

Division 14: Jobs, Tourism, Science and Innovation — Services 1 to 3, Defence Industry, Veterans Issues —

Mr S.J. Price, Chair.

Mr P. Papalia, Minister for Defence Industry; Veterans Issues.

Ms R. Brown, Director General.

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

Ms P. Arbuckle, Executive Director, Defence West.

Mr R. Sansalone, Chief Executive Officer.

Mr P. Zappelli, Principal Policy Adviser.

Mr R. Harte, 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, 31 May 2024. 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 North West Central.

[12.10 pm]

Ms M. BEARD: I refer to page 195 of the *Budget statements*, under defence industry and supporting veterans, and paragraphs 4.1 and 4.2. For key infrastructure and industry development initiatives, is Defence West working on infrastructure or industry development initiatives in addition to that identified in paragraph 4.1?

Mr P. PAPALIA: Paragraph 4.1 refers to infrastructure and industry development initiatives, including supporting the delivery of Australia's AUKUS nuclear-powered submarine pathway and driving the state's participation in it. It is a kind of catch-all. Essentially, a whole range of infrastructure and industry development is associated with those two primary tasks being referred to. AUKUS and the move to establish a sustainment and maintenance capability for nuclear submarines is one big task. Then we have a dedicated, collaborative effort with the federal government whereby the deputy director general to my left sits on a steering group with our Defence Advocate, Rear Admiral Philip Spedding, and the deputy chief of the Australian Submarine Agency, Rear Admiral Matthew Buckley. Defence West responds and provides support to that effort and brings in any other government agencies as necessary to achieve that objective. We also have a taskforce that is co-chaired by the director general of the Department of Jobs, Tourism, Science and Innovation and the deputy secretary of the Naval Shipbuilding and Sustainment Group, Jim McDowell. Again, that is a federal and state collaborative effort to deliver on all manner of infrastructure requirements to support defence activities, primarily at Henderson, but they can probably look elsewhere.

Those two specific bodies are focused on the sustainment of AUKUS, nuclear submarine, surface fleet and current submarine sustainment activities and other naval defence industry activities. Defence West works on engaging with the defence industry right across the full spectrum of defence activity to look for opportunities, assist in engaging with those opportunities and deliver to not just our Defence Force, but also those of our allies. It is always working across a range of areas, not just those two areas.

Ms M. BEARD: In relation to promoting the WA defence industry at major national or international trade expositions, what trade expos has Defence West attended to promote the WA defence industry over the last year?

Mr P. PAPALIA: It has participated in and supported Western Australian defence industry participants internationally at the Defence and Security Exhibition International, which is a really big defence-related expo in the United Kingdom; and the Sea–Air–Space Expo in Washington, DC, which again is another big defence-related expo. It participated in and supported the Land Forces International Land Defence Exposition in Australia, which is in the land domain and happens every two years; and the Indo Pacific International Maritime Exposition, which is in the maritime domain. The land forces expo was in Brisbane, and the Indo-Pacific expo was in Sydney. For the Australian-hosted expos—land forces and Indo-Pacific—Defence West purchased floor space and gave access

to small to medium-sized enterprises to exhibit their wares and market themselves inside a Defence West stand so they did not have to buy floor space, which was really expensive. They marketed that and had Defence West branding. Defence West arranged access for key players such as defence primes, senior officers and ministers to meet with our SMEs. That was done at both the land forces and the Indo-Pacific expos. With the overseas expos, Defence West escorted and facilitated meetings with key players in the international space because our exhibits were part of the Austrade stands.

Ms M. BEARD: What criteria did Defence West use to measure the success of those expos? For example, was it the amount of overseas investment?

Mr P. PAPALIA: Defence West does a lot of work around screening participants so that the SMEs that participate in those expositions are the ones most likely to receive benefits. We do not want to encourage SMEs to overextend themselves in cost or time when attending an exhibition from which they may not get a return. We have contracts with defence, defence primes and jobs in Western Australia in this sector and seek returns in that regard. A lot of measures are more difficult to quantify out of these SMEs attending the shows. Sometimes they might establish a connection that might be only a lead and then in the future may result in a more tangible benefit.

I can give the member an example of some of our industry players that are now much more significantly engaged in the defence sector and are successfully delivering servicing capability to not just the Australian Defence Force, but also ADF partners. When we established Defence West, it was very early days and SMEs had a very small presence and were less connected to the international and Australian defence markets. Players such as Blacktree Technology, AVI Defence, InnoVero and Hofmann Engineering from the early stages of their engagement in this sector now have the benefit of much more awareness and presence in the defence space.

Ms M. BEARD: What was the total cost of those expos for the last financial year compared with that budgeted for the next financial year?

[12.20 pm]

Mr P. PAPALIA: The entire allocated budget for Defence West in 2023–24 was in the order of \$16.9 million, and costs associated with those shows are a component of that. They are not a very large component. Most of it would be personnel.

I am informed that an estimated \$1.5 million is dedicated to shows per annum. Having said that, we established our own version—it is not like a trade show—the Indian Ocean Defence and Security Conference, which we host. We bring international and interstate participants to the state and enable a platform for our local industry players. It is quite a significant event on the calendar every couple of years. Part of that \$1.5 million is also attributed to that conference. That conference is being held this year. By way of example, when we held the first conference in 2018, we had about 200 participants. We anticipate well in excess of 1 000 attendees for the conference being held in late July. All the primes will be participating. We will have the chiefs of Navy from every one of the AUKUS nations, so the Chief of Naval Operations from the US, the First Sea Lord from the Royal Navy and the Chief of Navy from Australia. They will be joined by the chief of the Navy from Japan and the Chief of the Naval Staff from India. Every time we hold this conference, it escalates in reach and recognition. For the first time this year, the same operators that run the east coast exhibitions—the big expos such as land forces, the Indo Pacific International Maritime Exposition and the Avalon air show—will be running ours. It is a significant increase in reach and return.

Ms M. BEARD: My next question is related to the last answer. On page 109 of budget paper No 3, there is a reference to an additional \$15.7 million to support the state's defence industry and enable participation at trade shows.

Mr P. PAPALIA: JTSI is the agency and we have to try to identify the amount attributed to Defence West within the budget. I am informed that an element of the investment attraction fund, which is not just for defence but across industry, is part of that \$15.7 million, so \$12.5 million is investment attraction fund money. That is in addition to the normal budget. The remainder of the \$15.7 million is for trade shows. That is the sort of thing that I just talked about.

Ms M. BEARD: I refer to paragraph 5 on page 195 of budget paper No 2, which states —

Defence West also manages the Veterans Issues portfolio ...

What assistance is provided to ex-service personnel and organisations in relation to that?

Mr P. PAPALIA: The thing to remember about veterans issues is that, fundamentally, it is a federal government responsibility. The federal government sends people off to serve their nation. The federal Department of Veterans' Affairs is responsible for their care on completion of that service. We primarily focus on the delivery of services to veterans and their families in our state and try to fill gaps that the service provision from federal agencies may potentially omit. At the last election, we increased the budget for veterans fourfold from \$300 000 a year to \$1.3 million. That money is administered through the Anzac Day Trust and the trustees take applications for grants. We guide it primarily to focus on service delivery, with an element of the funding to be used for commemorative

purposes, but only significant nationally recognised commemorative events, not small grants to lots of small remembrance events, which is the sort of thing that the DVA does. We request that the vast majority of the funding be allocated to service delivery, that it tries to aggregate grants and has fewer of them and that they are larger and delivered over extended periods of time so they give certainty to the ex-service organisations that might be delivering a service. That has resulted in things like partnerships between bigger ex-service organisations that provide comfort around probity of money management and the administrative process and smaller operators that provide a specific innovative service of a higher standard but might need additional support around administration.

For instance, the RSL partnered with a charity called Working Spirit run by a woman named Karyn Hinder, who essentially began as a one-woman show. Now she has a couple of employees. She is delivering a veterans employment program, including a portal, which is essentially like SEEK for veterans. A concierge service places them with an employer who wants to employ a veteran and is very welcoming of that opportunity. The veteran is essentially matched with an employer. That service is now being provided to families of veterans. It placed more than 110 people last year, and it is growing. That is an indication of that partnership. The RSL is working in partnership with Working Spirit, so Karyn gets on with the job and a lot of the administrative stuff, and confirmation of probity around money is provided by the RSL.

Another example is Legacy, which provides a range of services for families, widows and widowers of veterans across the state. We fund them the administrative costs for the maintenance of their respite camp down in Busselton. We fund the Veterans' Transition Centre in the hills and support to provide programs. It partners with a range of organisations such as corrective services to deliver programs and services in their location. We have a partnership with RAAFA—the RAAF association partnered with the Andrew Russell Veteran Living program to deliver that service in the future. We provide funding to organisations in a sustainable way so they know in advance that they have support and they are able to build into the future with confidence that they will deliver services. There will be wraparound services for homeless veterans. I very much anticipate delivering services for veterans exiting the corrective services world as they come out of prison. That has been the experience in South Australia. In addition, the RSLWA has partnered with Kaizen K9 to deliver the psychiatric assistance dog program.

Our focus is a bit more niche and in between in delivering services that are a little more targeted than the Department of Veterans' Affairs is capable of doing or might focus on. We are also trying to make Western Australia the most attractive destination for veterans to retire to with their families and contribute to our state.

The appropriation was recommended.