all but four customers transitioned. The only customers who were not transitioned had either made a choice that they were awaiting a particular specialised appliance, or for reasons around the grain companies and wanting to wait out the final parts of gas in order to use their grain-drying equipment. We have had a very, very successful project and we came in under the budget that was allocated to us with all our customers at the moment expressing great support. We hope we can provide a report on this in due course.

There are quite recent reductions in their energy bills as a result of them moving to electrification, sometimes in the order of about 30 per cent. We are looking forward to the report to see whether the data accords with the initial views of customers.

Dr D.J. HONEY: I refer to page 803 of budget paper No 2 and the Denham hydrogen demonstration plant. I am interested to know how that has gone and what is the maximum time that that system has been able to sustain itself based on the backup of the fuels cell into that system.

Mr W.J. JOHNSTON: It is not intended to have the town 100 per cent supplied by hydrogen; it is only for 100 houses.

Dr D.J. HONEY: For those 100 houses, then?

Mr W.J. JOHNSTON: Yes, but they are embedded in the system. It is the demand for the 100 houses, not 100 specific houses, if the member sees what I mean. It has been quite successful. I will invite the chief executive to make further comments, because I know that Stephanie is deeply engaged in the future of hydrogen.

Ms S. Unwin: The Denham hydrogen plant has been a world first in terms of using a fuel cell to bring a hydrogen-based storage solution into the distribution network. It has been extremely complex. One of the challenges we found was the integration of what are mature technologies by integrating them into a whole-of-system approach. The electrolyser itself has performed at about half of its capacity for some of the time, not because of a technology problem, but because it had a water leak. I understand that that is being fixed at the moment and will be in full service by July. Prior to that, we were getting full service from that straight out of commissioning. The idea is that that serves about one-quarter of the houses in Denham. We have a lot to learn out of this project about how reliable a source of storage can be using hydrogen. One of our most critical questions that we need to answer is where would we put these based on the skills and capabilities to deal with problems; hence, thinking about these for our very remote very far away communities is quite a challenge for us. We would really like to see Denham have about a year or two in full operation to then understand where would we go next and where does it make sense, based on its operating profile and how we service it.

The CHAIR: That completes the examination of Horizon Power.

[3.00 pm]

Western Power —

Ms M.M. Quirk, Chair.

Mr W.J. Johnston, Minister for Energy.

Mr S. Barbaro, Chief Executive Officer.

Ms J. Hall, Chief Financial Officer.

Mr G. Landsborough, Executive Manager.

Mr J. Thomas, Deputy Director General; Coordinator of Energy, Department of Mines, Industry Regulation and Safety.

Mr R. Sao, Chief of Staff, Minister for Energy.

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I give the call to the member for Cottesloe.

Dr D.J. HONEY: I refer to page 786, budget paper No 2, volume 2, and paragraph 4, transmission growth. Given that the minister has been through some planning, or at least his officers have, what is the estimated cost of the new high-voltage transmission lines that will be required to connect Perth to renewable energy hubs in other parts of the state? Given that we are going to bring in renewable energy from all parts of the state, what are the anticipated costs associated with that program of work?

Mr W.J. JOHNSTON: Sorry, that is confusing because that is not proposed. In respect of existing customers, the whole system plan showed that, with very little additional investment, the existing infrastructure supplies existing customers. The SWIS demand assessment looks at large industrial customers and what the impact on the network would be. It says that we need to grow the network, over 20 years, by perhaps 4 000 kilometres. Therefore, it is not true that it is going to connect to everywhere in the state. It will connect only to places that are reasonably close to the existing SWIS. It will go perhaps down through the wheatbelt, up north to Oakajee and then perhaps take advantage of the goldfields area. There is already transmission infrastructure in many of those locations, so it is not about going to Shark Bay like the member proposed because that would not be a sensible outcome. We also recognise that sometimes if we go a long distance, we will need more than one transmission line because of the risk of the infrastructure failing.

We do not have a breakdown of costs in the way that the member has described. We are not at that stage yet. We have allocated \$126 million to Western Power for two purposes. The first is for the purchase of some long-lead items, because as we talked about previously these projects happen all around the world and there is only a limited number of suppliers. There is some kit that we know we will need on specific projects and at the same time we have to do the engineering and have a detailed understanding of those priority projects, which are to supply the north, the centre, and south and east. Having a line beyond Eneabba is something that has been hanging around for 20 years. The member knows as much about it as I do, so it will not be too hard to work out exactly what it will look like and what its costs might be. We do not know a route yet for the line from Neerabup to Kwinana. We have no detail like that, so we cannot cost it because we have not done the principle design analysis but, once we do, we will have to come back. At the same time, of course, we have to talk to those large industrial consumers about how they will contribute to that.

Let us take the example of the Pilbara. The government of Western Australia has not paid for any of the electrical infrastructure being used by the three big mining companies; they paid for it themselves. That is the way it happens. The idea that the taxpayer should pay for infrastructure for multibillion-dollar multinational corporations does not make any sense, so we also have to have negotiations with the users of the infrastructure to make sure that they contribute either up-front or over time. It is simply too early to put specific costs on any of the individual projects.

Dr D.J. HONEY: I have a question on that latter point. The minister has indicated in media statements that industry would pick up much of this tab, but what are the preferred mechanisms? It is very obvious that when a line goes out to one big mine site, that site will get hit for the whole tab, which will be part of its project, but the minister is talking about dispersed projects coming into a system. Is it the government's preference to try to negotiate with the multiple users of the lines to pay for the lines, or is the government's preference more likely to be to go for a tariff of some sort that defrays that cost over time?

Mr W.J. JOHNSTON: I just make it clear that under the existing rules for Western Power, customers have to pay for their connections. It is not a new process. All we are saying is that we will use the existing rules, and so existing customers have to pay for connections. One of the challenges is that at the moment a customer has to pay 100 per cent of the costs but they might only use 40 per cent of the infrastructure. We are trying to package up these large-scale projects so that we can smear the costs over more people. There is going to be a range of alternative costing outcomes. These are sophisticated businesses, and they understand the need to pay for their own infrastructure. Do not forget that a residential customer pays 100 per cent of the cost of the infrastructure, but they just do not realise that because it is embedded in the land price. Therefore, it is not fair or reasonable for large industrial users to get a free pass. The question is not whether they pay; it is how they pay. Some might have deeper pockets and may want to pay up-front. Others may have a different profile for their project and want to pay over time. In the end, this is a question of risk. What does the government of Western Australia see as an appropriate risk profile for the construction of these projects?

Dr D.J. HONEY: One of my favourite potential projects is the upgrade of the power line from Three Springs to Geraldton and then through to Oakajee. Is that in the planning phase for government; and, if so, what would be the anticipated time line—I will not hold the minister to a date—for that project?

Mr W.J. JOHNSTON: It is not Eneabba to Geraldton; it is Eneabba to Oakajee. Geraldton does not have a capacity constraint. This is very important. I know that the Geraldton chamber of commerce does not get this one. It thinks that expanding the transmission line improves the reliability of electricity in Geraldton. It does not; it is not about that. The transmission line that already serves Geraldton, which is obviously at a lower voltage, is not unreliable. It had a couple of challenges recently when it had a planned outage, but that was not the transmission line; the generators up there caused the problem. Geraldton's reliability issue is about the distribution system, which is a completely different conversation. The line to Oakajee is for those large industrial customers. Now, there may be some industrial customers at Dongara as well that, obviously, would use the same line. As I said on the day I announced it, the four projects are north of Eneabba, additional supply for Kwinana, some strengthening in the east and some work in the south. They are the four projects—\$126 million. Some of that is for long lead items but mostly it is for design and engineering works.

[3.10 pm]

Ms J.J. SHAW: I was at the 9 May lunch at which the minister announced the \$126 million package and I felt the love in the room for the announcement. In the media release that the minister issued in conjunction with that announcement, he mentioned the benefits of public ownership of Western Power as an incredible enabler to give effect to energy transition. Can the minister go into that in more detail and make observations about the jurisdictions in which the privatisation of networks has been a hindrance to being able to effect energy transition?

Mr W.J. JOHNSTON: That is a very good question.

Ms J.J. SHAW: Thank you, minister!

Mr R.S. LOVE: It is not relevant to the budget, but it is a very good question.

Mr W.J. JOHNSTON: This is not a budget item. If the member knew the standing orders, he would know that the question is entirely relevant. Given that the member does not know the standing orders, that is probably a moot point.

The CHAIR: Minister, let us move on.

Mr W.J. JOHNSTON: Everything was running so smoothly before the member for Moore arrived—it is so amusing.

The advantage of public ownership is that we can make decisions faster; we do not have to wait for the sort of problems that we see on the east coast. As an example, New South Wales is having to build billions of dollars' worth of transmission infrastructure to supply existing customers, whereas we are able to move faster and get these things done more rapidly. We are also able to aggregate demand so that we have better outcomes for the system. For example, Energy Policy WA had a look at the potential costs of putting in 10-gigawatt demand at Oakajee. Using an integrated grid will save more than \$15 billion over the life of the project. These are the advantages of centralised government control; we can get things done in a coordinated fashion rather than relying on everybody to make up their own mind.

Just look at the north west interconnected system; we all know about the three train lines next to each other, but people do not realise that transmission lines crisscross the Pilbara because they were built independently by people without regard for everybody's needs. By bringing things together through government leadership, we can move faster, get a better outcome and have a smaller footprint. We could have ended up with eight separate sets of transmission lines crossing into Oakajee if people had done it themselves. Having government leadership and government ownership, we can get these things done in a coordinated fashion. Either the member for Central Wheatbelt or the member for Vasse—I cannot remember—asked a question about land access. Imagine if we had to run eight separate transmission lines across farmland into Oakajee. The farmers would have been very upset. Once we know the best pathway for the line, we can engage with affected landholders in an integrated way and we can make the decision to size it larger so that we get a longer lived asset. These are all advantages of having government ownership and leadership on these projects.

Mr R.S. LOVE: I refer to page 786 of budget paper No 2, where it refers to the distribution network facing reliability and safety challenges in the regions. Five of the worst areas for power reliability in the state are Perenjori, Northampton, Irwin, Coorow and Chapman Valley and they all happen to be in my electorate. What is being done to turn that around so that that is not the statistic next year?

Mr W.J. JOHNSTON: That is a very important question. I understand the challenges of living in those areas, although there are many advantages. People in the member's electorate have told me that they would not live anywhere else. Of course, that means that it is more complicated to provide electrical power. It is simply a fact of physics that a lightly populated community cannot have—it is not a choice; it is just a fact—the same level of reliability. That is why when the former Liberal–National government was in power, the system average interruption duration index and the system average interruption frequency index rates there were lower than the SAIDI and SAIFI rates for metropolitan Perth. Following the Shepherd inquiry, we have provided more transparency on the performance of individual feeders. That means that the member's constituents can now see the outcomes for them. I am pleased by the outcome of the AA5. Previously, we were just rewarded for averages. The problem with that was that that would drive—this is what happened when the Liberal–National government was in power—investment to townships because that would get the biggest average benefit for the larger population centres. Now we are being transparent and driving new outcomes—we do not go to the averages, but to the worst performing. The 10 worst-performing lines have been the worst performing since the day they were built; this is not new. I know from talking to the member's constituents that they have had bad reliability. Now we are exposing the problems and addressing them. I invite Mr Barbaro to make further comments. He might ask others to comment as well.

Mr S. Barbaro: Thank you, minister. I am happy to address that. To follow on from the minister, we were happy to lead with the A8 submission, the change in direction in terms of reliability outcomes, and certainly to start looking at the felt experience of customers and the worst-performing feeders and asking for that to be addressed in the access arrangement, as opposed to just looking at averages, which, as the minister said, does not necessarily provide good outcomes for small communities. In relation to the communities that the member mentioned, the first thing we have done is to reinstate silconing and line washing. We have had challenges with that, given an incident we had a couple of years ago and the safety needs of our staff. We have done a successful trial of helicopter washing of the distribution network. It is the first time that has been done in Australia. We have done 400 insulators in the areas of Milo, Dongara, Springfield and Port Denison. That has been successful and we will continue to roll that out over time, which will have a big impact on reliability. We have put a high-voltage generator in Dongara and Port Denison, which will provide backup when there are outages. Significant work is being done in other towns in the area. We have completed upgrade works on the powerline running into Mullewa, which has improved power reliability. A generator is maintained in Mullewa full-time. In Kalbarri, the microgrid was commissioned in 2021. That is providing good reliability for that area and is not experiencing the same sort of outages that the others are. In late 2022, we carried out \$4.6 million worth of upgrades to the infrastructure in Perenjori. In Cunderdin, a \$5 million package of works was completed in April 2023, which included 293 poles and 47 kilometres of conductor. In Merredin, we will start work shortly in relation to 159 poles and 12 kilometres of conductor. We are confident that

these works will have an impact. The year before we did similar works in Northampton, which had a poor-performing distribution network. We replaced around 200 poles, 50 high-voltage and low-voltage crossarms and 48 insulators. Northampton is now seeing significantly improved reliability in that area. We are confident that the things we are doing are helping, but it is a challenging part of the network given the long, thin feeders out there and also the environmental factors.

Mr W.J. JOHNSTON: I understand that the Springfield distribution line has a challenge because it has a large load at the end of the line. Perhaps Mr Barbaro would like to explain this challenge.

Mr S. Barbaro: There has been a lot of discussion about whether we can put a separate generator in the Springfield area. We know that constituents in Springfield have particular challenges when there are power outages. The area does not have mains water so it relies on electricity for its water supply, which provides particular challenges. In terms of putting in a backup battery, as we did in Kalbarri, or a generator, the challenge is that there is a big concrete batching plant at the end of that line. That is a large load and it is too large to have a backup battery or a backup generator of the size that we carry. We are looking at solutions, such as whether the load can be disconnected so residents can have a backup, but that is a technical solution that will take time to deal with. It is an area that we are focused on. We had a community event there earlier this year that was well-attended by residents. They were very clear about their expectations and we were happy to share our knowledge about the challenges we have and what we will continue to do for them.

[3.20 pm]

Mr W.J. JOHNSTON: I conclude by saying that the other thing Western Power has done is some reconfiguration to provide alternative pathways for the electricity to flow. That is the challenge in a more settled community. Because there is always an alternative supply choice, if there is an outage on one side, it can be supplied from the other. It might not be possible to supply 100 per cent of the people on that network but a significant proportion of them can be. However, because these lines run in only one direction, any break before the customer leads to an outage, whereas that is not true for the more settled communities. Western Power has also put the reclosers in different locations. They are automatic devices that are like a circuit breaker but for the network. Those reclosers operate when there is a transient outage. If a branch hits the line, they open up the line and disconnect the electricity, causing people to have an outage, but then it comes back on almost straightaway—within a minute or two. Therefore, what would previously have been a long-lived outage until a line inspection was done, is now able to be cleared automatically. We appreciate the challenges that people in this area experience. Because of the change resulting from the Shepherd inquiry and the change that this government has asked for in the AA5 process, we are bringing more investment to those communities. Do not forget that those investments are being paid for by metropolitan residents, who pay more for their electricity than the actual cost so we can make sure that people in the member's community do not do what the Liberal Party wanted, which was to pay for 100 per cent of the cost of their electricity.

The CHAIR: Leader of the Opposition, is this a further question?

Mr R.S. LOVE: Yes. The issue I would like to raise is the one the minister mentioned, and that is the pressure that Western Power has been under for connection times for businesses.

Mr W.J. JOHNSTON: Is this a new question?

The CHAIR: No, it is a further question.

Mr R.S. LOVE: Sorry. I thought you were offering me a new question.

The CHAIR: No. I said, "Is that a further question?" To which you replied yes, but if it is a new question, go ahead.

Mr R.S. LOVE: Sorry. This has been raised in the house. In my experience, when a single business is looking to connect a new shed or upgrade their business, the connection time often goes for well over 15 months. The minister acknowledged in the budget paper that there is an issue. I would like to know what can be done to shorten that time.

The CHAIR: Like your question, member.

Mr R.S. LOVE: The government aims to diversify the economy, and this is a very necessary part of that.

Mr W.J. JOHNSTON: This is the same question I was asked by the member for Vasse in the chamber on 10 May and 18 May. Funnily enough, the answer is the same as the last two times I was asked it. This is a serious problem, and that is why we are addressing it in a serious way. The challenge is that the number of applications has gone from 3 000 to 7 000. That is an unprecedented increase in demand at a time when it is hard to find new engineers. We are changing our internal practices and doing what we can to find additional staff. I am happy to ask Mr Barbaro to elaborate on Western Power's response to this unprecedented surge in demand.

Mr S. Barbaro: We have three levels of categories of applications. Level 1 to 3 is single domestic street light applications, level 4 is medium commercial and high voltage, and level 5 is large scale and large commercial. We are not seeing significant challenges in the residential area. There has not been a material impact in that area because we do not have the same supply challenges. The connection times are still travelling at similar time frames. We have

actually improved the turnaround time frames for our solar applications. Absolutely, the land development packages have been significantly impacted. The connection time used to be 26 weeks, or six months, but it has now blown out to 10 months. We have looked at our applications processes and recruited more staff in that area and we have allocated more resources. We have also outsourced more work in that area. In addition, we have been working very closely with the Urban Development Institute of Australia. We held a workshop with the UDIA at our offices the week before last. We are co-designing new processes and are looking at areas in which the UDIA members can take on more work or we can do things slightly differently to better align with the way they manage their projects. That has been very productive and we are looking at those ideas and progressing them through to action.

Mr R.S. LOVE: Just quickly, I want to ask about the standalone power units that Western Power has been installing, a number of which are in my electorate, as the minister knows. It has come to my attention that the maintenance and repair of those is an issue. I have a constituent who has lost the use of that system due to a lightning strike and has been told that it will be months before it can be addressed. Will the minister have to look at the timely repair of those standalone power units?

Mr W.J. JOHNSTON: I am not aware of a specific example. I am happy to have Western Power go away and talk to the member separately. Obviously, if equipment gets hit by a bolt of lightning, it will get fried. The power of lightning is about 10 000 volts for each centimetre, and the lightning is probably 20 kilometres long. Members can imagine the power of that. It is just unbelievable. If someone is unlucky enough to have any of their electrical equipment hit by lightning, it will be completely destroyed. That is not a question of repair. That is just one of those things. Western Power is trying to have enough stock of standalone systems so that it has spare parts for them, just like it has for everything else. If a bolt of lightning hits a transmission pole, it will take a couple of days to replace it, because that is how long it takes, but Western Power has the kit ready to do it. The same is true of 240-volt transformers. Western Power has spares sitting around. Because standalone powers systems are new, Western Power does not have the same stock of spares and therefore it is a more complicated process to respond. However, the intention is to build up the stock. As an example, Western Power was starting to build up its stock of standalone systems, but then we had the bushfires at Wooroloo and so a number of standalone units that would otherwise have been installed in the wheatbelt were provided to the customers at Wooroloo. Western Power also provided 36 standalone units after cyclone Seroja. That was a better outcome for those customers but it meant that our plan for rolling them out was completely blown out of the water because all the units that we had were allocated to the response to cyclone Seroja. Given the time, it is probably better for the member to have a separate briefing.

Dr D.J. HONEY: I refer to the line item “Decarbonisation” at the top of page 791 of budget paper No 2. What is the principal source of Western Power’s carbon emissions? To save time, does Western Power think that it will be able to achieve its 80 per cent target by 2030?

Mr W.J. JOHNSTON: That line is the \$126 million that has been allocated for the south west interconnected system demand assessment. It is the decarbonisation of others, not Western Power.

Dr D.J. HONEY: Page 776 of budget paper No 2 talks about the decarbonisation of the economy and that would include Western Power —

The CHAIR: Do not try to justify it; just get the minister to answer the question.

Dr D.J. HONEY: I will ask the same question: what is the principal source of Western Power’s emissions, and is it confident that it will achieve an 80 per cent reduction?

Mr W.J. JOHNSTON: The point I am making is that decarbonisation line item is not about decarbonising Western Power; it is about other people decarbonising, like the member’s former employer Alcoa. Western Power has a range of sources of emissions and is trying to deal with all of them.

Dr D.J. HONEY: Are those carbon emissions associated mostly with vehicles or with Western Power’s own generation?

Mr W.J. JOHNSTON: Western Power generates very few carbon emissions.

The CHAIR: That completes the examination of Western Power.

[3.30 pm]

Gold Corporation —

Ms M.M. Quirk, Chair.

Mr W.J. Johnston, Minister for Mines and Petroleum.

Mr J. Waters, Chief Executive Officer.

Mr J. Sawyer, Chief Financial Officer.

Mr R. Sao, Chief of Staff, Minister for Mines and Petroleum.

Mr J. Stephens, Senior Policy Adviser.

[Witnesses introduced.]

The CHAIR: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available online as soon as possible within two business days. The chair will allow as many questions as possible. Questions and answers should be short and to the point.

A minister may agree to provide supplementary information to the committee. I will ask the minister to clearly indicate what information they agree to provide and will then allocate a reference number. Supplementary information should be provided to the principal clerk by noon on Friday, 2 June 2023. If a minister suggests that a matter may be put on notice, members should use the online questions on notice system to submit their questions.

I give the first question to the Leader of the Opposition.

Mr R.S. LOVE: I note that Gold Corporation's depository program enables investors based in the United States to invest in precious metals —

The CHAIR: Do you have a page number?

Mr R.S. LOVE: Yes, but I did not know I actually needed to refer to one.

The CHAIR: All right, it is off budget. I apologise.

Mr R.S. LOVE: Gold Corporation enables investors based in the US to invest in precious metals that are stored at the Gold Corporation. How many accounts have been impacted in the sense of a potential breach of the US model state commodity code?

Mr W.J. JOHNSTON: I emphasise that the question of the model state commodity code and its compliance is a longstanding matter. We understand that this challenge existed every day that the former government was in office. We did not realise that the former government had not managed Gold Corp properly. When we came to government, we assumed that the former government had made sure that Gold Corp complied with all its obligations. We now understand that perhaps that was not true and we should not have —

Mr R.S. LOVE: In your seventh year of government—come on!

Mr W.J. JOHNSTON: — allowed our faith in the former government. Yes, it is true that this government has looked at every challenge that might exist at Gold Corp to make sure that we have a solution for all of them, including the model state commodity code. As I have reported previously, we have engaged a law firm in the US to assist us to work through the challenges that the model state commodity code may present for us in those states that apply that code.

In terms of the specific number, we do not have that information in the briefing pack. The member might want to ask it as a question on notice. I do not know that he has asked that question, but he has asked many questions and we have answered all of them.

Mr R.S. LOVE: I will ask that as a question on notice. The minister spoke about taking some advice on the situation. Has he employed internal staff to assist in the handling of potential breaches?

Mr W.J. JOHNSTON: I said that we had engaged legal counsel in the US to assist us, because obviously no Australian law firms are familiar with the challenges of the model state commodity code. We wanted to make sure that we had the best advice possible to unwind the challenges inherited by this government when we came to office because the former Liberal–National government had not done anything to protect the interests of Western Australians. Unlike that government, we are making all efforts to ensure that these historic problems are dealt with.

Mr R.S. LOVE: Can the minister tell me the cost of that engagement?

Mr W.J. JOHNSTON: Obviously, we keep paying them because they keep doing more work. It is not the most expensive thing that we are doing, but it will be a cost. Again, if the member wants to put the question on notice, I will happily provide the information as at the date that he asks the question.

Mr R.S. LOVE: Has the minister taken any advice on the potential cost to the state of the violations?

Mr W.J. JOHNSTON: The advice is that no-one has ever been prosecuted under the model state commodity code when there has been no fraud. Given that the gold exists and the customers who bought the gold, own the gold, it is not a question of fraud because the people who paid for gold own exactly what they paid for. We do not know the potential cost, but we know that there has never been a prosecution under the model state commodity code when there was no fraud. What the regulator decides is entirely up to it. At this stage, that is the information that we have available to us. Remember that we self-disclosed to the regulator; it was not the regulator who came to us saying that we had been doing this wrong. We went to the regulator through the counsel we engaged in the US. We have

no idea about this; it is up to the regulator, but the comfort that we have is that there has never been a prosecution when there is no fraud, and in this case there is no fraud.

Mr R.S. LOVE: I refer to page 247 and the line item “Anti-Money Laundering/Counter-Terrorism Financing (AML/CTF): Remediation Program” with an amount of a little over \$10 million for this year and next year. That program has received \$3 300 000 and it will receive \$3 700 000 in 2025–26. Can the minister explain exactly what that remediation program comprises?

Mr W.J. JOHNSTON: I am happy for the chief executive officer, Jason Waters, to outline what is being done under that activity.

Mr J. Waters: The project involves three fundamental areas of work. The costs budgeted are borne out of two key areas, one of which is staff and people, supported by consultants and specialist legal advice to assist us in the program. The other area would be the new information technology infrastructure side that will be built as part of it. We are essentially focusing on three areas. One is a corporate-wide process redesign to ensure that at a documented process level, the key elements of a viable AML/CTF ecosystem are built, the systems and processes are in place, and the training and support for staff around their obligations and what they need to do to remain compliant are embedded. Work has been done to enhance that and build some of that out from a capability viewpoint—that being people.

The second part of the work that is going along well but has another 18 months to go is the remediation side. That effectively involves a team undertaking outbound customer communications across the full depository and largely retail customer suite and contacting those customers to receive refreshed “know your customer” information. Whether we needed it or not, we made the decision to do a full remediation or “know your customer” refresh of our customer group. That is an element of the cost, and I do not have the specifics of each in front of me, but that is, effectively, the people employed. We have a remediation team of about 30 undertaking that work. As I touched on earlier, the third part of it is really the key for making the system sustainable and complete in the long term: we need to build some IT systems and processes around the maintenance of all this. We then will have moved to a process by which we have all that customer data securely captured and stored in a single customer relationship management system that will be built. To maintain the Anti-Money Laundering and Counter-Terrorism Financing Act requirements requires support for ongoing customer oversights. We have to maintain a customer refresh and undertake transaction monitoring, and depending on the activities and jurisdictional location of customers, we have to undertake periodic customer due diligence or enhanced due diligence, depending on the risk rating. That requires a customer life-cycle management tool to be built. Those are two IT infrastructure projects that add up to three areas; we get to the \$34 million that we envisage we will be spending on the project over its duration, from start to finish.

[3.40 pm]

Mr R.S. LOVE: Just to follow up on that, it is a refining of the existing IT system. Is it, in fact, a replacement or a further development of what was called One-Future in previous budgets?

Mr W.J. JOHNSTON: Mr Waters just explained that it is not just about IT; it is also about resourcing; increasing the number of people available; new processes and procedures; and training and workforce development. It is a comprehensive process to take account of all the challenges that we now understand. As the member said, this is an issue that was known to his government but was not dealt with. I also find it interesting that the member has accused the agency of criminal behaviour, but I have never actually heard him explain what he means when he says that. We are trying to take these issues seriously; it is the McGowan government that is taking these matters seriously for the first time. The member is saying that there is criminal behaviour; he has said that in the Parliament on a number of occasions, but I have never actually heard him tell us what the criminal behaviour is.

Mr R.S. LOVE: It is not me being interrogated here, minister. In fact, a breach of federal law is a criminal matter.

The CHAIR: Not necessarily, member, but I will not get technical.

Mr W.J. JOHNSTON: I will not get technical either, but the member has said that there is money laundering at the Mint, and —

Mr R.S. LOVE: I did not say that. I have not said that.

Mr W.J. JOHNSTON: You have.

The CHAIR: Minister, we only have a short amount of time. You have made your point. I think we can move on.

Mr R.S. LOVE: This is a different question, if we can we move on to the income statements for the organisation going forward. There is reference in the notes to a reduction of expected gold volumes for 2022–23. Can the minister confirm that and explain why that is the case?

Mr W.J. JOHNSTON: These are the expectations of the business. The lowest margin part of the business is the refinery, not just for us, but globally. The refinery margins are very, very narrow. We buy gold from mining companies because that provides them with the cashflow support they need to make it more profitable to mine gold in Western Australia than in any other part of the world. That supports the jobs of Western Australians. We buy

more gold than we need; if we only bought the gold we needed, many mines in Western Australia would not get that advantage, but the refinery margins are very, very narrow. The business comes up with expectations of what the future might look like, and that is reflected in the business plan. That is a reflection of an expectation; expectations can be wrong or right, but there has to be a figure, so the agency has done its due diligence and worked out what it thinks will occur and it has put those expectations into the budget papers. If the member is asking whether they are wrong, I am happy to hear that, but I am not in a position to challenge the expectations presented to us.

Mr R.S. LOVE: Is there further advice from the minister? No?

Mr W.J. JOHNSTON: I am not sure what the question is. The budget papers reflect the expectations.

Mr R.S. LOVE: I was asking the minister about the gold volumes and the expectations are for less gold. Why?

Mr W.J. JOHNSTON: Because that is the expectation the agency has developed.

Mr R.S. LOVE: Further question: is the Mint expecting to lose market share to a competitor?

Mr W.J. JOHNSTON: No. It expects to continue to refine 80 per cent of the gold in Australia and the overwhelming majority of gold from Western Australian mines. That is the expectation. Indeed, the member and I were at the Gold Industry Group the other day and there was no commentary from any member of the Gold Industry Group or anything but praise for the Perth Mint. The member was in the room when that happened, so I am not quite sure what he is driving at. If he thinks that the Western Australian gold industry is abandoning the Gold Corporation, he should tell us, because I do not know where he would find that.

Mr R.S. LOVE: I have never said that, minister. I am not going to get into an argument with you.

The CHAIR: Members, are there any new or further questions?

Mr R.S. LOVE: I have a different question about the retained dividend that the Gold Corporation is keeping. What are the infrastructure investments that are referenced there? I think there is a total of \$50.5 million available.

Mr G. BAKER: Do we have a reference?

The CHAIR: Member, I will stand corrected but it is an off-budget item, so we do not need a reference.

Mr W.J. JOHNSTON: The retained dividends on page 247 are \$21 130 000. I do not know where the figure of \$54 million that the member just quoted came from, but the retained dividends are, as I understand it from the budget papers, \$21 million. Of that, \$17 million has been allocated to projects. As the member knows—because it has been announced by the Treasurer on a number of occasions—the retained dividends have to be used for capital projects that are approved by the Expenditure Review Committee. The Gold Corporation board cannot go off and do whatever it wants; it has to develop a business case and submit it to the ERC for approval because it is, effectively, the people's money that is being retained by the Mint.

Mr R.S. LOVE: I have a further question. With regard to the consultancy that has been taken on board to provide advice about the future ownership or otherwise of the Mint, can the minister give some indication of Gold Corporation's involvement in those considerations? Will all the information that Gold Corporation has about its activities be made available to the consultant? What is the minister's role in assisting in the process?

The CHAIR: Member, that question is a bit obscure because you are effectively asking about board deliberations, I would have thought. That is difficult for the minister to —

Mr W.J. JOHNSTON: It is an issue that the member raised with the Treasurer, because it is actually a Treasury issue.

Mr R.S. LOVE: It is Treasury, but the minister made the announcement.

Mr W.J. JOHNSTON: The member asked that question the other day and the Treasurer —

Mr R.S. LOVE: The minister made the announcement. I am asking what the cooperation will be from Gold Corporation to provide information, because information is not easy to get from Gold Corporation.

Mr W.J. JOHNSTON: No, every time the member asks a question, it is answered, so I do not understand why he is saying that it is difficult to get information out of Gold Corporation. We publish an annual report that is audited by the Auditor General and tabled in Parliament, and every question the member has ever asked has been answered. I am not quite sure what he means when he says that. It is like when the member said that the Perth Mint was enabling money laundering but now says that he is not aware of any money laundering. He said that in Parliament on 21 March.

The CHAIR: Okay. Let us move on.

Mr W.J. JOHNSTON: Of course the Mint will provide to Treasury absolutely all the information that it needs to, as it does on every other occasion—as it does for every question asked in Parliament and through its annual report, which is audited by the Auditor General.

Mr R.S. LOVE: The Perth Mint and its activities are currently guaranteed by Treasury. How important is that guarantee to the business model that the Perth Mint operates under and what would be the likely effect of its removal?

[3.50 pm]

Mr W.J. JOHNSTON: A lot of people do not understand what the Perth Mint guarantee means. I have talked about this in Parliament in answer to a question from the member and during debate on matter of public interest motions about the Perth Mint. What is guaranteed is the quality of the gold. It is 99.99 per cent, not 99.96 per cent. That means when we sell a bar we guarantee that is the quantity of gold. The other guarantee is that if a person buys gold and stores it with us, the gold exists. They are the two things that are guaranteed.

There is effectively no risk to the taxpayer for those two guarantees because they are so transparently obvious. As I said previously, the Auditor General has done a hard count of the gold held by the Mint to make sure that it exists, and it does. Therefore, people can be confident there will be no challenges on the storage of gold because it exists and there will be no challenges on the quality of the gold, which is guaranteed to be 99.99 per cent. We do not guarantee it is 99.96 per cent; we guarantee it is 99.99 per cent. They are the two guarantees that we provide and that is what taxpayers stand behind, and it does not cost us anything because it is 100 per cent transparent.

Many customers around the world get excited by those guarantees, and they preference the Mint over alternative providers because of that. It is not really possible to know what the effect would be of not having that guarantee because there is no counterfactual. We cannot say what the result would be. Yes, it is to the Perth Mint's advantage that it has that guarantee compared with its competitors that are not guaranteed by government. Let us understand: it is not some unlimited guarantee that something else will not happen. It is about two things: if you buy gold from the Mint and ask us to store it, the gold exists; and, if you buy gold from the Mint, it is the purity that we say it is. Of course, people also buy coins from us. The coins do not have the 99.99 per cent guarantee; they have other guarantees. That is what is guaranteed. It is not some magic that is being guaranteed; it is only the quality of the gold and that it is there if you store it with us.

Mr R.S. LOVE: I want to talk briefly about the situation with the Australian Transaction Reports and Analysis Centre external audit that was ordered in, I think, the end of August 2022. Is there an understanding of when, under the time lines announced or required, AUSTRAC will complete that inquiry?

Mr W.J. JOHNSTON: AUSTRAC is an agency of the commonwealth. I have no control over any of the issues that it deals with. It is not possible for me to answer that question because it is not in my ministerial responsibility.

Mr R.S. LOVE: Has there been any indication from AUSTRAC about its time line?

Mr W.J. JOHNSTON: I am not advised of anything about when AUSTRAC will complete its processes. It is not within my ministerial responsibility. It is not actually allowed under the standing orders for me to speculate.

Mr R.S. LOVE: Can the minister outline the cost to Gold Corporation of its participation in the audit?

Mr W.J. JOHNSTON: Again, I am happy to provide the information, but I do not have it in front of me at the moment. If the member puts it on notice, I am very happy to answer it.

Mr R.S. LOVE: Has the minister taken any advice on or had any discussions with Gold Corporation about the potential range of outcomes that the state could face?

Mr W.J. JOHNSTON: No. It is a matter completely beyond our control. Again, I emphasise that questions about AUSTRAC are not in accordance with the standing orders.

Mr R.S. LOVE: It is mentioned in the budget document as a significant issue for the corporation, so it is certainly there for discussion.

Mr W.J. JOHNSTON: Yes. The significant issue is making sure that we comply with the Anti-Money Laundering Counter-Terrorism Financing Act. Unlike the previous Liberal–National government, this government is determined to comply with those rules. It is a challenge because it is currently being audited. I outlined at the estimates hearings last year my desire to make sure that these matters were properly dealt with. Back in 2021, September or October, or whenever it was, I again made it clear that these are important issues. The challenges with the AML/CTF was one of the first things that I spoke to the Auditor General about after I got the role. The member can look in *Hansard*. I tabled correspondence from AUSTRAC to my senior policy adviser Joseph Stephens in which I asked for a briefing. It would not give me one because it is a law enforcement agency and did not believe it was appropriate. Of course it is a big issue, but AUSTRAC is not in my ministerial responsibilities and I cannot answer anything about AUSTRAC's behaviour because it is not a state government agency, and even if it were a state government agency, it would not be one that I would have ministerial responsibility for.

Mr R.S. LOVE: Nonetheless, the minister is responsible for Gold Corporation and it is under external audit by a high-ranking independent authority of the commonwealth from which penalties in the billions have flown to other organisations. This is a very serious matter and the minister should be taking it very seriously.

Mr W.J. JOHNSTON: That is why I am taking it seriously.

Mr R.S. LOVE: Is the minister aware that in Senate estimates today AUSTRAC was quizzed about the situation and it has applied for an extension of the audit. Was the minister aware of that? Has he been told about that? No.

Mr W.J. JOHNSTON: I have not been briefed on any issues regarding AUSTRAC.

Mr R.S. LOVE: Has the minister been told that during the estimates committee hearing AUSTRAC said that it feels the extension is justified based on what it has seen so far?

The CHAIR: Member, the minister just said that he has not received any information on this. You have asked the question and he has answered it.

Mr W.J. JOHNSTON: Chair, if I could just also make the point that the member is asking me about the behaviour of AUSTRAC. I am not accountable for AUSTRAC. I am accountable for the Mint. I have made it clear that the member is right; the previous government left a very bad situation —

Mr R.S. LOVE: Your government made it worse.

The CHAIR: Member!

Mr W.J. JOHNSTON: You need to understand —

Mr R.S. LOVE: Who launched the e-platforms?

The CHAIR: Member!

Mr W.J. JOHNSTON: You do not seem to understand.

Mr R.S. LOVE: You do not.

The CHAIR: Member, are you slow?

Mr W.J. JOHNSTON: The AUSTRAC investigation is into the accounts held at the Mint. Whether they are electronic is not a question for AUSTRAC. The question is: are the accounts compliant with the AML/CTF? The idea that electronic accounts are more likely not to comply with the AML/CTF is a misunderstanding and it is probably one of the reasons you keep getting these things wrong.

Mr R.S. LOVE: Why did they —

The CHAIR: Member!

Mr W.J. JOHNSTON: The reason there is an investigation is that there have been historical failures by the Perth Mint. I apologise that we thought your government had complied with the law. We are complying with the law. If we had not taken action, this problem would have continued. It is because we confronted the problems that there is now a pathway to a solution. These problems existed when the member for Central Wheatbelt was a minister.

Mr R.S. LOVE: And you intensified it.

Mr W.J. JOHNSTON: That is just not true. It is just fiction. It is like the fiction you said about a raid on 24 January. These are the things that you have said. What evidence do you have for any of the allegations you have ever made? You sit there and say there is no criminal behaviour and then imply criminal behaviour! You have to pick a side. What is the criminal behaviour? Which person laundered money through the Mint? If you know those answers, give them to a competent authority and stop wasting your time in the Parliament with this silly constant failure to do your job.

The CHAIR: Minister! That concludes the examination of Gold Corp.

Meeting suspended from 4.00 to 4.10 pm

Division 16: Mines, Industry Regulation and Safety — Services 1 to 4, Mines and Petroleum; Energy, \$397 155 000 —

Mr D.A.E. Scaife, Chair.

Mr W.J. Johnston, Minister for Mines and Petroleum; Energy.

Mr R. Sellers, Director General.

Mr J. Kwong, Chief Financial Officer.

Mr J. Thomas, Deputy Director General; Coordinator of Energy.

Mr A. Chaplyn, Deputy Director General, Resource and Environmental Regulation.

Mr R. Sao, Chief of Staff, Minister for Energy.

Ms A. Keogh, Principal Policy Adviser.

Mr M. Andrews, Senior Policy Adviser.

Mr J. Stephens, Senior Policy Adviser.

[Witnesses introduced.]

The CHAIR: The estimates committees will be reported by Hansard and the daily proof will be available online as soon as possible within two business days. The chair will allow as many questions as possible. Questions and answers should be short and to the point. Consideration is restricted to items for which a vote of money is proposed in the consolidated account. Questions must relate to a page number, item or amount related to the current division, and members should preface their questions with those details. Some divisions are the responsibility of more than one minister. Ministers shall be examined only in relation to their portfolio responsibilities.

A minister may agree to provide supplementary information to the committee. I will ask the minister to clearly indicate what information they agree to provide and will then allocate a reference number. Supplementary information should be provided to the principal clerk by noon on Friday, 2 June 2023. If a minister suggests that a matter be put on notice, members should use the online questions on notice system to submit their questions.

Are there any questions? The member for Central Wheatbelt.

Ms M.J. DAVIES: I refer to page 233 of budget paper No 2, volume 1. Under “Build a Sustainable and Responsible Resources Industry”, paragraph 16 refers to the all-time high levels of mineral exploration expenditure and stronger levels of mining investment. Can the minister advise the impact of the Warden’s Court decision regarding Pantoro South Pty Ltd’s objection to an exploration licence application by True Fella last year? I note that the minister made a media statement about it in when it was announced in August, I think. Can the minister advise what, if any, action has been taken further to his media statement?

Mr W.J. JOHNSTON: A number of Warden’s Court decisions have changed our understanding of the law; therefore, the department has been working through those challenges. It is unclear whether any of them will require legislative change or whether the decision just needs to be taken into account. I invite the director general to make some comments. He might ask Andrew Chaplyn as well.

Mr R. Sellers: The question was around the context of a very large increase in exploration activity. The Association of Mining and Exploration Companies and other lobby groups have been working with governments for a long time to get more resources into the Warden’s Court. Certainly, through the McGowan government, we were able to put some more resources into the court. It has been a longstanding opportunity for people who work in this industry to use the Warden’s Court to settle a range of issues. Sometimes those issues can in fact create flow-on effects and even with the extra resources in the court, the outcome is that a lot more people perhaps use the Warden’s Court to test ideas. We have discussed the issue of section 58 with industry and the Warden’s Court and some policies and processes are being looked at. I will pass to the deputy director general, Andrew Chaplyn, to update us on those.

Mr A. Chaplyn: In regard to when someone applies, they are required to have a five-year plan. Some of the industry norm has been more like the first two years, so the reason those ones were challenged was around the validity of the five-year plan. Since that decision, industry has improved its submissions and some of the backlog in the court is due to a lot of applications being put over existing applications. We were dealing with one on top of the other. We are working through those.

Ms M.J. DAVIES: For the same project?

Mr A. Chaplyn: Correct, yes. Companies were concerned that their initial application would not be found valid, so they have created a bit of a churn, but we are working through that and the industry has picked up on the section 58 requirements. We are putting out some guidance to make sure that the companies understand it. We do not see an immediate need to change any of the regulations, but we are reviewing it to make clear what is required.

Ms M.J. DAVIES: That was partly where I was going to go next. What changes are the department contemplating? I know that industry is asking for what has been considered the industry norm. I expect that it is difficult for a company five years out to know precisely what it will be expected to do. I understand, in the eyes of the current legislation, there is a basis for what has happened, but it is clearly not normal practice. Will the government consider amending the Mining Act?

Mr W.J. JOHNSTON: There are two separate challenges. The first is that the law has not changed; it is the understanding of the law that has changed, which makes it very difficult. That is compounded by the Forrest and Forrest decision that says the application is the application, whereas previously we thought we could, effectively, do it as an iterative process. In respect of applications that are already on foot, of course, there are native title challenges. Should we retrospectively change the law to make an existing application valid if it is not valid? We do not know whether an application is valid, but if it is not valid, it will be hard to make it valid. Going forward, it may be easier for the industry to simply comply with our new understanding of the law rather than necessarily amending the law. I have mentioned that to Warren Pearce at the Association of Mining and Exploration Companies. I am not saying

that we will not amend the legislation, but there is a range of challenges. If we were to amend the legislation, it would not help existing applicants because we would not be able to retrospectively fix a problem caused because of the nature of the application made, even if the application were made in good faith on the basis of the understanding of the law at the time.

Ms M.J. DAVIES: Does the minister know how many applications were caught up as a result of the Warden's Court decision?

Mr W.J. JOHNSTON: It is a bit complicated because the Warden's Court decision is not binding law, but it is the understanding. It is like a magistrate's decision that does not bind somebody else. Another Mining Warden might make a different decision, although that is unlikely. It is not possible to say how many existing applications do not meet the True Fella standard because each application is different. It may well be that the industry has an expectation that nobody's application is valid, but I am not saying that that is our expectation. It is a bit like the Forrest and Forrest decision because each one will have its own merits and it is hard to know what was valid.

[4.20 pm]

Ms M.J. DAVIES: Would that then naturally go to providing certainty for industry, which would be legislative change?

Mr W.J. JOHNSTON: No. The problem is that we could provide certainty for the future but not the past because the applications have native title consequences and that is not a law of Western Australia; it is a law of the commonwealth. Each application has to go through its own process in respect of native title. Therefore, it is not always true that we can retrospectively amend the law. Let us assume that an application is not valid—we are not saying that there are invalid applications, but let us assume there is—under the True Fella standard. We cannot retrospectively make it valid except by a new native title process. Does the member see the challenge?

Ms M.J. DAVIES: Yes.

Mr W.J. JOHNSTON: Therefore, it is not as straightforward as it might seem, and it is certainly not as straightforward as it was before we understood that native title existed.

Ms M.J. DAVIES: Notwithstanding there is uncertainty for current applications, but, in terms of providing certainty for future applications, is industry of the view that this is something that needs to be done urgently?

Mr W.J. JOHNSTON: Yes. I get that. The challenge of amending the legislation is great, and it would fix the problem only for tomorrow; it would not fix the problem today. To everybody who is currently talking to the member about the problem, to the extent that they have a problem, I cannot fix it through a legislative change.

Mr R.S. LOVE: I refer to page 235, budget paper No 2, volume 1, and under outcomes and key effectiveness indicators I am looking at the third indicator "Stakeholder satisfaction with the Department as an effective industry regulator". I see it is estimated that only 70 per cent would agree that the department is an effective industry regulator as opposed to the budget target. What is being done to assure people that the department can make the big leap and achieve the budgeted 75 per cent in the coming year?

Mr W.J. JOHNSTON: One of the challenges of effectiveness indicators like that is: who judges them? It depends whether one thinks that the department is being too strict or not strict enough. I have engagement with the Conservation Council of Western Australia, and it makes all sorts of comments about how the department is ineffective because it allows things to happen that the Conservation Council and others say should not be allowed to happen. Although, I point out that we allow only what is permitted by law. I then have other people complaining to me that the regulatory process is too complex and the agency is too strict in its interpretation of the law. They also say that the department is not being an effective regulator because it is being too hardline in its regulatory behaviour. That is a quandary that is true for all regulators. Indeed, in 2018 I did a week-long course at Harvard University, and the member for Swan Hills was there at the exact same time doing a program on renewable energy.

Ms J.J. SHAW: Indeed!

Mr W.J. JOHNSTON: I was doing one called strategic management of regulatory affairs, and one of the challenges that was put to us at that course was: how do you judge your regulator? Just because people are happy with the regulator does not mean it is being effective. We want to make this regulator effective even if that does not change the KPI measure. I would prefer to have the regulator achieving what the government and the people of Western Australia want, not necessarily what the people who respond to the survey want.

Mr R.S. LOVE: If the indicator is, in a way, self-defeating, why would the minister not set different indicators? Perhaps one could be on whether the industry was happy with the department's performance and another on whether the public or the Conservation Council rated it as a good performer. Perhaps the minister could then get some idea of where he wants to go.

Mr W.J. JOHNSTON: That is a wonderful idea. I look forward to the department responding to that idea in the future. This is not just about the department's performance as a mining regulator; it is also about its performance

as a commerce regulator. That KPI is for the agency as a whole, not just the area of responsibility that we are currently discussing.

Ms M.J. DAVIES: But the philosophy is the same.

Mr W.J. JOHNSTON: The philosophy is the same, but that is the point.

Ms M.J. DAVIES: So is it a useful KPI? That is the question.

Mr W.J. JOHNSTON: It is the KPI; it has been there for a long time. I am happy if the member thinks that it is not a valuable KPI. I will take that on notice and discuss it with the director general.

Mr R.S. LOVE: I would have thought that if the minister were running a department as important as this, he would have an ambition to have some indicators that would effectively monitor the department's processes to ensure that it is working satisfactorily. Therefore, the flippant response from the minister I actually think is inappropriate.

Mr W.J. JOHNSTON: I will invite the director general to respond to why he has developed the KPIs that he has. I acknowledge that the KPIs are developed by the department.

Ms M.J. DAVIES: Approved by the minister.

Mr W.J. JOHNSTON: Indeed, I get to sign off on them, as the former minister knows. That is right. I am not denying that I have a role. I am not trying to shirk that responsibility. However, I make the point that we constantly evaluate the performance of the Department of Mines, Industry Regulation and Safety whether it is in the energy policy space; mining space; commerce area, which obviously is not my responsibility; or the geological survey.

Interestingly, as the member knows, the Fraser Institute has always rated Western Australia very highly, as it has again this year. The thing about the Fraser Institute is our rating goes up and down. We have been number one most of the years that I have been minister, compared with my good friend Bill Marmion, but I never put out a media release pointing out that we are number one because I know that next year we may not be number one, and that is exactly what happened! I think we are number four this year. We were number one for a couple of years and we were number three a few years ago. I think two US states and a province in Canada rate more highly than us, and there is about 20 per cent of our mining industry between the three of them. The fact that we have had the highest level of investment into the exploration sector tells us that the industry thinks it is well regulated; otherwise, we would not get that investment. But I am happy to have the director general comment further.

Mr R. Sellers: Thank you, minister. I will give this some clarity. The section that was being talked about was industrial relations. The minister was saying that the KPIs there are the same across the other sections. In other sections, the survey results range between 73 and 95 per cent. But what I would like to add is that, as the member said, the performance of the agency is one that people have a lot of interest in, so we are as transparent as we can be in publishing our performance against our estimates, our time lines and the things that we said we were going to do. We have quarterly reporting around approvals, for example, in the mining sector. It is no secret that during the COVID pandemic, there was a dip in reporting. A report from the Auditor General came out looking at our environmental compliance, and the report was critical that we were not able to go to many mine sites. We welcomed the Auditor General looking at us. In that particular case, we had shifted from visitations to desktop reviews and other ways to do those audits. We published that material. We reported quarterly on all those things. That is a big driver in how people who are interested in what we do can see what we are doing, talk to us about things they think we should improve on and critique us on things for which they think we should lift our game. But when we come back to that aggregate survey result, it varies a bit across the different parts of the agency. As I said, in the other three parts of the agency it ranges from 73 per cent to 95 per cent, depending on which part people look at it.

[4.30 pm]

Ms M.J. DAVIES: I refer to the same page and budget line. The minister referred to all-time high levels of mineral exploration expenditure. Can the minister reflect on the Aboriginal Cultural Heritage Act 2021, which is about to commence, and whether industry has raised concerns about some of the approvals processes and the time that approvals will take, given that we know there have been challenges in meeting approvals in a timely way in the past?

Mr W.J. JOHNSTON: Obviously, the Aboriginal heritage legislation is not a matter in my portfolio responsibility, and it is very complex to comment on it. We are very pleased to engage with the other agencies that have responsibility for it. Of course, the Department of Mines, Industry Regulation and Safety has been represented at the senior officer steering group in respect of the new act and other native title matters. That is chaired by the Department of the Premier and Cabinet. Through the steering group, DMIRS contributed to the development of the guidelines to go with the new act and worked with key stakeholders to identify how best we can support the rollout of the new legislation. The department is working closely with the Department of Planning, Lands and Heritage to support the implementation of the new heritage act. It is working with key government stakeholders to review current practices and policies to ensure alignment with the new act.

We always consider Aboriginal heritage issues in mining proposals and program of work assessments. In POW assessments, DMIRS ensures that a company has checked the DPLH heritage register and commenced consultation with DPLH if it will interact with a heritage site. In mining proposal assessments, DMIRS ensures that a company has undertaken appropriate due diligence in identifying any impacts to heritage. This generally requires heritage surveys. If these surveys determine that the proposal will impact a heritage site, DMIRS will wait for the appropriate approvals of clearance from DPLH before approving the mining proposal. The only exception is when it is formally assessed under part IV of the Environmental Protection Act 1986 by the Environmental Protection Authority. In these circumstances, DMIRS has assurance that any significant impacts on heritage will be considered by the EPA processes; hence, it does not need to assess in detail either the mining proposal or the program of works.

I also have some good news. Late last year, we set up an Aboriginal empowerment unit to deliver on the government's program of reform through the Aboriginal empowerment strategy. The Aboriginal empowerment unit will build on and complement existing strategies and programs of work and approve existing approvals processes, as well as conduct reviews to inform improvement of policy, procedures, processes and approaches, and build stronger cultural responsiveness. The Aboriginal empowerment unit has established four teams and a cultural and governance structure to guide and initiate the work. In the current financial year, the unit has employed seven of the 25 roles created for the unit. The Aboriginal empowerment strategy 2021–2029 sets out how the state government will direct its efforts towards a future in which all Aboriginal people, families and communities are empowered to live good lives and choose their own futures from a secure foundation. The AEU inside DMIRS will deliver on government programs and reforms that impact the state government's Aboriginal empowerment strategy. The AEU will be delivered through four components of partnership: shared decision-making and engagement, reshaping government services and systems to work with culture, building the cultural responsiveness of the public sector, and expanding economic opportunities for Aboriginal people. The AEU will aim to build on and complement existing strategies and programs of work and improve the existing approvals process.

Ms M.J. DAVIES: I had some questions about the Aboriginal empowerment unit; the minister answered some of them. I want to go back to the comment that the department was involved in the steering group when the regulations were being developed. Were there discussions about some of the time frames for gaining those approvals under the new act on behalf of the mining sector? There are already lengthy approvals built in. Here is the context; the feedback that I am getting from an exploration perspective is that there are concerns that this will unnecessarily cause significant delays and expense.

Mr W.J. JOHNSTON: I do not think that Aboriginal heritage is an unnecessary delay.

Ms M.J. DAVIES: I am not saying that is my opinion. I am reflecting on the conversations that I have had with industry members. I am sure that they have had the same conversations with the minister.

Mr W.J. JOHNSTON: The role of DMIRS is not to put the views of the mining industry; that is the role of the representative bodies of the mining industry, such as the Chamber of Minerals and Energy, the Association of Mining and Exploration Companies, the Eastern Goldfields Prospectors Association et cetera—all those organisations that represent the interests of mining. Our job is to ensure that the regulatory framework is as effective as possible and to execute our obligations to the community on behalf of the community. Of course, I have been told by people in the industry of their fears of delays. What I will say is that I am sure that things will not go smoothly at the start, but as we all become familiar with the new procedures, those challenges will be ironed out.

Do not forget that we have the strongest mining industry in the world. In terms of our approvals processes, having visited the Prospectors and Developers Association of Canada in March with Andrew Chaplyn, people cannot believe how quickly approvals are given in Western Australia. The consultation phase for the mining industry in North America is 10 years; by then, we are five years into production in Western Australia. Yes, of course, we can always do better with our approvals process. I am sure there will be challenges when we move to the new Aboriginal heritage framework, but is it not good that we are moving to the new Aboriginal heritage framework? We will have so many benefits from protecting Aboriginal heritage in a better way.

Ms M.J. DAVIES: The minister mentioned the department's interface with the Environmental Protection Authority. The department is comfortable with the EPA assessing the proposals of a certain level that it has to consider. My understanding is that the EPA would like to not be responsible, given the new legislation. Has there been discussion about trying to streamline approvals from the minister's industry perspective?

Mr W.J. JOHNSTON: The thing with the EPA is that when it makes a decision to review, we are disempowered from giving approvals until the end of its process. If it makes a decision to not be involved in an approval, that means that we can do our approvals anyway. What the EPA decides does not change our practices. If the EPA does a part IV assessment, we cannot get approvals because all the decision-makers are—what is the word?—prevented from making decisions during the part IV approval process. If the EPA hands over some of the Aboriginal heritage matters to the Aboriginal heritage process, that is fine by us because we can use whatever powers we have. Whilst the EPA is making a decision, we are disempowered. Although we cannot give approval—this is obviously very important to us—we can engage. We try to engage with proponents in an iterative process to make suggestions,

review documentation and those sorts of things so that when the EPA makes its decision, we can act quickly. But while the EPA process is on foot, we cannot provide approvals. “Restrained” is the word I was looking for!

Ms M.J. DAVIES: All I will say is that I think the EPA might like some friends around the cabinet table to support its request. The minister might like to have that conversation.

[4.40 pm]

Mr W.J. JOHNSTON: If the EPA were to raise anything with me, I would be happy to discuss it with the EPA.

Ms M.J. DAVIES: That was the EPA’s submission on the Aboriginal Cultural Heritage Act, and it has been raised. I refer to the line item “Services to Industry Component (Mining Tenement Rentals)” under the heading “Appropriations, Expenses and Cash Assets” on page 230 of budget paper No 2. The note to that refers to a table that is not below, but I assume that is just a typographical error or an oversight. The note states —

The Department will collect additional revenue for Mining Tenement Rentals ... from 2023–24 onwards.

Can the minister expand on that for me?

Mr W.J. JOHNSTON: Certainly. We put up the rate for exploration tenement rentals by five per cent to adjust for inflation and we put up the mining tenement rentals by 10 per cent. Some of that revenue has been included for broader government expenditure and some was generously allocated back to us by Treasury and the Expenditure Review Committee for the Geoscience Australia packages, including the money for the Minerals Research Institute of Western Australia.

Ms M.J. DAVIES: Was there any consultation with industry on those changes or was it a decision by cabinet and government?

Mr W.J. JOHNSTON: It is an ERC decision. It goes to cabinet.

Ms M.J. DAVIES: The minister said that one charge was increased by inflation and the other was increased by 10 per cent. How did the government arrive at those figures?

Mr W.J. JOHNSTON: The exploration companies usually do not have income, so it has gone up by the rate of inflation for them, whereas the mining companies generate income and therefore it has gone up by 10 per cent.

Ms M.J. DAVIES: How was the figure of 10 per cent arrived at?

Mr W.J. JOHNSTON: It was arrived at through detailed analysis and discussion, internal to government.

Ms M.J. DAVIES: How much will that increase deliver to the government across the forward estimates?

Mr W.J. JOHNSTON: I am trying to find the answer to that. I know what we are spending our part of the money on. I can tell the member what we are spending it on.

Ms M.J. DAVIES: Sure. That will help if someone is looking for how much it is.

Mr W.J. JOHNSTON: We are investing \$40 million to accelerate critical minerals exploration and discoveries to ensure that Western Australia is well placed to grasp the economic opportunities as the world works towards a net zero future. The initiatives include a \$16.1 million boost to the exploration incentive scheme to increase greenfield exploration and create a new geophysical co-funding program. The GCP will support better decision-making around land use by excluding ground that shows little or no prospectivity. The initiatives also include \$6.7 million for an industry-ready program to create data analytics packages for key regions and commodities. The IRP will also sponsor up to three graduates per year to boost their skills by working at the Geological Survey of Western Australia, and \$6.2 million has been provided for magnetotelluric data acquisition to enable more targeted exploration. This data will be particularly powerful when combined with the passive seismic data being collected through the McGowan government’s ongoing WA array project. Money is also going to MRIWA for the work that it does on critical minerals research. It is a \$40 million package. I spoke yesterday at the Australian Institute of Mining and Metallurgy’s resources estimation conference. This and the other announcements that we previously made were very welcomed by the participants at the conference. They are at the cutting edge of exploration activity because they are the people who make the Joint Ore Reserves Committee estimates that underpin exploration and developments. They were all very, very pleased to see the investment that we are putting back into industry.

Ms M.J. DAVIES: Is there an answer on the figure?

Mr W.J. JOHNSTON: I am terribly sorry that we do not have the specific figure, but if the member wants to put it on notice, I am happy to answer it.

Ms M.J. DAVIES: Will the minister not provide it as supplementary information?

Mr W.J. JOHNSTON: It is awkward to provide it as supplementary information. Put it on notice and we will provide it straightaway.

Ms M.J. DAVIES: Okay. When was the last time the charges were changed? How often are they reviewed and changed?

Mr W.J. JOHNSTON: This is the rental fee. The government is the landlord and puts it up every year, but we make a decision about how much to put it up by each time. There is no budget expectation of instituting a further increase in the out years. We have just done this one. We have done it in the past in other years as well. Next year, the government will sit down and decide whether there is value in increasing the rentals.

Ms M.J. DAVIES: Would 10 per cent be the highest percentage increase that the industry has seen?

Mr W.J. JOHNSTON: Probably, yes, although we have increased it by 10 per cent on other occasions. It is not an unreasonable increase because the 10 per cent applies only to those miners that are in production. Interestingly, as the member might like to know, it affects the local government rates that are paid because they are calculated on the basis of the rent they pay to the government. There is a formula—I do not know what it is, but it is a fixed formula—so that if the government puts up the rent, the rates go up as well. Local governments that host mining projects get a benefit out of this as well.

Mr R.S. LOVE: I would like to ask the minister questions about the mining rehabilitation fund referred to on page 246. There is an outline of the details of the special purpose account and we can see that the expectation for revenue in the current budget is \$34.5 million. How was that calculation made? That seems to be substantially less than what was achieved this year, which was \$40 800 000. What was the basis for the reduced expected income in the fund?

Mr W.J. JOHNSTON: That was the target and we revised it because there is a charge that is based on disturbed ground. Obviously, the amount of disturbed ground can change and there are different rates for different types of activities. If the industry disturbs more ground, the payments go up. It also includes the interest payments that we earn on the fund. Obviously, it is in the public bank account. We are not putting it on race 3 at Randwick. It is a very conservative investment in the public bank account. We get the public bank account interest rate, which is not very high. It comes in once a year and does not necessarily follow a linear pathway. The figure the member referred to was the estimate, and it is quite likely to be higher. However, I make the point that this is what is called “restricted cash” and can be used only for the purpose of the account. It does not provide any other benefit to government. We cannot use it to build roads, for example. Effectively, it is a pooled insurance fund.

Mr R.S. LOVE: Is it not that the government is expecting a lessening of activity?

Mr W.J. JOHNSTON: No.

Mr R.S. LOVE: This year there was quite a spike in expenditure from the mining rehabilitation fund of \$5.3 million. Can the minister explain the reason behind that? I see that it is not expected to occur in the future.

[4.50 pm]

Mr W.J. JOHNSTON: That is a very good question. We spent quite a bit of money on the Ellendale mine, which was an abandoned mine. The purpose of the MRF is that the principal can be spent only on mines that have paid into the MRF itself; the principal cannot be used on historic abandoned mines. We can spend only the interest on historic abandoned mines. The abandoned mine program completed the first phase of safety work on the Ellendale project in the West Kimberley during 2022, completing the removal and clean-up of all redundant and obsolete infrastructure and equipment across the former diamond mining lease. Notable achievements include zero reportable injuries or incidents and all waste materials being removed from the site for disposal, achieving 55 per cent recycling. Phase 2 earthworks will continue to address safety risks on the Ellendale site over coming dry seasons. Given the isolation of the site and the limitations of working in such a seasonal environment, the costs of work in the area are significant. The Ellendale project was fully funded from the principal of the mining rehabilitation fund.

In terms of legacy projects, interest rates over recent years generated insufficient interest on the MRF to enable the implementation of many legacy abandoned mine projects. The active projects include the Donnybrook shafts project located in state forest. The status of that project is that the rehabilitation is now complete and monitoring is in progress. Funnily enough, that project was quite controversial because some of the people there wanted to keep the mining shafts rather than have them filled in, but that was not going to happen. Other active projects include the initiation of the Safer Shafts for Towns project. The status of that project is that preliminary surveys and stakeholder engagement have been undertaken at Cue, Yalgoo and Marble Bar. That is a really interesting project because we are trying to engage Aboriginal rangers with it. As interest rates improve, the MRF interest will be available for projects that have been on hold or have progressed with limited scope, including the Elverdton site that needs a detailed site investigation related to historic tailings in the Steere River catchment. More work needs to be done on the Safer Shafts for Towns project and with the Department of Planning, Lands and Heritage on the Northampton lead tailings project. Increased funds will also allow for the introduction of a new abandoned mines program in the Collie basin. I invite the director general to make further comments.

Mr R. Sellers: I just want to add to the Ellendale project. Given the interest from both the community and the traditional owners, it took a while to set up the process, and the \$5.3 million that was mentioned is just the start of the spend on that project. The point I want to make is about the rehabilitation fund. If another site ended up in the same situation as the Ellendale site and we had to spend a significant amount of money from the fund, the fund is set up in a way that the levy that goes into it at the moment mirrors roughly what the people who had projects at the time would have paid for their unconditional bank guarantee—slightly less than that. If we reach the point at which one of these sites—probably not Ellendale, but another site—eats up most of that fund and we still need to build the fund, a mechanism has been built in to go back and industry will levy a little more into the fund to protect the rest of the community.

Mr R.S. LOVE: The expected interest rate this year will be higher than in previous years, yet the payment is at the same steady rate of about \$5 million. What are the expected interest earnings on the fund?

Mr W.J. JOHNSTON: I defer to the director general.

Mr R. Sellers: I think I read that in a note around here somewhere. I can give the member an exact amount. The estimate is \$6.3 million for next year.

Ms M.J. DAVIES: I refer to page 233 and the heading “Build a Sustainable and Responsible Resources Industry”. My question is about mining exploration applications. I have been approached by people from Toolonga Mineral Sand, which first lodged an application back in September 2020. It received no objections during the objections period. The mining registrar made a recommendation that has sat with the minister for five months and the company still does not have an approval to proceed. Can the minister provide advice about that particular project? It involves a known mineral resource. I think that the company has gone back through the process to comply with what we were talking about earlier and to make sure that it had a five-year plan and finance, but the process is proving frustrating. I think the issue is related to an application that has been made by the Murchison Hydrogen Renewables project, but that project came into play later in the piece. I do not fully understand the process, but it sounds like the minister needs to adjudicate. I am trying to understand why two or three years down the track this company is not getting any joy.

Mr W.J. JOHNSTON: I make it clear that this application was subject to extensive litigation and while the litigation was on foot, it was not possible for me to make a decision because I am not going to intervene in those types of matters. The litigation occurred in the Warden’s Court, part of which involved the circumstances of each of the applications et cetera. Once all those matters have been resolved, and I understand they are now basically resolved, it will then come to me for a decision on its merits. The decision of the minister is final and binding and I can take account of a range of issues. It is not really possible for me to go into anything. I am certainly not in a position to say how I would rule because that would be a justiciable comment. When the papers come to me, I will make a decision based on that. I am obliged to provide natural justice. The member might check with the people who have spoken to her about whether they have received any recent correspondence.

Ms M.J. DAVIES: I am aware that they have. I appreciate that the minister cannot make a determination on that matter sitting in the Parliament today, but I am not clear on the beginning of that process. As explained to me, they had gone through the appropriate application process. They had been approved by the registrar. They had a five-year plan and they had the finances. For some five months there was no correspondence and then an application came in over the top of their application. This is a project that has been given lead-agency status by the government.

Mr W.J. JOHNSTON: It is not quite as straightforward as the member presented.

Ms M.J. DAVIES: I am happy to be enlightened.

Mr W.J. JOHNSTON: I am happy to talk to the member offline. I am not prepared to put any more comments on *Hansard* when the matter might end up in front of a judge.

Dr D.J. HONEY: I will go back to page 246 and the mine rehabilitation fund. We touched on this matter together at some stage, but the two Collie coalmines are obviously experiencing difficulty sustaining their operations. Although we cannot make a visual assessment of the cost of that, it would seem that the rehabilitation of those mine sites will cost many hundreds of millions of dollars, if not more. Is the minister at all concerned about the potential for the government to be left with a legacy for those sites?

Mr W.J. JOHNSTON: The mining rehabilitation fund does not apply to state agreement projects, as the member would know because he used to work at Alcoa, which was covered by a state agreement. State agreement properties are not part of the MRF; they cannot use the MRF for state agreement act rehabilitation costs, as the member knows from working at Alcoa.

Dr D.J. HONEY: What is the process to ensure that the state is not left with a massive legacy issue in that location?

[5.00 pm]

Mr W.J. JOHNSTON: One of the challenges is to make sure that there is cash flow at the mines to see them do some rehabilitation work. There is no question that those two coalmines are a problem for Western Australia. There

is no easy pathway forward, because the need for coal is declining rapidly and one coalmine has been very badly managed and the other is marginal. There is no easy pathway. Unfortunately, I have run out of magic wands. I have noted all these different people saying different things in the media. We get criticised if we do not do anything and then we get criticised when we do things. People actually have to work out what they want to see. We are trying to see an orderly exit from the coalmines so that as long as coal-fired power stations are needed, there is coal available. I always say, “We need coal until we don’t.” This is the challenge on the east coast, because the coal-fired power stations on the east coast are precipitously closing, not as part of a plan, but because of narrow sectional economic interest, and we cannot have that occur. The coalmines on the east coast have a completely different issue, because they can all export, but neither of these coalmines can export. People have looked at it and nobody has been able to make it work. They do not have a pathway forward other than the coal-fired power stations. Synergy is working with its coal supplier and we are trying to do our best in helping the other people who are not supplied by the same coalmine to try to work stuff out.

I heard an estimate of \$400 million for the rehabilitation, but I also heard an estimate of \$40 million. I am unable to tell, in the same way that the member is not able to tell, what the actual rehab obligations are. This is one of the attractions of pumped hydro in the voids. I said previously that after we came to government in 2017, when Ben Wyatt was the minister, he got Synergy to have a look at the voids. The professional advice from those consultants at that time was that it was not practical. There is a whole range of private sector operators who say they can make it work. Good luck to them. I want them to come up with a proposal, because as we talked about with Synergy, nobody has ever put a proposal forward. Of course, that would reduce the costs of the rehab, because the pits and the waste dumps would be used for other reasons. That would be a good outcome, but I do not know whether it is going to work. As I say, I am like the member; I do not know how much the costs are. I suppose the difference is that we are trying to work with the coal companies and the users of coal to reach a good outcome.

Dr D.J. HONEY: How would the government be involved in that re-use to make sure that that was not simply a rehabilitation cost being mitigated for something that is ultimately doomed to failure?

Mr W.J. JOHNSTON: We are not involved in any of those projects. They would have to go through all the procedures to get approvals. As far as I am aware, nobody has ever applied to use the land or for any of the approvals that they would need. They would need dozens and dozens of approvals. They would need environmental approvals and safety approvals. They would need to engage with Western Power. They would need to engage with the Australian Energy Market Operator. I have not seen any of those things. They would have to show that their project was viable before they would get any approvals. That includes access to the land, because the state agreements are for the purposes of coalmining, not for other purposes, so there are many, many challenges for anybody who wanted to make those proposals. I am not saying it is not possible. I am just saying it is not the government of Western Australia that will have to make the investments; it is the private sector. As I always say about energy policy, the government is a facilitator. We will not take risks. The people who take risks are in the private sector. If they think they can do an investment, take a risk and get a return, that is a good story. If they do not, they will not.

Ms M.J. DAVIES: I refer to paragraph 20 on page 234 of budget paper No 2, volume 1. I think I heard the director general reference the Auditor General report. I want to go into that in a little bit more detail. Can the minister confirm that recommendations 1 and 4 are complete, given that the implementation time lines for the Department of Mines, Industry Regulation and Safety were in the first quarter of 2023?

Mr W.J. JOHNSTON: I will ask the director general to make specific comments, but before he does that, I want to say that prior to the tabling of the report—as I commented in Parliament—I pointed out to the Auditor General that I welcomed her report. The Auditor General performs an important function on behalf of the community. The only comment I would make about the report itself is that I do not know that she fully acknowledged that the government had asked DMIRS to change its practices to deal with the issues we saw. It is not about budget allocation; it is about human resources. We do not have the number of people we have budgeted for, as we are having trouble recruiting, because everybody is recruiting at the same time, including the mining industry. Our approvals time lines were getting a bit behind, so we asked the department to invest more in the up-front approvals, which is an environmental activity, and do a little bit less policing, if you like. Unlike other agencies, our department deals with land clearing and such things that are either done or not done, and the land has to be rehabilitated to an agreed landform at the end of the project. Therefore, the risks for our environmental approvals are different from others. The government, working with the agency, thought it could swap resources. That is a judgement call, and the Auditor General could have a different judgement. The only point I make is that I do not know whether she fully acknowledged that in her report. I ask the director general to make any comments he thinks are appropriate.

Mr R. Sellers: As I mentioned earlier, I welcome any external scrutiny. I worked closely with the Auditor General on the way through this. We had discussions about the main critique of us not getting to sites during the middle of the COVID pandemic, and that we deliberately shifted to other activities. Some were desktop activities and others were combined visits, whereby groups of people spent longer at a site and, in fact, met higher targets than we had set ourselves. However, it is very clear that we were not on site as much as we predicted we would be during the COVID period, as we did not know COVID was coming. That being said, as the minister mentioned, COVID also created

a situation in which our own time lines for our program of works and mining approvals were not meeting the targets. Therefore, we moved to keep industry going by focusing on bringing in line our program of works, which is the very early works that let the whole industry churn. That was actually underway when the Auditor General was looking at us.

As the minister mentioned, since then we have done a range of things to try to rebalance a little bit, to make sure that we are doing the compliance. Since that report, we have increased our onsite inspections, as well as desktop compliance reviews and compliance investigations. Five of the incident investigations have resulted in penalties in lieu of forfeiture. That totals to just under a couple of hundred thousand dollars. Two enforcement actions for noncompliant petroleum activities have also been lodged.

I note the member was going to individual recommendations saying, “Where are we going against those?” We have a package of work that we are working through. We accepted the criticism and recommendations. We have shifted our approvals and our processes for visiting sites in order to meet the targets that we have set out in our documents.

Ms M.J. DAVIES: I am reading the recommendations in the Auditor General’s report and my question is to confirm that recommendations 1 and 4 are complete, because the department’s own implementation time frame in the recommendation document says that it will be done by the first quarter of 2023. It is a yes or no, really. Are recommendations 1 and 4 complete?

[5.10 pm]

Mr W.J. JOHNSTON: It is exactly as the director general explained: we are achieving the outcomes that we are setting, exactly as he explained.

Ms M.J. DAVIES: Maybe I will ask the question in a different way. If the Auditor General turned up and asked, “If you have met what you put in or responded to, would you have recommendations 1 and 4 completed by the end of the first quarter?”, would the minister say yes?

Mr W.J. JOHNSTON: Again, I cannot say what the Auditor General would say. That is going to be her judgement.

Ms M.J. DAVIES: What would the minister say to the Auditor General?

Mr W.J. JOHNSTON: I would say that we are committed to achieving all these recommendations. If the member wants, I will get the director general to speak again.

Ms M.J. DAVIES: It is the minister’s time line. I just want to know whether it has been completed.

The CHAIR: Member for Central Wheatbelt —

Ms M.J. DAVIES: It is not a hard question, chair.

Mr W.J. JOHNSTON: But we are saying we have achieved it.

The CHAIR: Sorry, I will just pause things there. I do not invite argument when I am trying to call things to order. You might have a view about whether it is a hard or easy question, but you get the answer that you get, member for Central Wheatbelt. I am trying to keep things orderly, particularly for the benefit of the Hansard reporters. I will give the minister an opportunity to respond.

Mr W.J. JOHNSTON: I invite the director general to make further comments.

Mr R. Sellers: Thank you, minister. With regard to the member’s question, we expect the Auditor General to come back and ask us those questions, so when recommendations are tabled, the minister and government have considered them, and we as a department are tasked with doing them, they go into our own audit review processes and are monitored and assessed against time lines so that we are ready for just that situation—when the Auditor General comes and asks. We said we were going to work on things and meet time lines, and that is what we are achieving.

Ms M.J. DAVIES: Has the department fully documented the risk-based approach that underpins its compliance activities to address sector risks, and was this done before the end of March?

Mr W.J. JOHNSTON: I am happy for the director general to provide further comments.

Mr R. Sellers: Thank you, minister. The member might not understand that they were documented, but the Auditor General just said that they were not in the centralised position, so, yes, that has been done.

Ms M.J. DAVIES: So that answer is yes.

Mr R. Sellers: As I said.

Ms M.J. DAVIES: I did not hear “yes” to any of those questions. In relation to recommendation 4, can I confirm the answer would be yes to that as well?

Mr W.J. JOHNSTON: I am not quite sure why the member is asking that question, because I am pretty clear that that is exactly what the director general has said twice.

Ms M.J. DAVIES: I am hearing yes; okay. Can we move to recommendations 3, 5 and 6? They need to be on track to be implemented by the end of the second quarter, so there is still a bit of time to go. Would the minister like to provide some advice in relation to those recommendations?

Mr W.J. JOHNSTON: Which ones?

Ms M.J. DAVIES: They are recommendations 3, 5 and 6.

Mr W.J. JOHNSTON: Yes, recommendation 3 is done, clearly, and recommendation 5 is done—and that was without even asking. Recommendation 6 —

Ms M.J. DAVIES: All I am trying to find out is —

Mr W.J. JOHNSTON: Let us take recommendation 6 as an example.

The CHAIR: Member for Central Wheatbelt, I have given the call to the minister.

Mr W.J. JOHNSTON: Recommendation 6 is an example: that is a judgement call. I do not know what the Auditor General's opinion would be, but what I do know is that the department is implementing the recommendation. The Auditor General might say, "Well, your implementation has not met the standard that I thought you were going to achieve." I cannot answer for that; that is a completely separate issue.

Ms M.J. DAVIES: Just so I am clear, I am not asking for the Auditor General's opinion. The minister advised the chamber that this was the time frame within which, in his view, the recommendations would be dealt with.

Mr W.J. JOHNSTON: Let us take recommendation 6 as an example. I will read it out; I am indebted to my chief of staff for this. It states —

prioritise plans to restore their compliance activities as part of delivering a balanced regulatory approach.

That was based on the Auditor General's assumption that there had been a failing in the enforcement procedures. That is not correct. There was never a failing in the enforcement procedures. She said that it was not being done in the way she believed it should be done. That is true, and we have taken that on board and we have made changes to the way we operate. The Auditor General could come back tomorrow and say, "The changes you made were not sufficient", but that does not change the fact that we have implemented the recommendations. I again invite the director general to make further comments.

Mr R. Sellers: Thank you, minister. My apologies for not being clear, but in my earlier remarks I mentioned that the Auditor General's comments were around our site visitation and not being in a central, collated state, yes. We committed to fully implement things; we have done that and we have done them within our time lines, individually. If we had another circumstance, God forbid, like COVID and we said we were going to go to sites 36 times, I will sit here and say, "Probably we won't", because in that period, we clearly did not want to do it. That was the issue that was being challenged there. It was not that we had not done compliance activities against an environmental outcome, because the actual environment team shifted to a different process. Although that was not the compliance process we said we were going to do in our estimate, we actually met that outcome. As the minister said, we welcome the Auditor General to come back and have another look; that is very welcome.

Ms M.J. DAVIES: Okay, thank you very much. I have a new question. I refer to paragraph 16 on page 233 of budget paper No 2, volume 1. My question is in reference to an announcement the minister made last year about an approvals response plan that was being implemented to accelerate exploration and mining approvals, following the significant increase in applications that is mentioned in paragraph 16. The minister said in his statement that the strategy was to provide the number of deferrals that had been made to date on revisions to or post-approval mine closure plan submissions required under the Mining Act. As a result of the minister's decision, they were the ones that were considered lower risk and were therefore being deferred for 12 months. Can the minister tell me how many have been deferred to date? I understand we are still going through it.

Mr W.J. JOHNSTON: Yes. I am not sure whether we have specifics about numbers, but we implemented a whole series of improvements and invested more money. I am happy for the director general to comment on it, but, yes, we followed through on what we said we were going to do.

Mr R. Sellers: Thanks, minister. It actually relates to the previous set of comments in that these actions were, in part, so that we could focus on the program of works —

Ms M.J. DAVIES: This is the deferral?

Mr R. Sellers: This is the deferral. We have completed that project and we are now back to a more normal process. The action plans that the member is talking about still have to be completed and achieved; it is just that they were deemed to be a low enough risk that they could feed into the process as we go forward.

Ms M.J. DAVIES: Does the minister have a quantum? How many were deferred?

Mr W.J. JOHNSTON: We publish lots of data and it is all available on the website. The member can go and have a look —

Ms M.J. DAVIES: On how many deferrals were —

Mr W.J. JOHNSTON: The outstanding applications. It is all published. All the data relating to our approvals time line is on the department's website, and it shows achievement against expectations, but I am happy for the director general to reply further.

Mr R. Sellers: The minister is right: there is a lot of information on the website. I think maybe the point the member is trying to get to is: was anything put at risk by this delay? No, they are low risk and they were just completed at a slightly later date.

Mr W.J. JOHNSTON: I emphasise that all approvals are given eventually; it is just that sometimes they take longer than we would want.

Ms M.J. DAVIES: I refer to page 231 of budget paper No 2, volume 1, and spending changes. I note that it looks like funding has been removed from the line item "Government Regional Officer Housing" under the subheading "Other". Can the minister explain what is happening with that line item?

Mr W.J. JOHNSTON: The department has not reduced its effort in regional Western Australia, but it has moved some people. We no longer have staff in Meekatharra and that has led to a small saving. But it is not a reduction of effort in the regions; it is about moving people from one location to another. One of the challenges in Meekatharra is that there was only one person there, and that does not meet contemporary health and safety standards. We want to have more than one person. It is like an electorate office.

[5.20 pm]

Ms M.J. DAVIES: Not in my office.

Mr W.J. JOHNSTON: The member gets two electorate staff. I do not know what she does with them.

Ms M.J. DAVIES: I get two electorate officers because the government merged my electorate from two to one.

Mr W.J. JOHNSTON: One way or another, that is the member's decision. Anyway, it is one electorate office. The point is that we are not trying to reduce our regional staff but rationalise where we locate them so that they are more effective. We closed the office in Norseman previously and the staff member at Meekatharra has been relocated. That made the offices in Kalgoorlie and Coolgardie stronger and now the office in Geraldton is stronger.

Ms M.J. DAVIES: Is that just one house? What do the numbers account for? The minister gave the example of Meekatharra. Was that the cost of housing someone in Meekatharra?

The CHAIR: Sorry, minister. Director general, it is not out of disrespect to you, but I cannot give you the call on a question until I have given the call to the minister.

Ms M.J. DAVIES: He is very keen to answer; let him free!

The CHAIR: Not on my watch, unfortunately, under the standing orders, member for Central Wheatbelt.

Mr W.J. JOHNSTON: I ask the director general to comment.

Mr R. Sellers: The amount the member referred to, if we are just talking about Meekatharra, was for an office and houses. That number in the budget notes also has accounting adjustments on it.

Ms M.J. DAVIES: Okay. Is it only Meekatharra that has changed? Have other staff locations changed?

Mr W.J. JOHNSTON: I do not know about Commerce but in my area of responsibility Meekatharra is the only change over the last 12 months. We changed Norseman a few years back. But, no, not in my area of responsibility. In Commerce we also added 19 people into Collie a couple of years ago, so it is not a one-way street. Of course, the people from Meekatharra were not moved to Perth; they were moved to Geraldton.

Ms M.J. DAVIES: I refer to the same table on page 231 of budget paper No 2, volume 1. The royalties for regions program update is a bit below the line item I referred to earlier and it also looks like funding is no longer coming through to the department. Can the minister explain that line item?

Mr W.J. JOHNSTON: I am not exactly sure what it relates to but it is regional worker incentive allowance payments. It is a small adjustment to take into account the expenditure profile update based on advice from the Department of Primary Industries and Regional Development and confirmed by Treasury. It is an accounting treatment.

Ms M.J. DAVIES: Did the minister just say "regional worker incentive"?

Mr W.J. JOHNSTON: Yes. It is for regional worker incentive allowances.

Ms M.J. DAVIES: I would say they have redone the basket of goods.

Mr W.J. JOHNSTON: Again, it could possibly be in the commerce portfolio but I do not know.

Ms M.J. DAVIES: Can I duck back to the question earlier on regional housing?

The CHAIR: You can ask a question on it, yes.

Ms M.J. DAVIES: Thank you, chair. When was the staff member shifted from Meekatharra to Geraldton?

Mr W.J. JOHNSTON: I am happy for the director general to explain, but it is not the actual person. The person who was in Meekatharra had personal issues and then a person was employed in Geraldton.

Ms M.J. DAVIES: When were the house and the office closed?

Mr W.J. JOHNSTON: I am happy for the DG to make any comments.

Mr R. Sellers: My recollection is that it was around February.

Ms M.J. DAVIES: What role was attached to the location?

Mr W.J. JOHNSTON: It was a person allocated to the registry. I know closing the office in Norseman was of great pain to the local government and I imagine the decision in Meekatharra is likewise not welcomed by the local government authority, but the number of applications in those places is so small that it just does not justify the investment, and because so many people are moving online, the service is predominantly an online service now. We do not want to take services out of regional Western Australia, and the number of people employed by the department in regional Western Australia is going up, not down, but we are allocating those resources more effectively.

Dr D.J. HONEY: I seek the minister's guidance to make sure I am asking this question in the right section. I refer to page 232 of budget paper No 2, the heading "Protecting Workers and Supporting Consumers" and paragraph 9 on engineered stone and silicosis. Is this the appropriate division?

Mr W.J. JOHNSTON: No. It is the division after the dinner break.

Dr D.J. HONEY: I refer to page 233 and paragraph 12, which states —

Decarbonisation and strong industry emission-reduction ambitions are fast-tracking the energy transition.

Can the minister explain the scope of the work for the department in relation to that, please?

Mr W.J. JOHNSTON: The energy policy component of the Department of Mines, Industry Regulation and Safety is responsible for providing advice to government on energy policy matters. Under Jai Thomas's leadership, we have a comprehensive suite of activities. An enormous amount of work is being done in this space because it is unbelievably complex. We have two challenges. One is the decarbonisation of the government of Western Australia, and that is principally about Synergy. Then we have the decarbonisation of industry. Of course, there are two big pieces of work with industry. One is in the south west interconnected system and the second is in the Pilbara. We have separate pieces of work addressing each of those challenges and there are also smaller pieces of work in assisting the off-grid space, which is basically onsite power for mining companies. There is a very comprehensive suite of activities. I can get Jai Thomas to comment, but it will be general. If there is something the member wants to drive at, I am happy to get Jai to be more targeted.

Dr D.J. HONEY: If it could specifically focus on the work that is being done on that policy area.

Mr W.J. JOHNSTON: I will ask Jai Thomas, coordinator of energy, to comment.

Mr J. Thomas: This item came up in the Western Power session about the evolution of the power system in the south west and the various policies that underpin that evolution. As the member knows, the *SWIS demand assessment 2023 to 2042: A future ready grid*, which is our vision of the future of the power system in the south west, was released in May. Part of the work that we are funding in this budget is to review the capital contributions and revenue recovery methodologies that underpin that transmission evolution. It was also acknowledged in the plan that we need to reach in and extract more renewable energy from the areas in which it is prevalent; we call those renewable generation hubs. Further work needs to be done to get the regulatory arrangements right for those areas. As the minister noted, when this was launched, the concept of a facilitation vehicle to deliver this and oversee its coordination, particularly across government, in the same vein as a Metronet or Westport-style vehicle was being contemplated. We are doing the work to essentially underpin its establishment.

[5.30 pm]

Mr W.J. JOHNSTON: I will make a point about the last comment. Western Power already has \$3.5 billion to spend on capital, and this project is on top of that. As we all know, there are problems with finding people to do the work and so we want to make sure that the government has got more direct oversight of the bits it can help with. We are not engineers; Western Power has to oversee that. I think the member for Vasse asked about land access issues. That is an example of something that we think we could do better centrally, rather than having Western Power do it. It has good officers, but we think that having a centralised coordination for that type of thing would be a better way forward. We are going to have to engage with lots of different Aboriginal groups. There is a lot of work here, but we think that central government can have a role. I am very pleased by the engagement with both the Department of the Premier and Cabinet and the Department of Treasury on the work that we have done until now.

In addition, we still have the market evolution. The new market starts on 1 October and we know there are going to be further market reforms. We are currently reviewing the reserve capacity mechanism and doing other things. There is so much work here.

Dr D.J. HONEY: The minister mentioned the regulatory arrangements. What are the major regulatory hurdles, if you like, for setting up those renewable energy hubs?

Mr W.J. JOHNSTON: I will ask Jai to make some comments. In New South Wales and other states that have renewable energy zones, there is a disconnect between the owners and builders of the transmission lines and the owners and builders of the energy generation systems. We are looking at what mechanisms might be available to us to streamline the engagement of those two separate pieces of infrastructure. There are also regulatory issues as well. I am happy for Mr Thomas to make comment.

Mr J. Thomas: As I mentioned before, it is really underpinned by the capital contributions and revenue recovery methodologies, as noted in the Western Power session. Those things exist now, but we need to evolve them to make sure that they are fit for purpose for this new way of rolling out networks into regional areas to extract renewable energy. Part of that also includes how we promote the capacity of these new network strands and how we establish new foundation customers for those. All of those are in the mix.

As the minister noted in the Western Power session, this has historically been held back by a sort of first-mover disadvantage. Ultimately, we want an arrangement that helps us give certainty for industry and renewable energy proponents, but does not require one single entity to bear all the costs up-front.

Dr D.J. HONEY: My question relates to the potential new pathways or powerlines that need to go in. Is there a view that the government will look to proactively establish easements? Someone obviously has to pay for infrastructure and the like, but that would avoid ending up in a situation whereby we do not have appropriate easements for lines. The government could establish logical easements itself and ensure there is competitive tension or some process that ensures that we get efficient delivery of a line and service.

Mr W.J. JOHNSTON: One of the challenges we will have to look at is where we will run the infrastructure. I pivot to the north west interconnected system where there has traditionally been separate infrastructure. Indigenous groups are already telling us that they do not want five sets of transmission lines. We know that the same is probably true of the south west interconnected system. To the extent that the government can coordinate these things—whether it is here where the government owns the infrastructure or in the NWIS where private investment continues—external coordination is still needed. We have a process being led by Mr Thomas’s team looking at the NWIS at the same time we are looking at the SWIS.

Dr D.J. HONEY: From the outset, the Liberal Party is certainly a keen supporter of government ownership of the Western Power network for exactly the reason that the minister said; it is the logical outcome. I have personally made that clear, and so has Steve Thomas. That was just in response to some earlier comments he made. What are the mechanisms that the government has to force parties’ heads together on the consolidation of services for the NWIS? I say that in the context of the UK, for example, where the government has a direct say on the shared natural gas lines, so that it does not end up in the ludicrous situation of multiple pipelines that eventually cost public money.

Mr W.J. JOHNSTON: As I understand the law here in Western Australia, all the transmission lines in the Pilbara are built under state agreements. If someone does not want to build under a state agreement, they need the specific approval of the Minister for Energy.

Dr D.J. HONEY: Does the minister have a lever?

Mr W.J. JOHNSTON: That is as I am advised. The Minister for Energy, and therefore the government, has the whip hand in dealing with investors because they cannot execute without government approval. Why would we give an approval for a suboptimal outcome? In respect to the north west, it has been about 30 years since people started talking about an integrated grid and no Minister for Energy has been able to deliver that. I am just another bloke. Whether there will ever be an integrated grid in the NWIS, I do not know. I am not going to sit here and say that it is absolutely going to happen, but it is logical. As we move towards renewable energy it becomes even more important to have an integrated grid. We are engaged with all the existing big players up there, plus all the potential new players, in the NWIS. We think there is a good reason to do it. Let us hope that it comes off, but we cannot guarantee it.

Regarding the member’s comment about Western Power, I remind him that he just said exactly what Colin Barnett said up to about six months before he announced he was going to sell Western Power. We understand the Liberal Party’s position on these things.

Ms J.J. SHAW: The minister mentioned a potential review of the reserve capacity mechanism in a previous answer. Can the minister provide a little bit more detail about the potential timing and the sorts of issues that the RCM has? Perhaps Mr Thomas could comment on that. I think that is a material issue for power systems moving forward.

Mr W.J. JOHNSTON: I invite Mr Thomas to make some comments, but he cannot go too far or I will get cranky with him.

Mr J. Thomas: I only have 20 minutes to explain the capacity mechanism.

Ms J.J. SHAW: It is exciting stuff.

Mr J. Thomas: I will do my best. The reserve capacity mechanism is our system adequacy tool. It is the thing in our energy market that ensures that we have adequate supply to meet system stress events. The system stress event is weekday summer peak demand. It has historically served us very well in meeting that weekday summer peak demand at a whole-of-system level.

About 12 months ago, we recognised that the types of capacity we were rewarding in the capacity mechanism needed to evolve. We have a hollowing out of demand in the middle of the day as rooftop solar becomes more prevalent and so the types of capacity we are paying to be available at 6.00 or 7.00 pm in that peak demand period may not necessarily be there, having been switched up at lunchtime. The minister explained the coal-fired generation profile in the Synergy session. Over the last 12 months, we have been reviewing the capacity mechanism. A fortnight ago we released the stage 1 findings and outlined that we needed to add flexibility to the capacity mechanism to reward not only capacity that is available during peak periods, but also how quickly it can respond so that we get the right types of capacity and the market sends the right signal for the investment and generation needed in our evolving power system as it relies more on renewable energy and has more fluctuations in intermittent supply.

Mr W.J. JOHNSTON: I will just add to that. We ran the supplementary reserve capacity this year for the first time ever. That is an existing market mechanism. It responded to the fact that some expected generation was not available and the demand had grown faster than all previous estimations, remembering that in August last year, the Australian Energy Market Operator predicted that there would be no challenge for summer readiness and then said there was a shortfall in September. Of course, at the same time, AEMO is running the non-co-optimised essential system services process, seeking up to 850 megawatts. AEMO needs to speak for itself, but we can now see that demand growth, often from block loads, is starting to come onto the forecasting horizon. With the reserve capacity having been stable for a long time, we probably need more reserve capacity now; therefore, now is probably the best time to review this, because reserve capacity works three years ahead, as the member well knows. We want to make sure that the reserve capacity structure meets the type of generation and firming that we will need in the future. Of course, the federal government has its separate process for firming renewables. We want to ensure that whatever we are doing allows investors to take advantage of the commonwealth.

Synergy is 40 per cent of the market, which means that the private sector is 60 per cent. Let us assume that over the next 20 years the market grows by 300 per cent, which is what the south west interconnected system demand assessment says it will do. That means that at the end of that period, Synergy will be less than 15 per cent of the market and the private sector will be 85 per cent. That is with the investments that we have already announced for Synergy. It is not that Synergy will get smaller, it is that the market will go off. There is a lot of opportunity here for private sector investment.

[5.40 pm]

Dr D.J. HONEY: In the previous sessions we had a discussion about the peak capacity of the Dampier to Bunbury natural gas pipeline.

Mr W.J. JOHNSTON: I invited the member to ask the question at this point, indeed.

Dr D.J. HONEY: There is an indication that for peak demands it is inadequate. Particularly if we transition to any significant percentage of hydrogen in that line, that may significantly reduce the net calorific capacity of the line. What work is going on in relation to that? Is that occurring under this item as well?

Mr W.J. JOHNSTON: Yes, we are looking at all these things. The biggest demand driver for growing electricity demand, despite what some commentators in the media have said, is not the export of hydrogen, it is hydrogen to replace domestic consumption of methane and the electrification of Alcoa. The gas currently being used in industrial processes in Kwinana, plus Alcoa, does not disappear, so the pipeline capacity will still be there and that gas can be used for generation purposes. It is quite likely that over time we will need more storage at the bottom end of the pipeline, but that will not change the total volume of gas being used. Remember, there is a decarbonisation pathway. If we take a long-term view, we would not see natural gas volumes increasing significantly in the future. Of course it will go up, but it will not go up two times.

Hydrogen exports will be a great addition to Western Australia. Some of the projects in the SWIS demand assessment are export projects, but a lot of them are projects that are not related to the export of hydrogen; they are related to fuel switching and electrification. There are swings and roundabouts. We know that the gas market is tight and we know that there are challenges, but they are good challenges. The fact that the critical minerals industry continues to invest in capacity in Western Australia shows that people are confident the market is getting things right. There is also the fuel switching that will come out of the north west when the three large iron ore companies switch to

renewables. That will lead to that gas becoming available in the market as well. We can sit down and look at these issues, and we do, but if the total volume of gas does not go up, pipeline capacity will not be the issue, but storage might be. At the moment, we have storage north and we might need storage south, but that is not capacity for the pipeline. If we needed more pipeline capacity, there are a range of options.

Dr D.J. HONEY: Are any areas actively identified for storage? Is the government making plans for that potential?

Mr W.J. JOHNSTON: It is too early at this stage and it would be a market-driven exercise. During the Liberal Party's time in office, Synergy underpinned one of the storage projects, but there were private operators for that project and they were banking it. We would imagine that a range of people will be looking to bank projects for storage. Markets usually work pretty well.

Ms M.J. DAVIES: I refer to page 233 of budget paper No 2, volume 1, and the same paragraph under "Building a Sustainable and Responsible Resources Industry" that talks about royalty revenue. Could the minister reflect on the sulphate of potash industry and whether there has been any progress since the announcement in November last year of the extension of the royalty rebate scheme established in last year's budget? Have any companies taken advantage of this royalty rebate scheme?

Mr W.J. JOHNSTON: I will ask the director general to make a comment, but at the moment there is no cost because there is no production. We are expecting production very soon.

Mr R. Sellers: In October last year, cabinet made a decision that when the four projects come into production, a non-repayable 50 per cent rebate on royalties will be paid for up to two consecutive years, or eight quarters, if first sales are made before the December quarter in 2027 inclusive. This means that any rebate, should a company go into production, could be paid up to the end of 2029. But as the minister mentioned, we are not there yet. We hope for some projects to come into production.

Mr W.J. JOHNSTON: I understand that some of them are close.

Ms M.J. DAVIES: Are we not yet in a position to take advantage of what was announced last November?

Mr W.J. JOHNSTON: The policy is in place, but nobody has claimed the rebate yet. We would love them to.

Ms M.J. DAVIES: Maybe the settings are not right, minister.

Dr D.J. HONEY: I refer to page 237 of budget paper No 2 and service 4, "Development and Implementation of Energy Policy". Explanatory note 1 states that the increase in the total cost of service is primarily due to increased grants for electric vehicle charging infrastructure for local government, but it also says that there was a repositioning of the state underground power program and the household energy efficiency grants. Where have those two items been moved to?

Mr W.J. JOHNSTON: Mr Thomas is desperate to speak on this one.

Mr J. Thomas: Thank you, yes. The EV charging grants were added to our budget this year, over 24 months in the forward estimates. On the state underground power project, we discharged the final two projects during May this year and that totalled around \$2 million. Ultimately, round 6 of the state underground power program has been concluded. Our household energy efficiency grants is a \$13 million program to help 10 000 households experiencing hardship access energy efficiency measures. We repositioned that as a result of COVID-driven delays to getting that project up and going. We have moved from the pilot phase into the scale phase in the last few months, so we repositioned those funds.

[5.50 pm]

Dr D.J. HONEY: I did not quite understand the terminology of "repositioning". Will the state underground power program continue under the auspices of the Minister for Mines and Petroleum? Has it moved somewhere else, or has it disappeared into the ether?

Mr W.J. JOHNSTON: We have changed the state underground power project. There used to be all these rounds. I must thank Dr Nahan because when he was the energy minister, he chose my street—believe it or not—to get underground power. I was one of the last people to get underground under the projects under the Liberal Party. During COVID, there were a lot of delays and the project slipped. At the same time, there were different pricing structures. Western Power reviewed the way it does undergrounding, and we made an announcement in November that we were moving to a targeted underground power project. It will be led by the needs of the network rather than the bidding of the councils. That was a reform that, in retrospect, Dr Nahan would probably regret. He got councils to bid on how much they were prepared to contribute. One of the first things that happened to me when I became minister back in 2018 was that residents in Menora came to complain about the cost. But it was actually the council that had asked for that cost. The Mayor of Stirling came to see me and when I pointed out that that was the bid made by the City of Stirling, he said, "But I was not the mayor!" We got rid of that process, and it is now driven by the needs of the network. Western Power is working with local governments, years in advance, and saying, "In five years' time, we will be back in this suburb to do renewal, so why don't we talk about co-contributions?" The state government subsidy is now based on property values. In a residential area where the property values are low, we will make a contribution. In those areas where the property values are high, we do not make a contribution, or we make a small contribution.

Therefore, it is driven by Western Power, which means more money is available by Western Power. It drives down the average cost to residents because Western Power has a larger proportion that it can contribute to the work because it has to spend the money anyway on the renewal of the assets. It gets rid of the bidding system, which might upset some councils, but it drives down the average cost of undergrounding, which is good for everybody.

Dr D.J. HONEY: Can the minister explain the process for the grants for the electric vehicle charging infrastructure for local governments?

Mr W.J. JOHNSTON: I will get Mr Thomas to speak to that.

Mr J. Thomas: On 16 February, we launched the EV charging grants, which apply to local government entities, not-for-profit agencies and small businesses. Ultimately, the first funding round seeks to provide up to 50 per cent funding to install up to four chargers per site. There is 75 per cent funding for a subscription to smart EV charging software, recognising that faster chargers will be funded in future rounds of the program. So far we have had around 100 applications for around 200 chargers, the first of which was installed last week down at Evedon park in Burekup, which is just below Wellington National Park. It is rolling out in both the metro and regional areas. I will note that we had a slight premium for regional locations where they can access a slightly larger amount.

Dr D.J. HONEY: The department has had about 100 applications. What process does the department use to decide who gets a grant? Is it a first-come, first-served basis? Is every application taken on board, or are some selection criteria used?

Mr W.J. JOHNSTON: Selection criteria is run by the agency. The minister is not involved in selecting grant recipients. I am happy for Jai Thomas to elaborate.

Mr J. Thomas: There is a selection criteria and it has some merit-based components to it. There is an upper-band cap on the funding available and the number of chargers to be installed. As I noted earlier, it is slightly higher for regional areas. Ultimately, at present, although it is a competitive round, generally speaking the applications have been successful. We are working with applicants who have not met the criteria to get further information into their proposals to meet the criteria.

Dr D.J. HONEY: Is the criteria published and available to all the applicants?

Mr W.J. JOHNSTON: Yes. It is all on the website.

Dr D.J. HONEY: I refer to page 238, under the asset investment program; the first cab off the rank is ICT infrastructure. The Auditor General came out quite recently with a report looking at cybersecurity practices in government. It found significant gaps. I am not trying to target the minister's department in this, but, obviously, the work that the minister's department carries out in managing the mines industry is enormously important to the economic wellbeing of the state. What programs does the minister have in place to protect the integrity of the computer systems in the department? Is there a renewed focus on that, or what is the focus on that?

Mr W.J. JOHNSTON: Yes, there is definitely a continuing focus on it. I invite the director general to comment.

Mr R. Sellers: Thanks, minister. We hold such a huge dataset that is worth, in any dollar terms, lots of money. We have been active in this space for quite some time. The Government Chief Information Officer and the Office of Digital Government have been working closely with the department. They have a series of applications and systems that they want in agencies. We had some existing ones. A couple of the ones we have are slightly better than the product that has been put across other agencies, so we are transitioning some that are workable to the state government cybersecurity providers and we are maintaining others with the slightly higher standards that were worked out previously when we were doing a lot of travelling with the commonwealth. At some stage in the future, we will merge into the systems that all governments are using, but we do not want to put anything potentially at risk by losing those systems until we are at that point.

Dr D.J. HONEY: Have there been any cyber attacks on the Department of Mines, Industry Regulation and Safety website to try to either corrupt or break into those systems?

Mr W.J. JOHNSTON: I do not know whether that is a good thing to answer. All government departments have challenges relating to cybersecurity, and I am not sure whether it is appropriate to comment on individual cases.

Dr D.J. HONEY: I refer to page 241, the details of controlled grants and subsidies, and the line item "Household Energy Efficiency Scheme", which has funding out until 2024–25. Is that simply because there is time to catch up on that, or will that scheme finish?

Mr W.J. JOHNSTON: I know that Jai wants to talk about it, so I will throw to him in a second. This is a project for 10 000 houses. When it was announced, it was for a finite number of activities so that is why the funding is specific. We did a trial of 50 houses in the metropolitan area and 30 houses in Port Hedland. We are now rolling out the scheme as a proper project. We work with the two government trading enterprises, Synergy and Horizon Power, and engage with non-government organisations. I will ask Jai to make a comment. This is one of those great schemes that is modelled on what is being done around the world. It is a really successful way to reduce people's electricity bills.

The CHAIR: Mr Thomas, with 17 seconds.

Mr J. Thomas: I will just add that this was initially funded under the Western Australian climate policy, and it was limited to 10 000 households so that we could test at scale but also inform any future iterations of the program.

The CHAIR: That will unfortunately have to do us, Mr Thomas.

The appropriation was recommended.

Meeting suspended from 6.00 to 7.00 pm

Division 16: Mines, Industry Regulation and Safety — Services 1 to 4, Industrial Relations, \$397 155 000 —

Mr S.J. Price, Chair.

Mr W.J. Johnston, Minister for Industrial Relations.

Mr R. Sellers, Director General.

Mr I. Munns, Deputy Director General, Corporate Services and Labour Relations.

Miss M. Bendotti, Acting Executive Director, Government Sector Labour Relations.

Mr J. Kwong, Chief Financial Officer.

Ms S. North, Acting WorkSafe Western Australia Commissioner.

Mr R. Sao, Chief of Staff, Minister for Industrial Relations.

Mr J. Welch, Principal Policy Adviser.

[Witnesses introduced.]

The CHAIR: The estimates committees will be reported by Hansard and the daily proof will be available online as soon as possible within two business days. The chair will allow as many questions as possible. Questions and answers should be short and to the point. Consideration is restricted to items for which a vote of money is proposed in the consolidated account. Questions must relate to a page number, item or amount related to the current division, and members should preface their questions with those details. Some divisions are the responsibility of more than one minister. Ministers shall be examined only in relation to their portfolio responsibilities.

A minister may agree to provide supplementary information to the committee. I will ask the minister to clearly indicate what information they agree to provide and will then allocate a reference number. Supplementary information should be provided to the principal clerk by noon on Friday, 2 June 2023. If a minister suggests that a matter be put on notice, members should use the online questions on notice system to submit their questions.

I give the call to the member for Vasse.

Ms L. METTAM: I refer to page 233, budget paper No 2, volume 1, significant issues impacting the agency. Paragraph 18 states —

... initiatives drive awareness and support the government's commitments to the Enough is Enough Parliamentary Inquiry report.

I note that the *Enough is enough 2022 progress report* ran an initial pilot program in February 2023, with courses offered to industry from March 2023. How many courses have been run since the initial pilot program in February?

Mr W.J. JOHNSTON: I will ask the Acting WorkSafe Western Australia Commissioner to explain where we are at with that program.

Ms S. North: There are several training initiatives through the mental awareness, respect and safety program. One that has just finished its initial pilot is the Thrive at Work in Mining masterclass series for senior leaders, which looks at how mining workplaces can help workers to get and stay well. It included an online toolkit and incorporated a community of practice to build and share knowledge among that cohort. It will look to do further training. There is also a psychosocial risk program. I do not have the numbers here, but it has commenced and run for some cohorts. There is also training in specialist investigations—that is, looking into the response, investigation and management of sexual harassment in the workplace. That is running and is providing training.

Ms L. METTAM: In relation to the initial pilot program —

Mr W.J. JOHNSTON: Which pilot program?

Ms L. METTAM: I refer to the response, investigation and management of sexual harassment in the workplace training. I understand that an initial pilot program ran in February 2023, with courses offered to industry in March. How many courses have been run since that initial pilot?

Mr W.J. JOHNSTON: I will invite the Acting WorkSafe Western Australia Commissioner to comment, but I hesitate because there are a range of training programs. For example, there was a training program for bystanders

that ran as a pilot. We are reviewing the outcome of that pilot. We have not yet agreed to continue the funding. There are lots of different pilots. Was the member driving at the masterclass series?

Ms L. METTAM: It is the pilot that began in February 2023 and it was titled response, investigation and management of sexual harassment.

Mr W.J. JOHNSTON: What page is the member reading from because it is a little confusing?

Ms L. METTAM: I am referring to page 233, which refers to other initiatives that drive awareness and support of the government's commitment.

Mr W.J. JOHNSTON: Sure. There are a number of pilot training programs, each of which has different target audiences. Some of those pilot programs are now complete and we are reviewing the outcomes; some are continuing. If the member lets me know the name of the training program, that will assist Ms North to say where that particular program is at. Without the name of the program, it is very hard for me to answer.

Ms L. METTAM: The name of the program is response, investigation and management of sexual harassment in the workplace training.

Mr W.J. JOHNSTON: Is the program the member referring to the one that was focused internally for inspectors?

Ms L. METTAM: It involved first responders, report receivers and those involved in workplace investigation.

Mr W.J. JOHNSTON: It does not appear that the name the member is using is available to me in any of the documentation regarding MARS. I do not know what the member is reading from. It is not from the budget papers, which is not a problem. I am trying to establish what document the member is reading from because that will then help me to say to Ms North, "This is the one I'm referring to." At the moment, I do not know what the member is referring to.

Ms L. METTAM: There is a reference, as I have stated, in the budget papers. It states "Other initiatives drive awareness". If other pilot programs began in February 2023, we can touch on those.

Mr W.J. JOHNSTON: I can ask Ms North to explain where each of the different pilot training programs are at if that is what the member would like.

Ms L. METTAM: The name of the program is, as I have stated, response, investigation and management of sexual harassment in the workplace.

Mr W.J. JOHNSTON: Okay; that sounds like the one that related to inspectors at WorkSafe. Is that the one the member is referring to?

Ms L. METTAM: Yes.

Mr W.J. JOHNSTON: I ask Ms North to speak.

Ms S. North: There are two points I would make. In terms of the inspectors, training has been rolled out to WorkSafe mine safety inspectors in relation to dealing with sexual harassment matters and other psychosocial hazards. It might also be a reference to an externally provided course around managing and investigating sexual harassment, which has been delivered by FIFO Focus in partnership with the Australian Institute of Health and Safety, the Work Health and Safety Foundation and the University of Western Australia. That pilot has been completed and, from April, it has been available for enrolments. It will be provided on an ongoing basis. I do not have a number with me of how many persons attended, but it is commercially available.

[7.10 pm]

Mr W.J. JOHNSTON: Just to clarify, when Ms North says that it is commercially available, it is a commercial operator and, of course, we are subsidising the cost of the course. Again, the member can go to the FIFO Focus website for the psychological risk management capability enhancement program and enrol through that address.

Ms L. METTAM: What was the overall cost? What was the government's investment in this program? The name of the program was in the government's progress report. That is where I got the name of that program from.

Mr W.J. JOHNSTON: Again, the name the member referred to, as I understand it, relates to inspectors. Of course, that is just part of government. Work health and safety in the mining industry is funded out of an industry levy, whereas the rest of WorkSafe is funded out of general revenue. The costs that we cover for the mining part of WorkSafe come out of that fund.

Ms L. METTAM: Out of the levy?

Mr W.J. JOHNSTON: They come out of the levy. The levy is in surplus so there is no issue with resourcing. Because the levy is in surplus, we have funding available to us if we need additional resources.

Ms L. METTAM: What is the cost of delivering the program?

Mr W.J. JOHNSTON: I invite Ms North to explain what is happening with the inspectors and this training program.

Ms S. North: All the inspectors have participated in that. As we bring on new inspectors, they are also trained accordingly. Specialist inspectors receive additional training and coaching on their specialty.

Ms L. METTAM: How many inspectors have been involved in that program?

Mr W.J. JOHNSTON: I am happy for Ms North to outline the number of inspectors that are in the WorkSafe mining activity program. As Ms North explained, all the relevant inspectors have been trained, all the new inspectors are trained as they come on and specialist inspectors are trained additionally for their specialist needs.

Ms S. North: There are around 58 WorkSafe mine safety inspectors.

Ms L. METTAM: I refer to the eighteenth significant issue, which is the same line item. A campaign to increase the awareness of the WorkSafe 24/7 reporting line was to commence in the first half of this year. Can the minister confirm that the promotional campaign has commenced; and, if so, what platforms and materials have been used to carry out the marketing for that?

Mr W.J. JOHNSTON: I again invite Ms North to comment, but I will also highlight that the commitment that we made at the time we tabled our response was to do an update last year, which we did, and then report through the annual report of the department each year. The annual report is not far away and all these details will be publicly available in the very near future. It is entirely up to the member what she asks us, but I make the point that all this information is about to be published in any case. I invite Ms North to update us now.

Ms S. North: The awareness campaign is planned to commence in June. We will do different phases through that campaign. The initial phases will focus on individuals who might need to report on workplace sexual harassment and also bystanders who might also need to be educated about the ability to make reports of that type. There will also be a phase for employers, managers and persons conducting a business or undertaking on their duties around notifying, and general messaging around sexual harassment as a work health and safety hazard, particularly for the mining sector.

Ms L. METTAM: The other part of the question was about what platforms and materials will be used to undertake the marketing of that.

Ms S. North: There are multiple modes. There will be digital formats and, I believe, some signage products as well. I think there were a few other formats, but I do not have that in my notes, I am sorry.

Mr W.J. JOHNSTON: Another issue to contemplate is that we will know where all the workplaces are. Unlike for general industry that could be anywhere, these will all have to register and so we will know their location. I have been to a number of mine sites where there is already promotional material that is often prepared by companies that highlight how people can report sexual harassment not to their own agency or HR department, but to the regulator. I think we still have a long way to travel in this area, but there have been some improvements already and we look forward to WorkSafe doing even more.

Ms L. METTAM: Thank you, minister. Can the minister confirm that the pilot program for the Respect in Mining initiative has taken place; and, if so, how many small to medium-sized mining companies have taken part?

Mr W.J. JOHNSTON: The Respect in Mining customised program is designed to increase the awareness and knowledge of gendered drivers of violence, the impact of gender inequality on women's safety and economic security, and the impact of gendered division in leadership and decision-making. The member can get to that through the Respect in Mining website. The program is currently in development for rollout in the middle of this year. If Ms North wants to make any further comment, I invite her to do so. No. She is happy that I have let the member know where that program is at.

Ms L. METTAM: How much was set aside to fund the development of the comprehensive data management for WorkSafe, which included systems for the monitoring and reporting of sexual harassment?

Mr W.J. JOHNSTON: I invite director deputy general Ian Munns to explain where we are at. We are bringing together two existing databases, which are the database previously run by the old WorkSafe, plus the database that was run by the old Department of Mines and Petroleum's mining safety division. It is a project. Members cannot expect it to be completed quickly because it is a very significant piece of work. I invite Mr Munns to comment.

[7.20 pm]

Mr I. Munns: As the minister indicated, we have embarked on a major piece of work called the compliance and regulation system. That is designed to replace the two existing systems that were in use by the workplace safety regulator. The first system is the WorkSafe Information Systems Environment, which had its inception in the general industry sector, and the second was the safety regulation system that was used by the mines safety people. Those two systems are not compatible. With the introduction of the Work Health and Safety Act that brought all the arms of the workplace safety regulator under a single legislative framework, it made sense to bring all the systems the inspectors were using into a single place and commence this program of work.

We have completed the business case, which resulted in the allocation of funding, as outlined in the papers. That business case then underwent a gateway review process whereby an independent body of IT experts reviewed the business case. That concluded there was a compelling case to proceed with the introduction of a completely new system rather than revamping the existing systems. As a consequence of that process, we are looking at two options. One is described as a commercial-off-the-shelf system or a COTS system. The other one is an enterprise system, which is a platform on which we can then build the system we are after. We have just completed a request for information process with which we went out and tested the market as to what is available. That process closed on 9 May and we had quite a number of responses that gave us information about COTS programs and/or the enterprise service platforms. The idea behind putting out a request for information was to give us a greater understanding of what was available in terms of modern systems that we could go to that would allow us to do risk-based and evidence-based regulatory activities. It also gave us a greater idea of what the actual cost of introducing those systems will be because of the mixture of capital costs, ongoing costs and a variety of other cost aspects. We are in the process of evaluating those request for information responses. A number of them covered both platforms and we are evaluating those and using that information to design a request for tender. Prior to the request for tender, we are expecting to put out an early tender advice on Tenders WA in about October. The purpose of that is to ensure that as many people as possible are aware that the request for tender is coming and therefore enable us to get the best response we can to a request for tender, which will follow in about November.

We are in the process of analysing all our processes. We are working over two different systems at the moment, so we have a number of processes to do the same thing across the business. At the moment we are identifying the best way to do things. Regardless of where the system comes from, we are identifying the best way to proceed in terms of capturing the data, making it assessable, extracting it for our evidence-based regulation activities and making it available for data sharing to our external parties that are interested in finding trends and using it for their purposes to enhance workplace safety. Once we have designed the specifications, we will put it through a further gateway review process in which an independent group of people will examine whether our request for tender is robust and gives good clarity to potential respondents, and then we will issue it. We will be separately forming an assessment panel to review the responses we receive. Again, we will be looking to bring in people who are experts in technology and blend them with people who work in the business so that we are able to identify not only the programs or systems that will deliver what is needed as a user, but also what system will technically fit into our system in terms of its architecture. That will be undertaken in early 2024. We think we will have the answer by then as to who will be the successful respondent and we will then commence the work of introducing that new system.

As the minister said, it will be a long-term piece of work that will also include the process of migrating all the data from the existing systems across to the new system, whichever one it will be, so that we do not lose the history. Risk-based and evidence-based regulation relies on a history of compliance behaviour. We want to be able to access the list for the last 30 years in the case of the WorkSafe Information Systems Environment, and as part of the new system as we go forward.

Mr W.J. JOHNSTON: I want to emphasise that government information technology projects have a history of not going well; therefore, we must be cautious because this is so critical. If we think about it, WISE has been there for 30 years. This is a prosecutorial agency and its investigations often lead to prosecutions; therefore, it has to have access to the evidence to build its brief for the commissioner to make the decision about what the agency chooses to prosecute. Please do not underestimate the complexity of this system. I am pleased to hear the detailed response that Mr Munns gave to make it clear that we are taking this seriously. The budget is available, but we have to get it right.

Ms L. METTAM: Thanks minister and Mr Munns. I have a further question. I refer to another recommendation of the report. Has the memorandum of understanding between the Western Australia Police Force, the Department of Mines, Industry Regulation and Safety and WorkSafe Western Australia been completed, or where is that at? Can the minister outline what information-sharing arrangements have been agreed on?

Mr W.J. JOHNSTON: Before the WorkSafe Western Australia Commissioner went on annual leave, he updated me on this. I will ask Ms North to make a further comment.

Ms S. North: We are well advanced in the development of the memorandum of understanding with the Western Australia police. It is not yet finalised, but it is well advanced. In terms of other measures, we have also set up regular meetings with the WA police with a focus on sexual harassment and workplace safety issues. We meet with them periodically and that has provided us with some good working communications.

Mr W.J. JOHNSTON: I emphasise that there is a much higher level of engagement with WA police. For example, the allegation of rape at Roy Hill that was made the other day is obviously a police investigation, but WorkSafe was engaged with WAPOL on that investigation. On the other hand, when we have a workplace fatality, which is a matter that will end up with this commissioner being the prosecution, the police help us obtain the evidence because they have those specialists. The member can see that we have a much better relationship with the police. If we go back seven or eight years, every time there was a workplace death, the next inspector on the list did the investigation. Now we have specialist investigators to investigate workplace deaths. We have psychosocial investigators to

investigate matters related to psychosocial issues. We are better than we used to be and we have a much better relationship with the police than we used to have.

Ms L. METTAM: Does the minister anticipate that the MOU will be finalised by the end of this year, given the progress already made?

Mr W.J. JOHNSTON: I will let Ms North answer.

Ms S. North: That is a matter that will need to be worked out between both parties, but I feel it has developed to such a state that that would be foreseeable.

Mr W.J. JOHNSTON: I note that both the WorkSafe Western Australia Commissioner and the Commissioner of Police are independent office holders that the government cannot direct—obviously, DMIRS is different. The government cannot tell the regulator or the police what to do. They have to be satisfied with the terms, and because they are both prosecution agencies, they have to be satisfied that they are not going to get in the way of their responsibilities under law. I am pleased the police commissioner is working so closely with the WorkSafe commissioner but, again, it is a complex piece of work.

Ms C.M. TONKIN: I refer to the table on page 231 of the *Budget statements*. The last line refers to additional resourcing for the Work Health and Safety Act 2020. Can the minister please advise what that funding is for?

Mr W.J. JOHNSTON: I thank the member for the question. Additional resourcing has been allocated to provide improved services in relation to WorkSafe licensing functions and work health and safety inquiries, noting a high demand for those services. Nine temporary positions have been converted to permanent. Resources have been provided to further communicate the requirements of the work health and safety laws over the next financial year. If Ms North wants to explain that further, I invite her to do so.

Ms S. North: We have had a particularly high demand in terms of licensing and plant registration. These additional resources will assist us to provide good customer service around those items as well as through inquiries. As people continue to engage with the new work health and safety legislation and seek to apply it in their workplaces, it will lead to a number of inquiries through our contact centre. Providing these ongoing resources to the contact centre will be very advantageous, as well as having the additional communications strategy in place. Communication will be ongoing through both online and other formats to further communicate new aspects of the work health and safety legislation.

[7.30 pm]

Mr W.J. JOHNSTON: I just highlight that because there is a new framework for the occupational licensing and high-risk activities, there is a transition process underway. I get a lot of correspondence from people dealing with the new structure and the commissioner is using his powers—he is on long service leave at the moment—to manage the transition, but it is a major piece of work because it is a different structure and a different intellectual concept for the new legislation compared with the old one.

Ms L. METTAM: I refer to the “Spending Changes” table on page 231 and funding for the mental awareness, respect and safety program, which concludes at the end of 2024–25 after two years of funding. Can the minister explain whether first responders, report receivers and those involved in workplace investigations of sexual harassment will cease to receive these training sessions after the funding has ceased in 2024–25?

Mr W.J. JOHNSTON: In a moment I will ask Ms North to make a comment. This is, of course, the question the member asked of my friend the member for Riverton in his capacity as Parliamentary Secretary to the Minister for Commerce, so we are actually prepared for this one. The funding is available, but it has been allocated for services at this stage. Of course, as new services become necessary, the funding envelope is still available. I will ask Ms North to explain further.

Ms S. North: There is substantial funding for the MARS program to continue. It provides a range of different services; training is one of them and there is research and other communication work associated with MARS as well. We anticipate that the ongoing expenditure will be informed by the major research pieces that have been conducted, so there are some large landmark studies. As further information comes through, that will inform the decisions around the best use of funding going forward, but I certainly anticipate training continuing to be an area of focus.

Mr W.J. JOHNSTON: I just emphasise that the funding shown in the budget is where we have allocated the money to a specific activity. Of course, the resource is still available; it just has not been allocated to a specific activity. We would expect some of the activities that are currently underway to continue and we would expect new activities to be created and funded as well. But I emphasise that it is not a budget question, because we have the money; it is allocating it to activity.

Ms L. METTAM: How many first responders, report receivers and those involved in workplace investigations have been involved so far?

Mr W.J. JOHNSTON: I do not want people to confuse the training that is being done for the WorkSafe people with the training that is being done for the broader community. As Ms North explained, training has already been rolled out to every WorkSafe inspector, with additional training for the specialists, and as new people come on, they are trained up in these new understandings for their work.

Ms L. METTAM: Yes. Is there a number?

Ms S. North: There are 58 inspectors in the WorkSafe mine safety area.

Mr W.J. JOHNSTON: Remembering that there is a completely separate number for general industry. The Western Australian mines inspectorate is the best-resourced inspectorate in Australia. It has more people per 100 000—which is the measure that is used—than other jurisdictions and it is the best-resourced regulator.

Ms L. METTAM: For clarification, how many have been engaged specifically in the MARS program for 2024–25?

Mr W.J. JOHNSTON: Ms North explained that all 58 have been trained. Of course, we have specialists. Not every victim of sexual harassment wants to talk to the next inspector, so we now have specialist inspectors. We had already started to engage psychosocial inspectors from 2017, but this has highlighted psychosocial challenges in workplaces and therefore we have had an uptick in our specialist capacity for psychosocial responses. All inspectors are trained, but we have these specialist ones that —

Ms L. METTAM: So it would be more than 58?

Mr W.J. JOHNSTON: No, it is 58—that is the number in the mines inspectorate—and all of them have been trained, but some are trained as specialists. They might be psychologists or have broader psychosocial capacities than would a general inspector. If we think about it, historically, most workplace inspectors were either ex-union officials or had formerly worked as health and safety officers for private sector agencies. Now, because we are looking at the psychosocial dimension, we need to go to a new idea about which people we draw. We have also created investigators as well, so we now have former police officers and other specialists who have training in forensic questioning. There is all this additional capacity because we now have this broader issue. I will also highlight that when I became minister, there were a number of prosecutions that ended up being brought for relatively minor offences because the investigations had not produced the evidence to support a more severe prosecution. That is why we have invested in investigators who have better skills in looking at what happened, rather than just having the traditional WorkSafe inspectors. Additionally, we have also recognised that, with psychosocial hazards, we need a different background and that people might need to come out of the medical profession or whatever, so we are hiring these people as well. We have a different background for our inspectors and therefore there is a whole range of new training being provided. That is as true of WorkSafe generally as it is of the mines safety part of WorkSafe.

Ms L. METTAM: I have a new question. I refer to page 241 and the funding set aside for “Circle Green Community Legal” in the table headed “Details of Controlled Grants and Subsidies”. I note that the government funds the not-for-profit Circle Green Community Legal Centre to provide guidance, information and referrals to Western Australians affected by sexual harassment. I wonder what promotional work, if any, the government has undertaken to ensure that those working on mine sites or across the industry understand that they can utilise these services?

Mr W.J. JOHNSTON: That is a very good question. The mining industry Respect Infoline has been run by Circle Green as a triage service and social work support for people in the mining industry affected by sexual harassment, sex-based harassment and sex discrimination. It is, of course, available now because it builds on an existing service provider that had already received funding from both commonwealth and state governments for a range of areas. In terms of the promotional activities, I am happy for Ms North to further explain.

Ms S. North: At this stage I am aware of some direct communication to those who subscribe to WorkSafe’s email newsletter and who go online to look at the email newsletter, as well as other online content and social media content.

Mr W.J. JOHNSTON: I again emphasise that we know where the workplaces are and we also have HSRs registered, so HSRs and other workplace contacts receive the advice that we provide.

[7.40 pm]

Ms L. METTAM: I note that the progress report states that the government’s funding to Circle Green will provide additional custom triage and non-legal social work to support those working in the mining industry. The government funding to Circle Green in 2020–21 was \$430 000. I note that will remain the same each financial year until 2026–27. I appreciate that Circle Green is a not-for-profit organisation, but has it had to shift how it operates? Is this expanding their capacity and workload, and the need for additional staff?

Mr W.J. JOHNSTON: We were already funding them for \$330 000. It is an extra \$100 000.

Ms L. METTAM: So it is a boost?

Mr W.J. JOHNSTON: Yes.

Ms L. METTAM: How was Circle Green selected?

Mr W.J. JOHNSTON: It was a government decision. Going back in time before Circle Green was formed, there were community legal services for each activity. There was one for renters, one for industrial relations et cetera. Those organisations decided to amalgamate to reduce their administrative overhead. That became Circle Green. I forget the name of the organisation that it used to be —

Mr J. Welch: The Employment Law Centre of WA.

Mr W.J. JOHNSTON: Yes. It used to be the Employment Law Centre. It got funding from us and the commonwealth government. When we came to government, we boosted that funding because it had not received any extra money in years. They were the obvious people. It is true that some around the place have said we should have funded UnionsWA to do that because it is another not-for-profit organisation active in the area, but I do not know that everybody here would have agreed. We thought that given Circle Green already had strength in this area, it was the appropriate partner.

Dr D.J. HONEY: I am again seeking the minister's guidance on page 232, protecting workers and supporting consumers. I assume that I am now in the right section to deal with those matters. A range of safety issues were identified by the inquiry into the agricultural industry in Western Australia. From the minister's point of view, are there any outcomes resulting from that report, given that the final draft report was submitted to the WorkSafe commissioner in February?

Mr W.J. JOHNSTON: I want to make some comments, and then I am going to hand over to the acting commissioner. I emphasise that the WorkSafe commissioner used his powers under the new work health and safety legislation to order an inquiry. It had nothing to do with me. Obviously, he said he was going to do it and I said "That sounds good". However, it was entirely his decision; he is not directed by me. That report came back to him, but he is on long service leave—I wish I got that. I will get Sally North to speak as the acting commissioner in a moment.

I want to highlight an interesting article from *Farm Weekly* today by Trevor Whittington, the chief executive of WAFarmers. It is titled "Money, Power and Guns". He states —

Any farmer who is still having family and friends come up for a fun weekend blasting away at foxes and rabbits (I await the RSPCA campaign to protect the roos after they finish with live exports) on a weekend, needs to have a long hard look at the Industrial Manslaughter laws and what a fatal shooting accident on farm could mean in the courts.

I want to point out that someone does not need the work health and safety legislation to know that it is against the law to shoot somebody and kill them. The idea that it is only because the work health and safety legislation has come in that it is illegal to shoot somebody is just bizarre. It does not do Mr Whittington any credit to stir up things like this. It is completely unhelpful.

We are trying to work through the challenges of the agricultural industry where workers compensation costs are five times higher than the average. The number of deaths in the industry are extraordinary. There are more deaths in the agricultural industry than in the mining industry. There are something like 15 000 people in agriculture and nearly 150 000 in mining. The people who die in farm workplace accidents are often family members. At what point do the representative bodies of the agricultural industry begin to take these matters seriously?

It is not good enough that the leadership of WAFarmers makes stupid remarks like this. He might say "We are just trying to be funny", but that is the problem; workplace safety is a serious issue and this sort of ridiculous childish behaviour by Mr Whittington is unacceptable and he should know that. I will ask Ms North to comment on the report.

Ms S. North: The WorkSafe WA Commissioner, Darren Kavanagh, tabled a response to the independent inquiry in April. That is available on our website. The work of the independent inquirer was very much appreciated. This is a really serious work health and safety issue, as the minister has highlighted. The rate of death and serious injury in the sector is a great concern to us.

The response is very supportive around most of the recommendations, noting that two of them are somewhat outside the agency's scope. However, there are recommendations in there for us as a regulator and we have already taken some steps to start implementing those—noting that this was a month ago. We will be looking at what we can do to strengthen our information and advice to the sector. One of the pieces of feedback we got was that people wanted to better understand the hazards on a sector by sector basis. They would like the information presented in a bit more of a drilled down way so that they can understand what the major hazards are for their sector and to have more information about serious and fatal incidents. One of the risk perception issues we are facing is that some people in the sector do not always feel that the incidents they hear about relate to them and the risks they might be taking. By providing more detailed information around the nature of the hazards in the different parts of the agricultural sector, the report found, and we agree, that would assist those stakeholders to better understand those risks.

Another recommendation that we are progressing is around providing an advisory service. We will be using regular operational funds to do a pilot process. That is where advice will be provided independent of the regulator. Stakeholders advised the inquirer that that would be very helpful to them to better understand their risks. There will also be further work to identify information products, whether they are codes of practice or smaller, simpler information products. Indeed, those information products will be multilingual where appropriate based on the sectoral issues. We will be working with industry stakeholders. We have also reinvigorated an industry stakeholder meeting to engage them on issues like this and identify what information products will be of most value to them. That is another important part of the information piece. Additionally, as a regulator, we need to look at the compliance piece and make sure that we have the right number of inspectors focusing on the agricultural sector and doing a mix of risk-based proactive and reactive work. We have identified some positions for that and we will also engage additional people to work in that part of the inspectorate.

Those are the main things that we have started to progress. We will continue to monitor how they are going and liaise with industry on the progress that we make.

[7.50 pm]

Dr D.J. HONEY: I know Mr Whittington and he is someone who takes safety seriously. Hopefully, he was trying to get people's attention.

As the minister and I both know, there is nothing new in the changes to the Work Health and Safety Act on the requirement to provide a safe workplace. Nevertheless, in custom and in practice, it is evident in the safety results we see that there is perhaps a lack of awareness on farms around that. Given, as the minister pointed out, there is a relatively small number of people involved in the agricultural sector, has there been an awareness campaign? I say that in the context, as the minister knows, of being a farmer by birth. It is not apparent to me from visiting farms that there is the level of awareness that we might think there should be, outside of their moral obligations, about their specific legal obligations.

Mr W.J. JOHNSTON: We will continue to engage with the peak bodies and others. I will get the Acting WorkSafe Western Australia Commissioner to make some further comments.

Ms S. North: Certainly we will be having further communications. The inquiry report puts forward some of the options that the inquirer found would be most effective to reach this group specifically. I should also note that we have done significant promotion of the work health and safety legislation for all sectors and some messaging has been directed at the sector specifically as part of our routine work. Additionally, employer and employee peak bodies received funding to do promotional work on the work health and safety legislation, and have indeed done work of that type, although that was, of course, broadly to industry.

Ms M.J. DAVIES: Are the peak bodies that have been provided funding WAFarmers, the Pastoralists and Graziers Association and vegetablesWA? Were grower groups included in that list? I only say that because a large cohort probably engages with their grower groups as opposed to maybe some of the peak bodies. If the outcome that the agency is seeking is to engage and increase safety, it is a box-ticking exercise if it is talking to WAF, the PGA and vegetablesWA. There are other organisations; I spoke to the commissioner about this issue when the minister first raised it.

Mr W.J. JOHNSTON: We will always consider how we can go about it. Again, the commissioner is independent, so I invite the acting independent commissioner to make some comments.

Ms S. North: The peak body funding was announced back in 2021, well in advance of this inquiry. That was intended to be broadly across all industries. As such, it did not include agricultural peak bodies specifically because it was a relatively small number of entities that received funding.

Ms M.J. DAVIES: I am in the middle of a very significant storm with the Aboriginal Cultural Heritage Act and people looking for information. This is a similar situation, with people wanting to know what their obligations are. Government entities quite often come to my electorate, in particular, at times when it is not convenient. These are quite often one-person businesses. They are busting themselves to get the crop in or off and then government rolls into town and says, "We've got some information to share with you." Can I be assured that there is going to be an information and education opportunity in a format that will get an outcome as opposed to just ticking a box?

Mr W.J. JOHNSTON: The law is 14 months old now. It has been in for a while. Firstly, WorkSafe had a roadshow and did other things. It went to regional Western Australia. I am sure that not every farmer went to those sessions. I read some of the agricultural newspapers and I see ads from service providers reminding people to come and talk to them. I will put it this way: engagement with the small business sector, whether it is in regional Western Australia or the metropolitan area, is very similar. In the same way that a person running a deli in Balga is probably under immense pressure because of all the challenges they have, I accept that a farmer is also in a bad situation, but in the end this is about responsibilities. As the member for Cottesloe pointed out, although there are significant improvements in the legislation, particularly the idea of the person conducting a business or undertaking, which

was not in the old act, this obligation has existed since 1986. I do not know that there is a farmer in Western Australia who started their business before 1986. Does the member know what I mean?

Ms M.J. DAVIES: Big call, minister.

Mr W.J. JOHNSTON: The idea that this is the rollout of something new is a misunderstanding. It is new legislation and the PCBU is a great idea and it removes some challenges, but the point that the employer is responsible for safety on the farm is nothing new. It is more than 30 years old.

Dr D.J. HONEY: I agree with the minister that that is clear. There is no argument about the law. The law is the law and it has been the law. My anecdotal experience is that some farmers take this responsibility as seriously as industry. From what I have seen on large corporate stations, I think the pastoral industry is a really good exemplar of outstanding practice and the practice we want to change. I go to Liveringa station, for example, and the safety is superb in every regard. It is managed as well as a mine site because it is owned by a mine owner who applies all the same standards. Before I could go onto the site, I had to do an induction and an induction test. That was recorded and documented and kept by the manager of the operation, who manages the station on behalf of the owner. Equally, I have been on other stations where I do not think anything much has changed in the last hundred years in the way that safety is regarded. I have a suggestion that perhaps the minister can take on. Is it worthwhile doing a bit of a beta test on awareness? If the first time a farmer is going to properly become aware of this, regardless of whether they should know it, is when an inspector turns up, gets a charge book out and the bloke or the woman loses their farm, is it worthwhile doing a bit of a test of awareness? I appreciate everything the minister said and that they should be aware, but I am concerned that a significant number are not aware, and it would be worthwhile to test that before we move to inspectors prosecuting.

Mr W.J. JOHNSTON: I am happy for the acting commissioner to make some comments. The first option is not prosecution; I want to make that clear. That is not the case now and it never has been. I invite the Acting WorkSafe WA Commissioner to comment.

[8.00 pm]

Ms S. North: There was a lot of information and consultation as part of the independent inquiry. The inquirer met with a large number of people and visited different areas. I think that contributed to spreading awareness around the issues. I appreciate that information and education is what industries ask for, and we came across that in the information we got. It is a big part of what we do. In the actions that we will be taking, a large part of information will be there. We will work with industry and be advised around the appropriate formats and how best to reach operators in the sector, but we do a fair bit and that will be a major part. The other thing is the advisory service. That will be something that people will opt into so that it will not come at an inconvenient time. We have run a service somewhat like that in the past, and it was highly regarded and found to be very useful. We will look to do that.

Generally, when an inspector goes to the workplace, they are also providing a lot of information and education and they may on occasion issue a compliance notice, but, again, that does not have a direct cost associated with it. Inspectors help people understand the requirements, they provide a fair and reasonable amount of time for work to be done, and it is when there is less communication that a prosecution is considered and, generally, in a case when there is fairly serious concern.

I also advise, just to have it on the record, that the commissioner's response to the independent inquiry is available online if people would like to look at that.

Mr W.J. JOHNSTON: Just to go a bit further, part of the response from the commissioner is to establish a dedicated agricultural team of six inspectors led by senior inspectors so that there is a bit more of a focus. The commissioner is considering the establishment of an agricultural advisory assistance program, which would be funded internally, to try to engage with the sector, and is looking to establish an agricultural assistance advisory fund. They are all under active consideration. The agricultural safety advisory committee, which will be chaired by the commissioner, is a forum, like there is for other sectors, for the peak bodies to come and engage with WorkSafe WA. There are processes, and of course we could always do more.

The other recommendation of the report is for a levy on workers compensation. That is a matter for government rather than the commissioner. We will look at that. We do not want to push up costs unnecessarily, but we will consider it.

Dr D.J. HONEY: Is there potential for the department to have some pro forma-type documents that outline what operators might need? For example, if they need to do a risk assessment, they need to put in engineering controls and the hierarchy of controls, which the minister is aware of. The requirement to have safe work instructions requires them to have training records and the like. If there were some pro forma tools, that would be an enormous aid to the individual farmer and their partner who are running a significant farming operation.

Mr W.J. JOHNSTON: These types of things are available. I will let Ms North explain.

Ms S. North: Yes, some tools of that type are available at the moment on the website, but we appreciate the feedback that we have also heard from industry that there might be more that we can do to assist in that space. We are happy to look at either improving the current tools or expanding them if there is demand for that.

Mr W.J. JOHNSTON: I also encourage everybody who has engagement with the peaks, and grower groups and farmers themselves, to remind people that they are in an important industry, but other industries have the same challenges. To the extent that people think they are the only ones suffering—I am not going to use the term “siege mentality”—they do perhaps not engage with the opportunities that are available to them. If they were more open to engaging with the resources that are available, it would improve their outcomes, and that is what we want to see.

Dr D.J. HONEY: I think it is cultural change, which is tough.

Mr W.J. JOHNSTON: Indeed.

Dr D.J. HONEY: I think the minister may have touched on it, but I will admit that my alertness is not what it was at the start of this process. How are inspectors paid? How is that money recovered for the inspectors or how is it proposed that that will be done?

Mr W.J. JOHNSTON: WorkSafe for general industry, except mining, oil and gas, is paid for out of general revenue. The oil and gas and mining industries have their own levies and WorkSafe is paid for out of that. It was always envisaged that dangerous goods would come into WorkSafe at some point in the future. Dangerous goods currently has its own funding arrangements, and this change is not proposed for tomorrow.

The other area is electrical safety. When I first became the minister, I was Minister for Commerce as well, and we went through an extensive process. It was pointed out to me by the agency why electrical safety does not belong with WorkSafe. That will remain a separate safety regulator. The reason is that it is about the equipment as much as the workforce. The workforce is already covered by WorkSafe; it is the equipment that the safety inspector is regulating, so it is not the same as what WorkSafe does.

Dr D.J. HONEY: I am thinking of dangerous goods, minister. It opens an enormous can of worms on farms.

Mr W.J. JOHNSTON: The reason we would bring in dangerous goods is that there are more resources at WorkSafe. That is one of the reasons we brought the two regulators together, because the sum of the two is bigger than the two parts separately. As an example, we are able to share legal resources and in future we will be sharing the IT platform. We are able to share the prosecution experiences. These are the things we can benefit from. An investigator can do an investigation at a mine site today and a different workplace tomorrow and their costs can be allocated appropriately so that they are not cross-subsidising, but we get better value out of it.

That was one of the challenges for us with Circle Green Community Legal, because we know that people who do not work in the mining industry will use the sexual harassment service at Circle Green. The \$100 000 comes from the mining fund, so we keep an open mind about whether we would fund it in addition to that, because we know that the mining industry is not the only one that has sexual harassment. We all know that it is common in other industries, such as hospitality and media. Other industries have these problems.

Mr H.T. JONES: I refer to page 232 of budget paper No 2, volume 1. Paragraph 9 under “Significant Issues Impacting the Agency” refers to silicosis. It identifies that there has been and will be significant work in relation to the management and the risks faced from high silica content products. It is likely that further work will be needed to deal with these products, particularly manufactured stone benchtops. Can the minister provide advice on what he thinks the further regulatory changes might be, and their impact on the department?

Mr W.J. JOHNSTON: I thank the member for the question and I acknowledge his interest in this topic. It is pleasing that Western Australia has been in front of the decisions of others and has been acting on silica for some time. When I came to office, it was an issue raised with me by a range of organisations, including the Construction, Forestry, Maritime, Mining and Energy Union. We funded some research that went on to use new technology to identify a number of people who had silicosis who had been missed by previous occupational monitoring. It says in the budget papers that there are 32 cases, but we are now aware of 43 cases of silicosis in Western Australia.

This is a really major issue. In February this year, the national work health and safety ministers agreed to progress reforms to improve workplace safety with regard to exposure to respirable crystalline silica, particularly in the process related to engineered stone. The agreement was made to deliver national awareness and behavioural change initiatives, ensure stronger regulation of high-risk silica, and conduct further analysis and consultation on the prohibition of the use of engineered stone. Consultation on the implications of a ban on high-silica-content engineered stone is being progressed by Safe Work Australia. Western Australia is actively contributing to that and we look forward to the outcome of all those decision and consultation regulation impact statement processes that the commonwealth is running.

We support the idea of banning the import of high-silica engineered stone. We continue to work with the other states. We have lowered our exposure threshold here in Western Australia. We are prepared to go further on exposure

thresholds; however, there are challenges because the current level is set because the equipment used to monitor the dust can measure at that level and if we go below that, it is hard to measure. It becomes more complicated and potentially a lot more expensive to do the measuring. We acknowledge that silica is also present in underground mining. The mining industry has a long history of managing silica risks. I am not a medical person, but it appears that there are higher risks with the engineered stone compared with natural stone that might also contain silica. The Western Australian mining industry is required to monitor workplace air quality and report that to WorkSafe. It has been doing so for over 40 years. We find that about 96 per cent of those exposures do not exceed the limit. We will continue to work with the mining industry, but the focus of the reforms at the commonwealth level are on engineered stone.

I also make the comment that Western Australia is the only state that has a fully integrated health and safety inspectorate. That means both mining and general industry are regulated under the same set of procedures. We have to make sure that the rules are practical for the mining industry because we do not want to get in the way. Queensland and New South Wales have a separate regulator and, therefore, they have different processes. We have to make sure that the mining industry is properly assessed. We will continue to monitor for disease in the mining industry because we do not want to see silicosis, but at this stage, silicosis does not appear to be a challenge. We will continue to monitor it and if tomorrow we find that there is a new challenge, we will act on that as well.

[8.10 pm]

Dr D.J. HONEY: It may interest the minister to know that I am a qualified National Association of Testing Authorities assessor for respiratory dust and the like. I have been concerned about this area for a considerable time. My observation on building sites is that there is a cavalier attitude towards all dust, including dust that is likely to have silica in it. I routinely see people cutting stone material and aggregates that contain crystalline silica and the like without water on their device and, in particular, without wearing any respiratory protection and clearly no protective equipment. Will there be a greater focus on workplace inspections? We tend to see that the larger, established build developers, like a Dale Alcock, seem to have some level of compliance, but, from many, we see zero.

Mr W.J. JOHNSTON: It is interesting because I think we all have a challenge about manufactured stone. When this was being looked at earlier this year, I went to my home and looked at the benchtops and they are all natural stone, and I thought, “Oh, well, there you go.” Then I noticed that the table and sideboard in our dining room were manufactured stone, so it is more prevalent than we all realise. The thing about manufactured stone is that there are alternatives. Some manufacturers are now looking at low-silica manufactured stone. We do not know what that will look like because we need to see whether it has a lower disease risk. That is the question for us, rather than the silica content. However, it is good to see industry moving very quickly to respond to that.

We did 150 inspections and sent 1 000 improvement notices, so there is an active program inside WorkSafe to respond to silica risks. I will invite Ms North to make further comment.

Ms S. North: Thank you for the observations. As a regulator, the construction industry presents particular challenges in the nature of some of the work. In addition to the program mentioned by the minister, which focuses on engineered stone and silica risks, we have also done significant work on silica risks in some other sectors. One of those sectors is wall chasing. Wall chasing is an activity that is fairly transient, and it can be difficult to regulate. We have met with the stakeholders in the chain of responsibility to try to influence better practice. Over time, we are seeing some better practice and increased use of wet cutting in the construction sector, but there is more to do not only in terms of information and compliance, but also by industry, because, at the end of the day, this is now an extremely well-known hazard. It has been publicised quite clearly that silica is a risk, and employers and workers are increasingly aware of that risk. Therefore, I think awareness has improved. Different technology is becoming more available, so there is a range of improved tools and equipment for the construction sector that are practical and can help reduce the risk, including some tools that are really quite advanced and can reduce the airborne crystalline silica quite substantially.

Dr D.J. HONEY: Obviously, banning that material will go a huge way towards preventing further injuries, but as the minister would be extremely well aware, with asbestos we saw this long tail of asbestos injuries through householders, workers and others working on that material. I do not have a proper understanding of the regulatory environment around identifying that material, but I do know that in all the workplaces that I worked in, there was a very strict requirement around identifying asbestos material, having a register and following a program for the removal and the like. Will there be a requirement like that for these engineered stone materials? I appreciate that the majority of it will be in private households. However, will workplaces and the like be required to identify the material and perhaps have a register in the same way that asbestos was dealt with?

Mr W.J. JOHNSTON: I think we are at an earlier stage of the process, and I am not sure where that is going to go. Asbestos can shed fibres even when it is in situ. I am not aware of whether engineered stone is a risk when it is not being worked on; therefore, I am not certain that the risks of the two products are the same. However, I do not believe that anybody is considering that at the moment, but who knows what might happen in the future.

Dr D.J. HONEY: I refer to page 232, budget paper No 2, and protecting workers and supporting consumers. Can the minister provide an update of whether the overall wage theft prevention strategies work has progressed?

Mr W.J. JOHNSTON: This is about the supplier wage audit unit that has been established within the department to monitor issues around contractors to government. It is an important element of our wage theft response, and, of course, other issues come out of the wage line. In March 2021, we made an election commitment to create a small specialist employment conditions audit and compliance unit. As part of its wage theft strategy, the intent of the supplier wage audit, or SWA, was to proactively monitor and audit the compliance of government suppliers, particularly in high-risk industries, with employment obligations under applicable industrial relations laws and instruments. Remember that many of them could be covered by commonwealth legislation. The supplier wage audit unit has been operational since 11 November last year and has commenced its audit of suppliers. It is part of the private sector labour relations division because it really cannot belong to government sector labour relations. The Procurement Act 2020 compels specified public sector entities to procure goods, services and work subject to procurement directions and associated rules. The rules require standard contract documentation to be utilised for preparing types of procurement for purchases of more than \$50 000. Standard contract documentation has been amended to provide authority for the SWA to conduct audits and refer instances of noncompliance to the appropriate regulator, which could be the commonwealth. For instances in which the standard contract documentation is not utilised, a range of strategies are in place to ensure maximum coverage. A set of model clauses has been drafted by the State Solicitor's Office and is available on the Department of Finance's website for public sector entities to insert into non-standard contracts. In addition, when individual bespoke contracts are drafted by the SSO, the appropriate clauses that provide authority for the SWA are inserted. Procurement for works are currently not required to utilise standard contract documentation and, therefore, in these instances, the contracting entity should consider inserting the model clauses in contracts to provide the necessary authority for the SWA. In establishing the SWA, there was consultation with stakeholders, including public sector entities, unions, professional associations and industry associations. The majority of stakeholders were supportive of the initiative, although concerns were raised by the Chamber of Commerce and Industry of Western Australia about implementation time frames. Of course, many employers think it is good idea because it stops their competitors undercutting them through lower wages. The SWA is working collaboratively with the Department of Communities, the Department of Transport and the Department of Primary Industries and Regional Development in conducting three audits at the moment. The audits in progress are examining suppliers in the cleaning and security industries.

[8.20 pm]

Dr D.J. HONEY: Thank you very much, minister. It is a worthy cause, I believe.

Ms C.M. TONKIN: I refer to page 232 of budget paper No 2 and paragraph 8 under the significant issues impacting the agencies. To facilitate dialogue between key stakeholders in the construction sector, the government has set up the Building and Construction Consultative Committee. Can the minister please provide some advice on its progress?

Mr W.J. JOHNSTON: I thank the member very much for the question. It was an election commitment of the Labor Party that we set up the Building and Construction Consultative Committee, which was established late last year. The committee has developed its strategic plan, which outlines key initiatives to address the priority reform issues within the commercial construction industry. The committee is serviced by the Department of Mines, Industry Regulation and Safety's private sector labour relations division. The committee started in June and has completed its strategic planning to set its own agenda for its priorities over the next five years. The concept behind the BCC is to bring industry partners together to talk about shared goals; it has representatives of employers, employer associations as well as unions and others. The strategic plan has four priority areas of focus: contributing to a new approach to apprenticeships, reporting on options to reform industry culture, providing advice on contractual framework issues in the commercial construction sector and supporting the implementation of participative approaches to best practice work health and safety. It is being led by industry. As it happens, on 8 June, I will attend my first meeting. For a range of reasons, I have not been able to go along before. I have met with the chair, Reg Howard-Smith, who is a former chief executive officer of the Chamber of Minerals and Energy of Western Australia. I am sure that the Nationals WA holds him in high regard.

Ms M.J. DAVIES: He was my boss.

Mr W.J. JOHNSTON: There you go! Excellent. As I said, I am sure he is held in high regard. He is certainly held in high regard by members on this side of the chamber. Perhaps Mr Munns might like to add more information.

Mr I. Munns: I can confirm the minister's information that it has started to prepare its strategic plan. The committee held its first meeting in July last year. The committee has met on four occasions, three of which have been what we would describe as regular meetings. Those meetings took place on 7 July and 3 November last year and 9 March this year. The committee held a specific strategic planning workshop on 30 March, which led to the development of the plan. That plan is in draft at the moment and is currently being finalised. It works off the four main areas that the minister outlined. The committee sits within private sector labour relations and recently we allocated a dedicated resource to assist the chair and committee to push forward with its strategic initiatives.

Mr W.J. JOHNSTON: I want to add that the idea is to get the industry together to talk about things. We have representatives from across government so that when there are issues—it might talk about issues relating to training—those issues are fed back into other parts of government. The other thing is that normally committees are self-sustaining and have their own agenda. I have asked that I be provided with the minutes and agenda because clearly it is important for government to listen to members of the BCC. One would not normally expect a minister to get the minutes of a committee like that, but because of the particular nature of the operation, I have asked it to do that. I understand that after I met with the chair, he spoke to the committee members and they share my view that that is a good idea. That will be a way of keeping government up to date with the operations of this important committee, which is looking at matters in the commercial construction sector. I make it clear that this is not related to the cottage building industry, which is very important, I am sure. The one that we are focusing on with this process is the commercial construction sector.

Dr D.J. HONEY: I seek the minister's guidance in the first instance. I refer to page 232 of budget paper No 2 and paragraph 11, which states that the department will continue to devote significant resources to deliver on its consumer justice strategy. Is this the umbrella under which consumer issues that relate to community aged-care facilities sit or does that fall completely outside the purview of the minister's department?

Mr W.J. JOHNSTON: I do not know that it falls within the purview of my department. The good news is that it is a wonderful question, but it is not related to industrial relations.

Dr D.J. HONEY: Chair, can I have a new question?

Mr W.J. JOHNSTON: The Minister for Commerce handles matters like that. I assume that she would be able to give the member an answer.

Dr D.J. HONEY: Sorry; did I cut the minister off?

Mr W.J. JOHNSTON: It is all right. I do not feel any hurt or angst. Please feel free to continue.

Dr D.J. HONEY: The minister has been very polite and kind.

Mr W.J. JOHNSTON: I always try to be.

Dr D.J. HONEY: On page 232, paragraph 8 refers to the Building and Construction Consultative Committee. We touched on this a bit in relation to silica, but the third line refers to reporting for options to reform industry culture. Can the minister outline what is being done in that regard? It is a bit like farming in that that is the industry with the next greatest concern, which is reflected in the number of injuries and deaths.

Mr W.J. JOHNSTON: I thank the member for the question. This includes a range of issues; mental health is a clear one. Tomorrow, I go off to Mates in Construction, which, of course, the government of Western Australia is funding as an outcome of another election commitment. It includes gender issues. We have talked before with the member's colleague about *Enough is enough: Sexual harassment against women in the FIFO mining industry*, but we know there are gender issues in the building and construction industry. Relationships and subcontracting arrangements also go the question of culture. Again, this is not the government's agenda, this is the industry participants sitting down and giving themselves some tasks, one of which is to examine the industry's culture and what could be done to improve it.

[8.30 pm]

Dr D.J. HONEY: I did not want to revisit all the initiatives, but it seems as though there would be an enormous synergy with some of the training packages and things that have been developed for the mining industry that could almost be rolled over. Is there an intention to maximise that synergy?

Mr W.J. JOHNSTON: Indeed. Thank you very much. Safe Work Australia's proposed law reform on gender issues is going to lead to amendments in the model legislation, and that will then flow down into Western Australia's work health and safety legislation at a future date. I am sure that will assist all industries, not just the mining industry. I have commented before that it is not just the mining industry that has these challenges. Again, this is one of the advantages of bringing the regulator together as a single entity. It can share experiences and take note of information. We are now in a stronger position to support the building and construction industry as it deals with the challenges around gender diversity. The focus can be everywhere because it is not just an industry problem; it is a community problem. All violence against women starts with disrespect. To the extent that we are able to work on that as a community, we will have improvements. This is an opportunity for the building and construction industry to take account of what is happening in other industries.

To finish, I will talk about the concentration on apprentices. Everyone in the industry knows that apprentices are important. A separate agenda is being run by the Department of Training and Workforce Development to support the rollout of more and more apprenticeships. That fits very well with the industry's agenda that we have talked about.

The appropriation was recommended.

Meeting suspended from 8.32 to 8.40 pm

Division 10: Registrar, Western Australian Industrial Relations Commission, \$13 796 000 —

Mr S.J. Price, Chair.

Mr W.J. Johnston, Minister for Industrial Relations.

Ms S. Bastian, Chief Executive Officer.

Mr M. Hadfield, Executive Director.

Mr R. Sao, Chief of Staff, Minister for Industrial Relations.

Mr J. Welch, Principal Policy Adviser.

[Witnesses introduced.]

The CHAIR: The estimates committees will be reported by Hansard and the daily proof will be available online as soon as possible within two business days. The chair will allow as many questions as possible. Questions and answers should be short and to the point. Consideration is restricted to items for which a vote of money is proposed in the consolidated account. Questions must relate to a page number, item or amount related to the current division, and members should preface their questions with those details. Some divisions are the responsibility of more than one minister. Ministers shall be examined only in relation to their portfolio responsibilities.

A minister may agree to provide supplementary information to the committee. I will ask the minister to clearly indicate what information they agree to provide and will then allocate a reference number. Supplementary information should be provided to the principal clerk by noon on Friday, 2 June 2023. If a minister suggests that a matter be put on notice, members should use the online questions on notice system to submit their questions.

Do we have any questions? The member for Cottesloe.

Dr D.J. HONEY: At the outset, I apologise to the minister's advisers who are here tonight. It will be quite a short session. I mean no disrespect to the importance of the function of the Western Australian Industrial Relations Commission, but my colleagues are anxious to move onto other divisions. I say that at the outset and thank the minister and his advisers for coming here tonight.

I refer to pages 120 and 121 of budget paper No 2 that refer to the increased jurisdictional functions of the agency. Is it possible for the minister to give a brief overview—it does not need to be detailed—of the increase in that jurisdictional reach and what that has meant for the agency's functions?

Mr W.J. JOHNSTON: I am advised that since 30 June 2022, there have been six applications for a stop-bullying order and seven applications for damaging action under section 97. From January to May this year, the commission has received 56 applications that were coded as local government, noting that there has always been a small number of local government applications anyway. That appears to be an extra 45 applications or thereabouts. From the available data, the total number of applications to the commission in 2023 has increased by 14.5 per cent compared with 2022.

Dr D.J. HONEY: What has driven that increase? Is it just more awareness that those options are available?

Mr W.J. JOHNSTON: The stop-bullying applications under section 97 are a new jurisdiction. Those options were not available to employees previously and now they are. In respect of the increased load from local government, we have always had a local government jurisdiction, but it has greatly expanded since 1 January. Both the social partners in local government are testing out what it means to be in the state jurisdiction, remembering there is a transition period during which their existing entitlements become entitlements of the state commission, so there is a process. I am a section 50 party, as is the Chamber of Commerce and Industry of Western Australia and UnionsWA, therefore I see all the applications for new awards and agreements. I think about five or six new agreements have been tabled between the Australian Services Union and local government in the short period that we have been in this jurisdiction. I do not know that it is a rush, but it has certainly been an increase, and that was expected.

Dr D.J. HONEY: Unless I misheard, it sounds as though local government has a disproportionately large number of applications. Would that be a fair assessment, given the other organisations, or at least the other awards, that are covered by the minister's portfolio?

Mr W.J. JOHNSTON: State government is the largest user of the state commission. We have a residual jurisdiction for the private sector, but it is not particularly active. The commission is dealing with the scope clauses and that process continues to run along. Local government is a large employer. It is now in the jurisdiction, so it is natural for there to be a certain level of activity between the social partners in that industry in the state commission. That was expected; we knew that. Over time, that will grow because the transition arrangements will come to an end. I make it clear that just because an agreement reaches its expiry date, it does not disappear. It remains in force unless one of the parties resigns. A new agreement does not have to be created, but there is an expectation that there will be new agreements in local government.

Dr D.J. HONEY: Perhaps I misunderstood the answer, but I was particularly interested in the applications for stop-bullying and sexual harassment orders. Perhaps I was conflating two numbers. Was the 56 in relation to —

Mr W.J. JOHNSTON: Local government.

Dr D.J. HONEY: So it was not in relation to stop-bullying orders.

Mr W.J. JOHNSTON: There were six applications for stop-bullying orders and seven applications for damaging action orders under section 97, so there were 13 of that style of application.

Dr D.J. HONEY: That is some consolation. I refer again to page 120 and the bottom of the spending changes table. The line item “2023–24 Streamlined Budget Process Incentive Funding” has an allocation of \$200 000. What does that line item actually mean?

Mr W.J. JOHNSTON: The table refers to the following: the Salaries and Allowances Tribunal, which is involved in the operation of the act, so it does not need to ask for money; the public sector wages policy, which was a decision of government; and election commitments, which are funded because they are election commitments. The agency is not asking for anything new. If an agency is a good little agency that does not ask for anything new, it will automatically get two per cent out of Treasury.

Ms M.J. DAVIES: It is generous.

Mr W.J. JOHNSTON: It is very generous. Inflation is five per cent and the agency gets two per cent.

Ms M.J. DAVIES: Here is our bribe.

Mr W.J. JOHNSTON: There you go! If an agency does not ask for anything, it gets two per cent. Originally, when we came to government, this applied only to small agencies. In fact, the WAIRC has always taken the money; it has never asked for anything. It obviously gets funded for election commitments, but otherwise it does not ask for anything. This proposal now applies to all agencies. The Department of Mines, Industry Regulation and Safety took the money one year, but we always have stuff to do, so we always have to go back with the begging bowl. Even as an Expenditure Review Committee minister, it is not easy, I can tell you! It does not fall over for you.

Ms M.J. DAVIES: Cry us a river.

Mr W.J. JOHNSTON: Yes, cry us a river.

Dr D.J. HONEY: I have no further questions. This is not a reflection on the agency; it is only a reflection on the time that we have available tonight. I thank the minister and his advisers.

The CHAIR: Minister, you have a government question if you want to take it.

Mr W.J. JOHNSTON: I will take the government question. I do not want to leave anybody disappointed.

Ms C.M. TONKIN: My question was asked!

The appropriation was recommended.

[8.50 pm]

WorkCover Western Australia Authority —

The CHAIR: Just for the minutes, I note that WorkCover Western Australia Authority, an off-budget authority, was not examined.

Division 27: Justice — Services 9 and 10, Corrective Services, \$1 147 214 000 —

Mr S.J. Price, Chair.

Mr W.J. Johnston, Minister for Corrective Services.

Dr A. Tomison, Director General.

Mr T. Clark, Deputy Director General.

Mr J. August, Deputy Director General.

Ms C. Ginbey, Acting Commissioner.

Mr D. Brampton, Deputy Commissioner.

Mr A. Beck, Deputy Commissioner.

Mr M. Hainsworth, Executive Director.

Ms G. Hill, Executive Director.

Mr R. Sao, Chief of Staff, Minister for Corrective Services.

Mr R. Verne, Principal Policy Adviser.

Ms E. Meagher, Policy Adviser.

[Witnesses introduced.]

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Do we have any questions? I give the call to the Leader of the Opposition.

Mr R.S. LOVE: Well done, all of you, for hanging around until this last hour of our estimates hearings!

I refer to page 416 of budget paper No 2 and paragraph 6 under “Significant Issues Impacting the Agency”, which refers to the infrastructure upgrades at the Banksia Hill Detention Centre continuing to be undertaken to strengthen security and so on. We know that in the interim period, until that infrastructure is completed, some detainees are being transferred to unit 18. Can the minister inform me about the operational capacity of unit 18 and how much longer he expects it will be required?

Mr W.J. JOHNSTON: I note that unit 18 and Banksia Hill are separate facilities. The total number of beds at unit 18 is 128. We would not use all those beds, but that is its capacity.

Mr R.S. LOVE: What is the operational capacity of that facility, with the staffing et cetera?

Mr W.J. JOHNSTON: The number of staff relates to the number of detainees. At the moment I think there are 15 detainees there, but if we had 30, we would have more staff there. That is the purpose of having the higher security unit—so that people who are difficult to handle can be handled in a more secure environment. The Jasper unit is the one that we are rebuilding at Banksia Hill to make it more secure. We have already changed the configuration of some of the cells at the intensive support unit so that they are more secure. We know they are very secure because it has been a trial by fire, if you will, and we are applying the same technology to the Jasper unit cells. We are also applying treatments to make sure people cannot climb onto the roof. The building was constructed to code, but the original configuration of the Jasper unit could not cope with the nature of detainees now.

I emphasise that when the member for Central Wheatbelt was a minister, there were about 180 people in detention at Banksia Hill; there are now fewer than 100 across the two facilities. When there were almost 200 people there, there were probably 50 who were difficult to manage, but that meant that one-quarter of the cohort was difficult to manage. We now have about 95 people in detention, but we still have 50 who are difficult to manage, so proportionally there are many more difficult-to-manage people within the cohort. It is very difficult to manage Banksia Hill and we are looking forward to being able to return the detainees from unit 18 to Banksia Hill. Of course, the damage caused in the riot has delayed that. I have told the media and the Parliament; I cannot remember whether it was the member or someone else who asked me the question, but I explained that here in the chamber. We are being as transparent as we can on all these challenges. We are still going through the recovery mode. If the member wants me to, I will ask the director general to report on how we are going with recovery, if that is helpful. He is nodding, so I will invite the director general to talk about the recovery.

Dr A. Tomison: We had a significant incident on 9 May. It took 12 hours to bring the facility fully under control. We had support from police, the Fire and Emergency Services Authority, St John Ambulance and the Special Operations Group. Our own internal group was also involved in reclaiming security or taking back the site. Since then, we have spent time on recovery around how we are actually going to manage that site. That has taken some time to work out. The clean-up of debris is 100 per cent completed now. We have structural engineers coming in to look at two units where we are concerned about the nature of the damage that was done there, and we have had other assessments done. For example, work is beginning on glazing to fix windows in the medical centre. We have also done air testing to make sure that the units are safe for young people to be detained in appropriately. This is all work that we have been doing.

We have actually set up a prioritisation of areas that have to be fixed at Banksia Hill and we are engaging with integrating that into existing works we were doing that was funded by government to, as the minister said, harden the ISU and to harden the Jasper unit to make them more fit for purpose with the modern cohort of detainees that we currently have. There is ongoing work to put in place anti-scale fencing and anti-scale eave treatments for some of the units; the cell hardening mentioned by the minister; fencing upgrades to other areas of the site; and putting in place a temporary fence to block off some of the damaged areas on the site that were affected on the night.

Most of the units are actually okay for detainees to utilise. In the last week and a half we have actually brought a lot more of the units back online. Some of the infrastructure we need to operate effectively, such as an admission centre, some areas of education and some areas in the medical unit, were initially damaged. Some of that has been repaired already.

Other work is underway to bring those units back as soon as we can. That is essentially what we are doing. We are in the process of bringing in about 40 contractors a day to do the work. To do it safely, we have a special operations group and others on site to allow that work to continue.

At the moment, I think three detainees have been transferred from Banksia Hill to unit 18 since the event on 9 May. The vast majority of detainees who were on site are still at Banksia Hill. They were housed in separate units whilst we checked other units that had been damaged. As the units are being rectified, we are providing better cohort management, I guess you would call it. That is where we are up to at the moment. It has been only a week and a half since the event. The acting commissioner can also talk to how we use our capacity, if that would be helpful.

[9.00 pm]

Ms C. Ginbey: There were already significant works being undertaken at Banksia Hill. We had two units offline so that those works could be undertaken. The total cell capacity at Banksia Hill prior to 9 May was 220. As of today, there are 112 cells offline. That gives us 108 usable cells. Due to the number of young people we have, we are very fortunate to still have empty cells at Banksia Hill. Some of those closed wings are able to be brought online relatively quickly because the works were very well advanced and they were not damaged at all in the incidents on 9 May.

Mr R.S. LOVE: I probably have a few questions following from that. Thank you for that good background on the situation. First of all, the minister and director general both spoke about typical cohorts. Given that there were reports that some older people were involved in the riot, is there a thought that the minister may seek to transfer those over the age of 18 through an application under the existing arrangements before the bill that is before the Parliament completes its process?

Mr W.J. JOHNSTON: I thank the member for the question. Those over the age of 18 who were involved in the riot will be charged as adults. If they were involved in a crime, they will end up in prison, because they will be charged and dealt with as an adult. To the extent that over-18s were involved in the riot, they will sort themselves out.

The member spoke about the challenge of making the application. I referred to this in my second reading speech and in an answer to a question from the member for Central Wheatbelt last week. That is a process in which when an application is made, the transfer has to be justified, and it is then the decision of the court about whether the transfer will occur. That is a separate and unrelated issue to the policy question of whether adults should be in a juvenile facility. We are not currently contemplating that type of application—we might—because it deals with different issues than the question that we are confronting, which is that we want to have adults in the adult facility, like the majority of other states do. That is exactly as I outlined in my second reading speech.

Mr R.S. LOVE: So the answer is that the minister will not seek to move any others, other than those directly related to the riot?

Mr W.J. JOHNSTON: That is correct. The current legislation contemplates adults being held at a youth detention facility. I understand that that is the way the legislation is written, and that when the courts deal with an application, they deal with it in the context that the legislation expects that adults will be at the detention facility. That is a different question to the policy outcome that we are seeking, which is that no adults be there. It is a completely unrelated issue. I know that it gets confused and I do not criticise people for that confusion, but it is actually not the same issue. The legislation says that if someone is sentenced as a junior, they stay at Banksia Hill. That is the purpose of the legislation. There has to be some extraordinary reason to move. However, that is not the right approach. The right approach is to say that adults do not belong in a detention facility for juveniles. It is not a question of the view of the court, because the court will weigh the issues in respect of the existing legislation. We are going to change the legislation and it will no longer be a question of balance; it will no longer be on this hand and that hand, it will be like in the majority of other states in which if a person is an adult, they will stay in the adult facility.

Mr R.S. LOVE: When was the last time the court actually refused an application?

Mr W.J. JOHNSTON: I am not aware, but that is not the issue because, again, that is a matter of discretion. The current legislation says that a person sentenced as a minor should stay even when they are an adult. I do not agree with that. If the member does not want to support that legislation, he should vote against it, but it is a completely unrelated issue to the current legislation. The current legislation states that the person is expected to stay unless there is a compelling reason to move. What we are going to do is say that a person will move unless they have a compelling reason to stay. An example of a compelling reason to stay might be that a person who is 17 is on remand and is going to be released within a month of turning 18. That is an example that the new legislation will provide for.

If someone is 18 and they burn down the place, they will go to jail anyway. The law does not need to be changed for that, because they will be charged for burning it down. It is not relevant to the question that we are proposing.

As I said, if the member does not agree with the government, he can vote against the legislation; that is up to him. However, if he thinks that adults belong in prison and young people in a youth offender facility, he should support the legislation.

Mr R.S. LOVE: This is not a discussion of philosophy, but about settling the situation at Banksia Hill. If the minister believes there is value in moving the 18-year-olds and older persons out, why is the minister not making use of the opportunity that exists under the current law?

Mr W.J. JOHNSTON: Because it does not help it. I do not know that we are dealing with the budget, but I make the point here —

The CHAIR: I am pretty sure we are not.

Mr W.J. JOHNSTON: I am happy to have this conversation, but the member is missing the point. The member has to understand that, at the moment, in terms of the 14 adults in Banksia Hill, that is what the legislation requires. I am saying that is wrong. The member is saying that is right. He is saying that adults —

Mr R.S. LOVE: I am not saying that at all. I am saying that if the minister has the opportunity to use the law that exists instead of waiting for this all to go through Parliament, he should.

Mr W.J. JOHNSTON: No. The member needs to read the legislation. I think we have gone as far as we should because it is not related to the budget. I suggest that the member actually reads the existing law, and he will see that what he is saying is not correct. The law contemplates that the adults stay, unless there is something happening. We are saying that that is not correct. Adults should be in the adult facility and young people in the young people's facility. That is what it is about. The question of the legislation is not about that; it is about another set of other issues. Go and read the act!

Mr R.S. LOVE: The minister says that they should not be there, but he is not going to act to remove them.

Mr W.J. JOHNSTON: No. The member is clearly not listening to me. I am sorry; the member needs to listen to what I am saying. The legislation now says that the 18-year-old, 19-year-old and 20-year-old belong at Banksia Hill. When we go to court, we cannot move them just because they have turned 18. There has to be some other issue. What I am saying to the member —

Mr R.S. LOVE: Like riots that are occurring.

Mr W.J. JOHNSTON: No. Seriously, this is the most stupid conversation I have had in a long time. Listen to me! If the 18-year-old burnt the place down, they would go to an adult jail anyway because they are going to be charged as an adult and not as a minor.

Ms M.J. DAVIES: How long will that take, minister?

The CHAIR: Thank you, members —

Mr W.J. JOHNSTON: Can I just finish this. At the moment, the legislation expects the 18-year-old to stay at Banksia Hill. Read the legislation! This is the problem; the member has never read the legislation! He should go and read the legislation, read my second reading speech and then cross examine me—not here during budget estimates, but during the consideration in detail stage when these matters should be properly dealt with!

This shows the fact that the Leader of the Opposition does not do his homework on these issues. He has never read the legislation and he does not know what he is talking about. I understand people are saying these things to the Leader of the Opposition, and it is unfortunate that they raise issues unrelated to these matters. When I get to consideration in detail on the bill, the Leader of the Opposition can explain to me why what we are proposing is wrong.

Mr R.S. LOVE: I am not going to say what the minister is proposing is wrong, but it would be more expedient to remove these people using the current law.

Mr W.J. JOHNSTON: No. Because who says that will be removed?

The CHAIR: Member for Moore, do you have another question?

Mr R.S. LOVE: I have a further question on some of the information that has been revealed. I take it from —

Mr W.J. JOHNSTON: Are we talking about the budget or are we talking about something else?

The CHAIR: We will see what the question is. The question was in response to the original question. It sounds like the question that is coming is about what the director general and Ms Ginbey said in their responses. Let us hear the question and we will see where we go with it.

[9.10 pm]

Mr R.S. LOVE: The question is not about 18-year-olds. The question is further to some of the information that the department has given. I think I heard in the answer regarding the damage to the facility that some of the work that

has been already budgeted may take into account some of that damage. Looking at the total amount of work required now, is it a simple summation of the \$30 million estimate of damage plus the \$30.4 million budget figure, making a total of over \$60 million of repairs or is the figure less than that?

Mr W.J. JOHNSTON: Again, nothing was said by either the director general or the acting commissioner that suggested any of the original works were related to the repairs. That was not said and I do not understand how the Leader of the Opposition drew that conclusion. If the Leader of the Opposition could point out to me what was said, I can clarify what was raised.

Mr R.S. LOVE: The question is: is it \$60.4 million that we now expect to spend at Banksia Hill Detention Centre or is it a figure less than that?

Mr W.J. JOHNSTON: It was made clear by me and the Premier and I think by Ms Ginbey on the day of the riot that the \$30 million damage figure was the potential cost of the damage. We do not have a specific estimated cost.

Mr R.S. LOVE: The Premier said it was that amount. He said it several times. If we cannot rely on the Premier —

The CHAIR: Member for Moore!

Mr W.J. JOHNSTON: For crying out loud! Do you want to listen to an answer or do you want to talk all the time?

The CHAIR: Minister! Member for Moore, listen to the response and then you will get a chance to ask another question.

Mr W.J. JOHNSTON: The Leader of the Opposition really needs to learn to listen. I have said, and I will repeat: the Premier said, I said and I was not present but I understand Ms Ginbey said that the \$30 million figure was the potential cost of the damage. We have said that a number of times. We have not hidden that. We have also said, and I am saying again—this time the Leader of the Opposition should listen—that we do not yet have a detailed costing for the recovery works.

I have also said that the damage to the facility is delaying the completion of the previously agreed works—for example, the upgrade to the Jasper unit, where there was damage. Of course we cannot work on Jasper at the minute because we have people doing other works as well. There is necessarily a delay caused by the damage that was done in the riot, which is exactly what I said here in Parliament and on the steps of Parliament House to the media. I make it clear: I have not changed anything that I have said at any time on this issue. I am saying tonight exactly what I said on the steps of Parliament House to the media and what I said in this chamber in response to a matter of public interest motion.

Mr R.S. LOVE: Can the minister inform me now of the time line, which is expected to be extended, for the delivery of the originally budgeted works in total and for the repair of the \$30 million worth of damage?

Mr W.J. JOHNSTON: It is 16 days since the riot; it is not possible for us to say exactly how long the delay will be. I have just spoken to the DG and the acting commissioner and they both give the same advice: it is too early to say. We know there is going to be a delay. We have been transparent. It is exactly what I said to the media on the morning of 10 May, what I said in answer to questions in this chamber and what I said in response to the MPI motion, and I will say it again tonight. At no time has my commentary changed. We do not yet know how long the delay will be, but we know there will be a delay. I am pleased to hear from the DG that the clean-up is complete because that was one of the challenges. Another challenge is the demolition of the admissions area because the fire was so intense that the structural steel of the building buckled, whereas other buildings have smoke damage, which is a lick of paint and a couple of weeks to let the place air out. Some of the units had control rooms burnt but not the cells. There is a range of damage and until we have a complete assessment of the damage, it is simply not possible to do that.

With respect, this is quite childish, because we want to get these things right, and we do that by having professional people come and make an assessment and then tell us what our options are. I will give another example of that. Of course all the buildings are insured through RiskCover, but it will only pay to replace like with like. We would like the admissions building to be taller than it is currently, so we will have to work through with Treasury whether we can execute the projects that we would like to do, rather than simply rebuild the building in its current form, which we have learnt through experience is not perfect.

Mr R.S. LOVE: Can the minister guarantee that the detainees will be safely secured away while the repair work is undertaken so that they do not repeat the type of activity that we saw 16 days ago? Can the minister guarantee Western Australians that the facility is secure?

Mr W.J. JOHNSTON: I will ask Ms Ginbey to comment further on this. I guarantee that the community is protected. As I keep pointing out, there are three elements here. The first is that we have to keep the community safe. At no time on 9 May was the community at risk because the external fence at Banksia Hill was never at risk. The second issue is keeping staff safe. We are running a regime at Banksia Hill at the moment that preferences the security of staff over the third element—that is, the opportunity for services for detainees. It is natural that there is a modification to the detainees' regime.

With regard to guarantees, it simply is not possible to give a guarantee that detainees will not misbehave. Nobody in the community would expect me to say that there will never be an incident at Banksia Hill. There have always been incidents at Banksia Hill. I know the media has covered them much more extensively over the last two years than it has over the last 30—that is not a criticism; it is just a comment—but we have always had incidents at Banksia Hill. I just want to draw members' attention to a 2016, I think it was, report of the Office of the Inspector of Custodial Services that outlines how detention in a cell was being used as a form of punishment. We do not do that anymore. That has not happened for quite some time because we now understand from the Supreme Court that that practice is not lawful. It is what happened when the member for Central Wheatbelt was in cabinet, but we do not do that anymore. That means there are increased risks. It is one of the challenges because we have to concentrate so much more on getting detainees out of their cells than has ever been done in the past. Again, the Office of the Inspector of Custodial Services has commented in the past that the number of hours out of cell for adults is higher than for youth offenders.

We are changing that; that is the whole point. This is a new way of managing it. We are bringing in a new model of care. It will take probably two years to fully implement the new model of care. We are engaging new staff and 37 staff started today. We have upgraded the resources for mental health staff, with a team leader of psychologists, three senior program officers, 5.6 FTE clinical counselling forensic psychologists, a mental health nurse and an Aboriginal services unit. All these additional resources are being put into it because we know that the practices that were in place when the member for Central Wheatbelt sat around the cabinet table were not adequate. We understand that and that means that the detainees have more time to do things that we do not want them to do.

[9.20 pm]

Mr R.S. LOVE: The minister just made a statement that some staff had been recruited. Can the minister outline how many staff have left since the start of the year?

Mr W.J. JOHNSTON: I do not know about this year, but I can tell the member that last year we recruited 88 youth custodial officers and lost 55. We continue to recruit more than we lose, but there is no question that when one of the challenges we have is that so many people in the community are accusing the YCOs of being bad people, it is hard to keep them and it is hard to recruit them. It is a problem. I wish people would stop criticising the staff at Banksia Hill Detention Centre.

Dr D.J. HONEY: Who is doing that, minister?

Mr W.J. JOHNSTON: Lots of people.

Mr R.S. LOVE: Given the disruption that has obviously occurred because of the loss of buildings, how many more staff are estimated to be required to manage the centre effectively? It cannot simply carry on as it was. What services have been reduced? What education and other opportunities for the remaining detainees have been curtailed as a result of the current situation?

Mr W.J. JOHNSTON: I am happy to ask Ms Ginbey to make a comment, but of course I have already said that the regime at Banksia Hill is currently disrupted. The director general pointed out that the education facilities were damaged by the rioters. Of course, there is disruption. One would have to be a bit silly not to listen to what the director general said, because the director general made it clear that there were disruptions at the facility. I invite the acting commissioner to make any comment she chooses.

Ms C. Ginbey: First of all, I greatly appreciated being out at the academy this morning for the graduation of 37 new youth custodial officers who start out at the centre as of the weekend. In addition to those 37 staff, there are three more entry-level training programs planned for the rest of this year, which will give us about 100 additional youth custodial officers. The site already has an operational FTE of 340. There were only 33 vacant FTEs, and 29 vacant FTE prior to the YCOs starting, so we do not have any vacant YCO FTE as of this point.

In education, we already have 32 FTE, including a principal, a deputy principal, youth advisers, vocational teachers, classroom teachers and Aboriginal education officers. In detainee services we have 14 FTE, including a manager of Aboriginal services; an assistant superintendent, safer practice; eight Aboriginal youth support workers, with the final two of those commencing onsite last week; two recreation officers; and the chaplain on an Aboriginal visitors scheme contract. We have 9.6 psychology staff who include a team leader, a psychologist, a senior programs officer and clinical counselling and forensic psychologists; six care planning FTE; a manager of case planning and programs; a coordinator of youth custodial and re-entry programs and services; and four senior case managers. We have 13.7 medical FTE, including a nurse manager; clinical nurses; a medical receptionist; a consultant for mental health, and for alcohol and other drugs; a 0.2 FTE dentist; and Aboriginal mental health workers. We also have 27 human resources, finance and maintenance staff.

We already have a number of staff onsite. As part of the development of the model of care, we are looking at what additional services need to come into the site. That could be either departmental staff or people who come in through

other service providers. For example, at the moment we are looking at what Aboriginal medical services are available and other Aboriginal cultural supports that we could have come onto the site.

Mr W.J. JOHNSTON: In addition to all that, we also have external service providers that provide in-reach services to the facility. We had a lot of trouble with them, not unreasonably, during the COVID pandemic because of all the different restrictions. It was a challenge during COVID. That is not a criticism; that is just a fact. But, basically, we are now fully back with all the external providers that provide in-reach services to the detainees.

Ms M.J. DAVIES: The minister mentioned 55 as the attrition rate last year. Does the department track that attrition rate over time? What did that look like over the last six years? Was it going up or going down?

Mr W.J. JOHNSTON: I do not know what it was before I was minister. I did not pay attention to that. I am only worried about the bit that I am responsible for, not the bit that somebody else was responsible for.

Ms M.J. DAVIES: The minister has a very good memory of my time when I was in cabinet, but not of his own time when he was in government.

Mr W.J. JOHNSTON: I am trying to highlight —

Ms M.J. DAVIES: No, I understand. The minister does not understand the portfolio.

Mr W.J. JOHNSTON: No, what I am saying is —

Ms M.J. DAVIES: The minister is not tracking the attrition rate of the staff that he is professing to be worried about.

Mr W.J. JOHNSTON: No, that is not what I am saying at all. It is reasonable for the member to put words in people's mouths if she chooses to do that.

Ms M.J. DAVIES: I am speaking to the champion of that.

Mr W.J. JOHNSTON: They say that that is the lowest form of debate.

The CHAIR: Member for Central Wheatbelt! Minister!

Mr W.J. JOHNSTON: What I said to the member, and I want to make it clear, is that the practice of detaining youth offenders in their cell as a form of punishment was something that was reported as being a lawful practice by the former Inspector of Custodial Services. That is not the current one, but the former one. That was the practice that existed. We now know that is not lawful. Everybody at the time thought it was lawful, but Justice Tottle has made it clear that it is not; therefore, following on from Justice Tottle's decision, we have changed practices. That is not a criticism; it is a point of fact.

Ms M.J. DAVIES: It is not my question, minister.

Mr W.J. JOHNSTON: Of course I know that, because it was so fundamental to the question of the operation of the centre.

Ms M.J. DAVIES: It was a very specific question around attrition rates over the last six years, and someone in the department, there are lots of them sitting next to the minister —

Mr W.J. JOHNSTON: If the member wants to put a question on notice, I am very happy to provide that information.

Ms M.J. DAVIES: So the minister does not know?

The CHAIR: Member, the minister has responded.

Ms M.J. DAVIES: And his department does not know.

Mr W.J. JOHNSTON: The department may or may not know, but what I am saying to the member —

Ms M.J. DAVIES: But he is not prepared to let them answer?

Mr W.J. JOHNSTON: I am the person who is giving evidence to the committee, as the member knows from reading the standing orders. I am saying to the member that we are happy to provide any information on that topic if the member puts the question on notice. That is the procedure that is used in this Parliament. I answer all questions that are put to me on notice. I answer all the questions in the upper house. Here we are and not once has that question been asked to me in any form until tonight.

Ms M.J. DAVIES: All these people have been waiting to answer questions for the minister.

The CHAIR: Member for Central Wheatbelt, your question has been answered.

Mr W.J. JOHNSTON: At 9.30 pm on 25 May is the first time the member asked the question.

Mr R.S. LOVE: I turn to another matter that is with the department in terms of youth, and that is the Kimberley on-country program and the Kimberley youth centre.

I refer to page 416, paragraph 2, which in part reads —

... outcomes by continuing to deliver place-based, community-led initiatives across the Kimberley, through the Kimberley Juvenile Justice Strategy, to keep young people engaged in a range of culturally safe activities and address the over-representation and incarceration of Aboriginal people in the criminal justice system.

Is the on-country facility part of that program?

[9.30 pm]

Mr W.J. JOHNSTON: No; the on-country facility is not part of the Kimberley juvenile justice strategy. If the member wants to know about the KJJS, I will ask the director general to speak and he might invite others to explain what it is about.

Dr A. Tomison: The Kimberley juvenile justice strategy has been going on for a number of years now. In 2018, the Premier called together ministers and directors general to begin initiating a number of projects over a number of years. There have been many place-based initiatives across the Kimberley, ranging from TAFE programs to after-school activity programs and night patrols such as funding Olabud Doogethu, which is a Halls Creek program that is becoming a sort of flagship for justice reinvestment. Those sorts of programs have been going on now in various forms across the Kimberley since 2019–20, and have been given additional funding to keep them going. We have also had some expansion in those sorts of programs as we have spent more time in the communities. More recently, Emama Nguda Aboriginal Corporation in Derby has been funded to provide a youth engagement night patrol service in addition to a Hoops After Dark basketball program that it is also delivering to other areas of Derby. They are the main sorts of programs that the Kimberley juvenile justice strategy has been working on.

In the current state budget, there was also some work done on a safe place initiative in Broome, but I ask Ms Gina Hill if she can elaborate on some of the work that has been done in the Kimberley juvenile justice strategy if the minister is okay with that.

Ms G. Hill: Another example is in Wyndham where the KJJS supports the Wyndham Youth Aboriginal Corporation through the funding of the Wyndham diversionary program New Way Right Way. The program includes engaging youth in cultural activities, case management services, night patrol, drop-in centre programs and a variety of sporting opportunities, including boxing. These activities are aimed at supporting young people in the Wyndham community, increasing opportunities to address antisocial behaviour and diverting young people from coming into contact with the juvenile justice system. WYAC has recently been working with Wyndham youth in providing small group sessions related to social and emotional wellbeing and peer pressure. A key focus has been on providing mentoring and good role models for young people.

In relation to the 2023–24 budget, progress has resulted in the co-design pilot of the immediate response safe place initiative in Broome. The immediate response safe place pilot will provide a time-limited culturally safe and secure trauma-informed space where street-connected young people can be kept safe while a responsible adult is sourced.

Mr W.J. JOHNSTON: I just emphasise that the approach that the KJJS is taking is that each community should have an investment that is relevant to themselves. Rather than having somebody in Perth come up with a plan, we go to the communities and we engage with them and together work out what should be implemented. Remember that the best approach here is a justice-for-investment approach. On any one day, 93 per cent of young offenders are being managed in the community, not at Banksia Hill. Banksia Hill is not the story when it comes to youth offending; it is the work that we do in the community. This initiative is this department's contribution, but other agencies like the Department of Communities Target 120 initiative are other parts of the investment for dealing with young offenders in the community.

On top of this, of course, there is also the community youth offending services that work in each of the towns. I went to one in Kununurra. The work that it does is amazing, as is the stability of the employment cohort. The manager there, whose name escapes me, has been there for 14 years—eight years as manager. It is a really remarkable achievement. In other places, public servants come and go. In the youth justice space, it is really remarkable. I have been to a number of the services around the state and the staff have great dedication and stay engaged for longer periods. That helps with stabilising the overwhelming majority of young offenders who are being managed in the community.

Mr R.S. LOVE: The funding that I have seen in the budget forward estimates is for only the two-year period. What is the government's long-term intention? Will the government reassess the need for it and either continue or expand the program into the future? What is the future for that strategy?

Mr W.J. JOHNSTON: I will invite the director general to make a comment, but I draw the member's attention to Olabud Doogethu, which started as a pilot and has now grown into something quite significant. That is what I said before about wanting to make sure that it is relevant to the community. Olabud Doogethu is now growing into other areas because it has proven to be invaluable in Halls Creek. That is really good because we have been able to grow that activity. Of course, we want to make sure that it works, and we continue to evaluate it. I ask the director general to make some comment about the need to continue to evaluate and invest in it.

Dr A. Tomison: Thank you, minister. The minister covered the point really well. These programs actually morph quite a lot. They do not stay the same. Every few months, they change to adjust to what the kids and families need and what communities tell us. Trying to evaluate those programs is really important and quite difficult. Government has funded these programs to allow us enough time to try to get a handle on whether they are actually working for the communities they are servicing. Based on those results, we can go back to government with further bids to keep these programs going. The majority of them, to my understanding and from what I have heard, are quite well supported by the community; they want them to continue—and we do as well, but we need to prove that they are having some benefits beyond just that it feels good. That is a really important element.

Mr W.J. JOHNSTON: Let me make it clear that the Premier is deeply embedded in the idea of making sure the KJJS works well. The good news is that the Premier is the Treasurer as well, and we would expect that if these projects can pass muster on their valuations, we will continue to seek new funding for them.

Mr R.S. LOVE: I refer to the budgeted royalties for regions—funded Kimberley on-country residential youth facility on page 213 of budget paper No 3.

Mr W.J. JOHNSTON: But I can only be examined on budget paper No 2.

The CHAIR: No; that is not correct.

Mr W.J. JOHNSTON: It is not my agency. I cannot answer a question about something that is unrelated to me.

Mr R.S. LOVE: I was going to ask a question about the relationship of that program to the minister's agency.

The CHAIR: It has to be relevant.

Mr W.J. JOHNSTON: I am not quite sure what budget item that is. As I understand it, this is a budget estimates process.

The CHAIR: Minister, questions from budget paper No 3 are allowable if they are relevant to the section. I do not know what the question is yet.

[9.40 pm]

Mr R.S. LOVE: The question was: what interaction will the minister's department have —

The CHAIR: Member, what page?

Mr R.S. LOVE: Page 213.

The CHAIR: Which particular bit?

Mr R.S. LOVE: Budget paper No 3.

The CHAIR: Yes, but which bit?

Mr R.S. LOVE: It is “Kimberley On-country Residential Youth Facilities”. I think the minister knows what I am referring to.

Mr W.J. JOHNSTON: Yes, but I can only answer questions about my agency. This is royalties for regions, which is the Minister for Regional Development, Hon Don Punch. He is the relevant minister for that.

Mr R.S. LOVE: Who is going to staff it?

The CHAIR: Does the bit that has been referred to have nothing to do with this agency?

Mr W.J. JOHNSTON: It is not a budget item for us.

Mr R.S. LOVE: So the minister's department will not be staffing the facility?

Mr W.J. JOHNSTON: The member is now asking me to answer questions about something that is not related to my budget.

The CHAIR: If the minister is saying that it is not a budget item related to his agency, it is not a budget item relating to his agency.

Mr R.S. LOVE: When the Premier advances that as part of the solution for the Kimberley for the Banksia Hill situation, we will say it is not relevant.

The CHAIR: Member for Moore, thank you.

Mr W.J. JOHNSTON: The member can make any political speech he wants, but the reality is that if he had asked the relevant minister, he could have answered the question. I actually know the answer, but I am not going to answer it because it is not related to the budget. If the member wants to ask me that question in another forum, I will answer his question, but this is not the forum to provide that answer.

Ms M.J. DAVIES: I refer to page 420, budget paper No 2, volume 2, and the table at the top of the page. There is a number of targets under “Adult” and “Youth”. I specifically refer to the youth section and the rate of return to detention. I note what the target is across the estimates, but can the minister explain how the government arrived at a 50 per cent target? Why is the government targeting only 50 per cent of detainees returning to detention—or that many? I suppose it depends on whether people are a glass half full or a glass half empty. Why that number?

Mr W.J. JOHNSTON: This is a long-term target that has been in our area for many, many years. I will ask Dr Tomison to make further comment, but one of the challenges in youth detention—remembering that 93 per cent of offenders are not in detention on any day; only seven per cent are in detention—is that those who are on remand are returned to the circumstance that they left, which is a question for the courts. We do not choose when people arrive to detention and we do not choose when they leave detention; that is a matter entirely for the courts. The Department of Justice is not involved in those decisions. That is why we have the wraparound services from youth justice and that is why we have Target 120 and the Kimberley juvenile justice strategy. We know that Banksia Hill Detention Centre will not solve the problems, particularly for youth offenders on remand because they are in detention for only short periods. Prior year data indicates that around half of all detainees on remand spend a week or less in detention. It is not possible for youth custodial services to have an impact on a person who is with us for only seven days. That is the challenge. That is why anybody who thinks that these problems are solved at Banksia Hill does not understand what is happening. These problems are solved in communities. That is why this government is investing so much into that side of the equation. Of course, we need to have sufficient resources to make sure that Banksia Hill operates properly, and we are doing that; indeed, we have made the largest investment in youth detention in the history of the state with \$105 million. It is not like we are skimping on Banksia Hill, but Banksia Hill will never be the solution. The solution will always be in the community. Dr Tomison’s doctorate is on these issues. I invite Dr Tomison to make further comment.

Dr A. Tomison: The minister covered a lot of it. The reality is that the youth detention population is decreasing over time, which is a good thing. That means that the cohort who is left, if you like, who is getting to detention or remanded in detention—sentenced particularly in terms of this indicator—is a smaller cohort, but it is a cohort that is more difficult in many ways. As I have said before in some of these hearings, they have to work to get into detention; that means the young people who get in there have a range of complex needs and they can be quite difficult to get to the point at which they do not reoffend or are not sent back into custody within a two-year period after their first sentenced visit, which is, I guess, what we would call it. The rate is also dependent on factors such as sentencing legislation, changes in the nature of offences committed and the rate at which young people on community orders breached for noncompliance. Another key thing is that some of the reasons why young people may get sent back is because they are not complying with their community-based orders, for which we have a two-thirds success rate. Sixty-two per cent of young people successfully complete their orders. It is a complex cohort and, as the minister said, most young people are in custody for a relatively short time. Some may come back in more than once, but in that time we try to create a through-care model whereby we work with other agencies and the community corrections arm of the department to try to put that young person into programs and other things that will reduce their risk of reoffending. That is essentially what we are doing. We would like a higher figure, but that is where we are at. This indicator has not changed much in terms of the KPI for some years. It is seen as a reasonable KPI based on the complexity of the young people we have. As I said, the actual number of young people has been decreasing, which is a good thing.

Ms M.J. DAVIES: So the minister does not anticipate that that KPI will change?

Mr W.J. JOHNSTON: What I would say is that that is the KPI at the moment. If we can improve the circumstance, we will get a better outcome. One of the challenges, too, is the complexity—drug use and alcohol engagement. These are challenges in the community and are therefore reflected in the Banksia Hill cohort. This is a very challenging area of policy.

The good news compared with the past is that fewer young people are in detention. People do not realise this, but we are on track to meet our Closing the Gap target here in Western Australia. We still have a distance to travel, but if we track the youth detention population over the period that the Closing the Gap targets have been in place, we see that we are moving towards the figure we want. We are not there yet, and I am not trying to say that we are. Between 30 April 2013 and 30 April 2023, youth detainee numbers decreased from 175 to 102, which is an annual decrease of more than five per cent. Over the same period, unsentenced detainee numbers went from 76 to 63, which is a reduction of 13, representing a much slower rate of decline.

The point is that the unsentenced population is proportionately larger than it used to be, which, again, makes it that much harder to handle. Another point is that we cannot provide criminogenic services to unsentenced detainees in the same that we cannot to unsentenced prisoners, because to be engaged with criminogenic programs, a person has to have admitted their fault. If they have not been sentenced, they have not admitted their fault. Therefore, a larger proportion of the population cannot be engaged by criminogenic programs. This is unbelievably complex. I understand that people want simple answers, but this sector does not provide simple answers.

Ms C.M. TONKIN: I have a question for which, hopefully, there are some positive outcomes. I refer to page 417, significant issues impacting the agency and paragraph 10, which refers to alcohol and other drug services for offenders. What progress is being made in treating and rehabilitating female offenders with drug and alcohol problems?

[9.50 pm]

Mr W.J. JOHNSTON: Thank you; that is a very important question. One of the areas of success for the corrective services function of the Department of Justice in Western Australia is the management of the women's estate. It is in a pretty stable format at the moment. The numbers are not uncontrolled; they are quite reasonable. One of the good stories, of course, is Wandoo Rehabilitation Prison. It is the first dedicated alcohol and other drug rehabilitation prison for women in WA and it was established to address prisoner alcohol and other drug use. Its creation and commencement fulfilled a 2017 election commitment. Since its establishment, 446 admissions have been accepted into the program; 264 have graduated from the program, 61 of whom, or 23 per cent, were Aboriginal; and 84 have returned, including 24 for new offences. As at 22 May this year, the number of residents at Wandoo was 57, with 17, or 30 per cent, being Aboriginal. The program requires a minimum of 28 weeks to complete and is divided into various stages. I will ask the acting commissioner, whose day job is the deputy commissioner for women and young people, to comment.

Ms C. Ginbey: Thank you. I do not think I have ever gone to a graduation at Wandoo that I have not cried at because of the journey that the women take together, with their families and personally. It is a moving experience every single time.

The program, as the minister said, requires 28 weeks to complete. That is a significant investment of time by the women. There are four stages. They have to do a minimum four-week orientation. The first, second and third stages are eight weeks each. Each stage is progressed at the residents' own pace and addresses a range of topics and issues such as emotional regulation, attachment and healthy relationships, communication, and relapse prevention triggers and safety planning. The education and therapy groups, which are part of how the entire therapeutic community there works, form a large part of the program at Wandoo, alongside individual treatment planning and counselling whereby residents and staff work together as part of that therapeutic community. That helps keep the community as a psychologically and physically safe place for the women to learn through self-help and mutual support when real change can occur. Trained staff understand that many women in prison have had trauma in their lives and that every woman is different. The rehabilitation program includes evidence-based interventions such as moral reconnection therapy, which is a cognitive behavioural treatment program designed to help promote positive self-identify and to help residents make decisions for themselves and the people around them.

It is incredibly moving to see the women reunited with their children and their parents. Often it has been the first time they have not only been drug free, but also made a real change in their lives with the intention of staying drug free.

Mr W.J. JOHNSTON: I will finish by adding that we also now have the Bindi Bindi unit at Bandyup, which, effectively, is a dedicated mental health step-up, step-down facility so that we can actually assist women in the prison estate at each stage of their journey. Sadly, many of the adults in prison have mental health challenges. There are more people with a mental health challenge in the prison system than in the mental health system. Notwithstanding that the judges have determined they were fit to plead, there are still more of them in our estate than in the mental health estate. Bindi Bindi is a new, repurposed facility at Bandyup that gives additional assistance to many women in their journey through the system.

The appropriation was recommended.

Division 33: Office of the Inspector of Custodial Services, \$3 818 000 —

Mr S.J. Price, Chair.

Mr W.J. Johnston, Minister for Corrective Services.

Mr E. Ryan, Inspector of Custodial Services.

Ms N. Gibson, Deputy Inspector.

Mr D. Summers, Manager, Corporate Governance.

Mr R. Sao, Chief of Staff, Minister for Corrective Services.

Mr R. Verne, Principal Policy Adviser.

Ms E. Meagher, Policy Adviser.

[Witnesses introduced.]

The CHAIR: The estimates committees will be reported by Hansard and the daily proof will be available online as soon as possible within two business days. The chair will allow as many questions as possible. Questions and answers should be short and to the point. Consideration is restricted to items for which a vote of money is proposed in the consolidated account. Questions must relate to a page number, item or amount related to the current division,

and members should preface their questions with those details. Some divisions are the responsibility of more than one minister. Ministers shall be examined only in relation to their portfolio responsibilities.

A minister may agree to provide supplementary information to the committee. I will ask the minister to clearly indicate what information they agree to provide and will then allocate a reference number. Supplementary information should be provided to the principal clerk by noon on Friday, 2 June 2023. If a minister suggests that a matter be put on notice, members should use the online questions on notice system to submit their questions.

The member for Moore.

Mr R.S. LOVE: I refer to the significant issues impacting the agency on page 487. It says —

The ongoing challenges being experienced in juvenile detention have significantly increased the Office's monitoring and inspection commitments to cover both Unit 18 at Casuarina Prison and the Banksia Hill Detention Centre.

In relation to a reported inspection by the Inspector of Custodial Services in February, can the minister confirm that the inspection actually took place, and what did the inspection find?

Mr W.J. JOHNSTON: The inspection report will be tabled. This is the budget estimates. It is about the expenditure of the agency. The inspector is an independent office holder. He cannot, through me, answer that question. You understand that you are examining me. He is independent. The idea that I would speak on his behalf is not permitted by the regime. He will table his report.

Mr R.S. LOVE: But the minister could defer to him.

Mr W.J. JOHNSTON: Yes, but that is not the way the system works. The member cannot ask me about his opinion. The member has to ask him about his opinion, but the member cannot do that in the estimates process.

Mr R.S. LOVE: He is employed by the state to provide reports.

Mr W.J. JOHNSTON: No. He is an independent office holder.

Mr R.S. LOVE: Okay.

Mr W.J. JOHNSTON: He will table his report. It has nothing to do with the government.

Mr R.S. LOVE: I refer to the significant issues impacting the agency on page 487. The government has set a target of a 50 per cent rate of return to youth detention —

Mr W.J. JOHNSTON: Sorry, which page?

Mr R.S. LOVE: It is page 487.

Mr W.J. JOHNSTON: Which line item is the member pointing out? Which line item? I am sorry; I did not hear what the member said, that is all.

Mr R.S. LOVE: It is the second significant issue impacting the agency. The government has set a target of a 50 per cent rate of return to detention. Why is the target set at 50 per cent? How did that come about?

Mr W.J. JOHNSTON: That is a question for the Department of Justice. This is the Inspector of Custodial Services. It is not related. I cannot answer the question because it is not in front of us.

Mr R.S. LOVE: Okay. Can I ask again: what inspection regime has been put in place at Banksia Hill Detention Centre, given that the minister has identified a problem there that requires increased monitoring and inspection commitments? What has been put in place to increase the monitoring and inspection regime?

Mr W.J. JOHNSTON: That is a question for the inspector. This is the budget estimates. I am the one being examined, not the inspector. I get to edit the inspector's comments because I am the one giving the answers.

Mr R.S. LOVE: You are being deliberately obtuse.

Mr W.J. JOHNSTON: No, I am not. The member does not seem to understand the standing orders.

Mr R.S. LOVE: The money is there to carry out inspections. I am asking the minister what regime has been put in place in response to the crisis at Banksia Hill and you are refusing to respond.

Mr W.J. JOHNSTON: No, what I am pointing out to the member is that he does not understand the standing orders.

Mr R.S. LOVE: This is ridiculous.

Mr W.J. JOHNSTON: No. The member needs to read the standing orders. The member is examining me, not the inspector.

Ms M.J. DAVIES: It was perfectly reasonable.

Mr W.J. JOHNSTON: No.

Mr R.S. LOVE: What resources has the minister given to increase the inspection services at Banksia Hill?

Mr W.J. JOHNSTON: No, because the Inspector of Custodial Services —

Mr R.S. LOVE: What resources have you given to increase the inspection services at Banksia Hill?

The CHAIR: Thank you, members. We have run out of time.

The appropriation was recommended.

**APPROPRIATION (RECURRENT 2023–24) BILL 2023
APPROPRIATION (CAPITAL 2023–24) BILL 2023**

The CHAIR: Seeing as this is the last night of the estimates, I have a bit more to do. The question is —

That the clauses, schedules and titles of the bills be agreed to.

Question put and passed.

Committee adjourned at 10.00 pm
