

Division 15: Jobs, Tourism, Science and Innovation — Services 1 to 4, Defence Issues; Tourism, \$211 083 000 —

Mr S. Love, Chair.

Mr P. Papalia, Minister for Defence Issues.

Ms R. Brown, Director General.

Mr G. Wedgwood, Deputy Director General, Resources Development and Defence.

Mr S. Melville, Director, Corporate Services.

Miss A.J. Wilson, Senior Policy Adviser.

[Witnesses introduced.]

The CHAIR: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or amount in the current division. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall be examined only in relation to their portfolio responsibilities.

The minister may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by Friday, 31 May 2019. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

There is quite a list of items to be examined today and no particular time allocated either, so it is up to members to manage their time.

Ms L. METTAM: I refer to the first explanatory note on page 195 of budget paper No 2, volume 1, which states that the increase in destination marketing budget is due to additional funding for aviation and marketing development. I want to focus on the aviation aspect in greater detail. Will new routes be subsidised, as they have been for Broome and Exmouth, and what is the value of these subsidies?

Mr P. PAPALIA: We do not subsidise the flights. In Broome's case, we put money towards marketing and reducing the landing fee with a similar outcome for Exmouth. What was the other question?

Ms L. METTAM: What is the value of the empty seats that are paid for?

Mr P. PAPALIA: It is a competitive environment. There are multiple airlines around the place, and we are regularly trying to negotiate deals with airlines to routes in regional areas right across the state. We want to get the best deal for the taxpayer, so we do not reveal the extent of the funding allocated.

Ms L. METTAM: To that extent, what efforts are made to support other regional services and centres? I point to Geraldton where Virgin Australia Airlines has pulled out and the withdrawal of Tourism WA from leading aviation engagement in Busselton.

Mr P. PAPALIA: We have not withdrawn from engagement with Busselton–Margaret River Regional Airport. Tourism WA is still engaged in discussions around trying to attract an airline, and it is supporting those discussions. Virgin's reduction in services to Geraldton is nothing to do with the state government.

Ms L. METTAM: I thought regional aviation was something the minister is committed to.

Mr P. PAPALIA: Member, I am answering the question. The reduction in the number of services to Geraldton has nothing to do with the state government. It was a commercial decision made by the airline. There are affordable flight packages to Albany, Esperance, Monkey Mia, Carnarvon, Exmouth and Broome. Qantas announced community airfares to a range of other regional destinations as a consequence of our inquiry into regional airfares in Western Australia, and we are always looking for opportunities to deliver more affordable flights so our regional destinations can be more attractive.

Ms L. METTAM: Has the state government funded the empty seats for those flights to Broome or Exmouth? Has it provided funding to mitigate the risk of not filling the plane?

Mr P. PAPALIA: We negotiate with the airlines, such as Qantas, in the case of Broome and Exmouth; those places are different. For Broome, we went to Qantas and said we wanted it to come back to us with a model that provides a more affordable flight to Broome. A lot of work has been done by Broome tourism operators, led by James Brown from Cygnet Bay and a collective of Broome organisations and business operators in the tourism sector up there. For

many years, they have identified that the single biggest barrier to growing the tourism market in Broome was the airfares, which were outrageous. The airfares were growing right throughout the member's government and no action had been taken to address that. We asked Qantas what it could do. It came back to us and said that aircraft were being employed four days a week to service some mine sites and the rest of the time the aircrafts were sitting on the ground. It came up with a model. It wanted to defray some of the expenses it confronted. The fare it provides, which is \$179 one way in the low season and \$199 in the high season, is the equivalent of a Jetstar Airways airfare. It is not branded Jetstar; it will not fly Jetstar to any airfield where the landing fees are higher than \$10 a person, because it is a privately owned airport, and I think Broome's landing fee is something like \$18 a person. The airport, Australia's North West Tourism and the state government contributed to reducing that landing fee and marketing the route.

The member might have noticed that a lot of effort was put into selling Broome as a destination and trying to attract some of those 495 000 Western Australians who fly to Bali every year. Exmouth is a bit different. I am not across the specific details of the negotiations, other than I can say we went to Qantas and said that we wanted Exmouth too. Broome is working and 20 000 seats have been sold for the Broome flight for the next peak season. People have to book 60 days in advance, so the airline knows the loading is at 90 per cent as the tickets have already been bought. I think Exmouth will do the same sort of thing. The intent is to demonstrate to the airline over time that there is a route there that it should be servicing and it does not need us to contribute anywhere near like the effort we are contributing.

Ms L. METTAM: Finally, can the minister clarify that Tourism WA was not removed from leading the airline engagement in the City of Busselton?

Mr P. PAPALIA: It is not leading the negotiations; I think there is a working group. Are we not on defence issues? Does the member want to do tourism first and just go through tourism and do defence at the end?

The CHAIR: Just to be clear, we are dealing with division 15, services 1 to 4, defence issues and tourism, so they are all in the same division.

[9.10 am]

Mr P. PAPALIA: The advisers around me at the moment are from Defence West. I have the director general of the Department of Jobs, Tourism, Science and Innovation, but the other advisers are for defence. I can answer the tourism stuff, but it is probably best that we do defence and then let those guys go. Does the member want to come back to the aviation one when we get the tourism people in?

Mr P.J. RUNDLE: Yes, I have a couple of further questions on aviation, so we can come back to that.

Mr P. PAPALIA: We will come back to the aviation stuff, if we can just go to defence now.

Ms L. METTAM: Just quickly, if the minister could answer that question.

Mr P. PAPALIA: There is an aviation development representative and I think there is a working group for the Busselton airport. We still provide that advice and support. If an airline wants to fly to Busselton, of course we would support it, but we were never leading those discussions, as far as I am aware.

The CHAIR: Minister, when do you intend to bring in your tourism advisers?

Mr P. PAPALIA: Let us just do defence; there is a defence adviser who can then leave. I think it would be a better use of taxpayers' money if we let him go, so let us do defence and I can come back to tourism. I am quite happy to do tourism for as long as members want.

The CHAIR: Okay, so it is within the same division?

Mr P. PAPALIA: Yes.

The CHAIR: Are we happy to move on to defence issues?

Mr W.R. MARMION: Sure. Further to the point you are making, Chair, why can the tourism people not be here as well, so we can interact with them?

Mr P. PAPALIA: I want to let the defence guy go, because Geoff is just sitting there and he is going to be bored out of his brain, and it is not a good use of taxpayers' money to have a senior executive sitting here for nothing.

The CHAIR: Okay, the committee is indicating that that is what it would like to do, so we will move on to defence —

Mr P. PAPALIA: No, hang on, Chair. There is a senior executive officer sitting there for defence.

The CHAIR: Yes, and I just said that the committee has indicated that it is ready to move on to defence.

Mr P. PAPALIA: Sorry.

Mr P.J. RUNDLE: Minister, I refer to paragraph 11 under the heading "Significant Issues Impacting the Agency", on page 191 of budget paper No 2, which refers to the ongoing development of the defence sector in Western Australia through the implementation of the 2018 "Western Australian Defence and Defence Industries Strategic Plan". How

is the state government proceeding with actions 3.1c and e of the plan, listed on page 12? They relate to further development of and support for Australian Defence Force exercises and an increased presence in the north west of Western Australia.

Mr P. PAPALIA: That is an interesting question. Obviously, we will need to know who the defence minister is so we can commence discussions with that new person. The whole process of enacting our strategy has been a bit delayed by being unable to talk to the federal government about it. There were commitments on defence expenditure from both sides of politics during the election campaign, but there were no actual commitments around positioning defence assets in the north. However, I note that the likely defence minister, the person who was announced during the election campaign by the Prime Minister as being the future defence minister, made statements in *The West Australian* to suggest that forces should be positioned in the north west, so in the event that Senator Reynolds becomes the minister, I look forward to talking to her about that.

Mr P.J. RUNDLE: I have a further question. Does the state government support the establishment of an 800-strong military base in Western Australia's north, either in Karratha or Port Hedland, as has been advocated by various parties including the Nationals WA?

Mr P. PAPALIA: The force disposition of the ADF is a role of the federal government. We clearly have an interest and we would be supportive of any additional assets being positioned in Western Australia, but it is the role of the federal government. When we talk to the federal government, we will be talking about how we can align our planning and our resourcing of the defence sector to support whatever it decides to do, and to ensure that we are not working at odds with each other. I do not know whether there is any serious consideration of shifting forces to the north west. It will not be a matter for only government, because obviously the government takes advice from Defence, and I have not seen any serious defence papers by uniformed defence people suggesting that that should happen. We will just see what happens.

Mr P.J. RUNDLE: I have a further question. Given that the state government has outlined its commitment to expanding the defence presence in the north west, is any funding available in the state budget to help deliver on that outcome?

Mr P. PAPALIA: What is the member saying we have committed to? I am reading the defence strategic plan and on the page that the member referred to it states —

Promote the ongoing support and further development of ADF exercises in North West Western Australia including Northern Shield.

It further states —

Review and better understand emerging ADF needs including autonomous systems, cyber, data management and special operations ...

I am trying to find what the member was referring to. Was he talking about action c? That does not suggest that we are going to be making the case. As I said, this is a federal government and Defence matter about where it puts its forces. Obviously, we want to know about it and we want to align our planning to support whatever it decides. The primary focus of the Defence West office and the Defence Issues portfolio is supporting the defence industry in Western Australia. We have a more comprehensive strategy that is about making us an attractive place for defence people to come to and about trying to encourage Western Australia to be seen as a collaborator and partner with the federal government on defence matters. But ultimately, force disposition is not our role.

Mr W.R. MARMION: This is a follow-on question. Since we are talking about the strategy, I have a question on developing strategic infrastructure, specifically at the Australian Marine Complex. There are three actions on that under the strategy. The minister touched on this a bit in one of his answers, but one of the actions talks about liaising with the commonwealth government to get further infrastructure at Henderson. I know there has been talk in the past about \$100 million of commonwealth government money being made available to support something, and lots of things have been promoted, including floating docks and all sorts of things; I have heard people suggest other things. Can the minister outline whether that has progressed and whether the \$100 million is available from the commonwealth government; and, if so, whether conditions are associated with that?

Mr P. PAPALIA: During the early days of the last state election campaign, the previous Prime Minister, Malcolm Turnbull, came to Western Australia and publicly committed to \$100 million for infrastructure for defence purposes in Western Australia. We subsequently saw no detail on the purpose of that funding. We pursued that commitment publicly to ensure that it was real, and I managed to elicit from former Minister Pyne a confirmation that it was real and was in the last budget, but there has never been any allocation of that money to us or to a specific task. That is one of the matters I intend to pursue with the new defence minister, as soon as that person is appointed.

[9.20 am]

Mr W.R. MARMION: The minister confirmed with Minister Pyne that there was \$100 million. Did the department pursue the possibility of what sort of infrastructure could be built at the Australian Marine Complex with that \$100 million?

Mr P. PAPALIA: When we met with Minister Pyne, we undertook two things. One was to work together on the development of a state defence industry strategy. That was done in full collaboration with the federal minister and with his support and also the support of defence. We undertook, as another collaboration, to work together on a plan for defence infrastructure in Western Australia, which would have captured requirements for infrastructure around AMC and things like Westport and the defence component to that. That process is still underway. Obviously, the whole election period—the campaigning and the like and then the caretaker mode—has disrupted that process. I will ask the director general to give an update.

Ms R. Brown: The strategic plan outlined a number of initiatives. The task force has been established with government agencies. Although my agency has responsibility for Defence West, we work closely with other government agencies, including the Department of Planning, Lands and Heritage, the Department of Transport and, in particular, LandCorp, which has responsibility for managing Henderson. We have recently gone out to market for external and appropriate assistance to commence that planning process for Henderson and have engaged consistently with the federal Department of Defence to ensure its input into both the planning process and the areas of focus over the next six months.

Mr W.R. MARMION: That \$100 million has been sitting there for two years. Has the minister talked to industry about what it might like? It is no use having all of those committees without concurrently working out what the \$100 million should be spent on. Are there any ideas?

Mr P. PAPALIA: First up, the money is not sitting there: we do not have it and I will be pursuing it with the federal government the moment it appoints somebody to the portfolio. It has not delivered. That is the first thing. All I have managed to elicit from the former minister is a confirmation that it is real. There was never any engagement about delivering the money to our budget so we could start using it. With respect to the member's second point, in which he dismissed the committees, that is actually how we get a plan together in a structured manner of where priorities lie. We have to do it with Defence. We cannot just do it with a small business down in AMC, or a big business in AMC. We have to talk to Defence and identify what the priorities are and then allocate the money, because \$100 million does not go very far in defence infrastructure. We will be lucky to get very much at all; however, our infrastructure plan that we are working on with government will be much bigger than \$100 million.

Mr P.J. RUNDLE: I refer to page 191 of budget paper No 2 under the heading “Significant Issues Impacting the Agency”. Point 12 refers to the “Western Australian Defence and Defence Industries Strategic Plan” released in 2018. How is the state government proceeding with action (a) listed on page 12 of the plan? It states —

Develop and promote a comprehensive case for Western Australia to be the principal location for all submarine maintenance and sustainment.

Mr P. PAPALIA: I will ask the director general to provide an update.

Ms R. Brown: In developing the business case for sustainment, the department through Defence West and with other government agencies and through engagement with the federal department and industry has focused on three components. The first is around the planning for Henderson. Federal Defence seeks the state to have a longer term plan around Henderson, so commencing that piece of work, which is underway with federal Defence, is the first component of that business case. The second is around workforce and workforce readiness. Most recently, the state government announced the establishment of the naval campus for South Metropolitan TAFE. South Metropolitan TAFE is also working through workforce planning to build the business case. In addition to having infrastructure requirements, having a skilled and ready workforce is an important aspect of that and one that ensures that industry, particularly in Henderson, has the capable workforce over the short, medium and longer term. That includes both primes and small and medium enterprises. The third component that federal Defence seeks is a focus on research and innovation and drawing on some of the capabilities in the university sectors, including those that are related to defence, but also more broadly around cybersecurity, remote operations and autonomous vehicles. The establishment of the defence science centre is progressing. We have made a number of key deliverables with federal Defence and the four universities involved. Once the new federal government is in place, we hope to progress through the minister to establish that.

Mr P. PAPALIA: One of the key objectives in that action is to get full-cycle docking of the Collins-class submarine to Western Australia. Currently, most of the maintenance of the Collins is done in Western Australia, with the exception of the biggest refits, which are done in South Australia. That is called full-cycle docking. Every two years a submarine will go there and it takes two years to do the work. It employs 500 skilled employees. Discussions have been held around shifting it to Western Australia. I believe Defence thinks it should come to Western Australia. In South Australia, it is political; there has been a lot of discussion around retaining it. I do not

think South Australia has the capacity. Certainly once it starts building the frigates, it will need those 500 people it has at the moment to contribute to its workforce. We believe a decision should be made by the new minister as soon as possible to shift that full-cycle docking to Western Australia. There are ways that we could get the full-cycle docking for 2022. We would have to build the workforce rapidly, but we are talking to industry and we believe that that may be possible. The worst-case scenario would be 2024; however, a decision must be made now. With respect to what we are doing, I will raise that, but we will put a business case to the federal government for that task to be brought to Western Australia.

P.J. RUNDLE: Of the 176 FTEs in the agency, how many work full time on defence versus research? Can the minister provide a breakdown of that?

Mr P. PAPALIA: Is the member talking about the Jobs, Tourism, Science and Innovation FTEs?

Mr P.J. RUNDLE: I am talking about the development of industry sectors, which is on page 194.

Mr P. PAPALIA: One of the good outcomes of the machinery-of-government changes is the creation of the agency for jobs, tourism, science and innovation, because the resources of the whole agency can be applied to any individual part of it. In the event that we need work done for proposals to the federal government, it is not just Defence West staff who have to do it. We can call on the capabilities of other people in the rest of the agency. Defence West is only small at the moment.

Ms R. Brown: Defence West is approximately nine FTEs and that is focused on engagement with the defence industry sector. As the minister said, other resources within the department assist to deliver the strategic plan, including those involved in strategic land planning and also our engagement with the international markets and things like that.

[9.30 am]

Mr P.J. RUNDLE: How does the minister feel about the promotion of the frigates and the Collins-class submarines? Does the minister feel that this will be sustainable, and do we have a good chance of securing those once the new federal defence minister is in place?

Mr P. PAPALIA: The member is talking about making a case for the maintenance activity of frigates to be undertaken in Western Australia. I think we have a very good case. A significant number of frigates will be based in Western Australia. The Fleet Commander has said publicly that he would like all maintenance of warships to be done within 150 nautical miles of their home port. It is pretty obvious that we should get the maintenance for a significant number of frigates at the very least, but we have made the case that we could do all maintenance. Again, we will put a business case to that effect to the federal government once we have a minister. With the full-cycle docking of the Collins-class, it is a logical decision. Defence West has almost confirmed that it would like it to be done in Western Australia where the submarines are all based. I believe it would mean a more efficient delivery of support to the Collins-class boats, which still have another 25 years of operation. It would mean that we do not have to disrupt people by sending a boat to South Australia, having it partially crewed during part of that time, and then on return having the crew go over there to work it up before bringing it back. It would be all done in Western Australia, where all the crew live—that would make a lot of sense. All other maintenance on Collins-class submarines is done in Western Australia up to mid-cycle docking, so we have a good case.

Mr P.J. RUNDLE: I have a final question. What is the status of the Henderson master plan and when will it be completed?

Mr P. PAPALIA: I might ask the director general to answer that.

Ms R. Brown: Currently, we are engaging external assistance for the development of the plan, particularly to ensure that we have appropriate engagement with industry and Defence through the development of that plan. It is anticipated that a draft plan will be completed by the end of the year. As the minister said, it is a fairly significant piece of work and one that looks at the next 10, 20 and 30 years of the future for Henderson and balancing a range of industry requirements. The plan itself will allow Defence to be involved and to provide feedback, which will then be considered as part of overall state planning for infrastructure, including through Infrastructure Western Australia.

Mr W.R. MARMION: My question goes back to the numbers in the budget and relates to item 42 and the appropriation of money to deliver the services.

Mr P. PAPALIA: What page number, member?

Mr W.R. MARMION: I refer to page 189 of budget paper No 2. The minister could also refer to page 193 if he wants to and the breakdown into lesser amounts for services, specifically service 1 in the table, “Development of Industry Sectors and Facilitate Investment”. Can the minister provide the breakdown of the allocation for Defence West for each of the years? Can the minister also provide the FTE numbers? He mentioned nine, so he

must have that information. Can I get a breakdown of expenditure for Defence West in next year's budget and the forward estimates?

Mr P. PAPALIA: Does the member mind if I take that as supplementary information?

Mr W.R. MARMION: Sure.

Mr P. PAPALIA: I undertake to provide to the member as supplementary information details for the budget year and each of the out years, and the FTE numbers and allocation of funding for Defence West.

Mr W.R. MARMION: Can the dollar allocation be broken up into "staff" and "other"?

Mr P. PAPALIA: The allocation will be broken up into "staff" and "other".

[*Supplementary Information No B22.*]

Mr W.R. MARMION: This next question is about the dollars again. I refer to page 189 and specifically the ongoing initiatives and election commitment for the office of Defence West of \$3 003 000. Can the minister outline exactly what that will be spent on?

Mr P. PAPALIA: It will be spent on all of Defence West's activities. I will put on the record that I intend to talk to the new defence minister about trying to get more funding from the federal government for some of our Defence West activities. South Australia has a Defence Teaming Centre. We had a commitment from the federal opposition to fund something of that nature, like a defence industry support office. I intend to discuss with the new minister the possibility of matching that commitment, even though the Liberal Party did not make it during the election campaign. Western Australia needs something like this and we have not really got our fair share for defence out of the federal government. If the federal government could give us some funds to support that sort of activity, it would be a significant contribution. The funding for Defence West, aside from it being for people, is for its general activity of advocacy and of identifying opportunities for the defence industry in Western Australia.

We now attend the more important or appropriate trade shows. Pacific 2019, a big maritime tradeshow, is coming up in Sydney. We have a floor show at that place and we are providing space for small to medium-sized enterprises to essentially demonstrate their wares at that industry expo and provide a Western Australian presence of a scale I do not think we have seen before. We held the Western Australian Indo-Pacific Defence Conference last year, which was very successful. We are making them annual rather than biennial, which we had initially hoped for. However, we determined it was successful and there was a lot of interest in and demand for its continuation. With regard to advocacy, our strategy outlines the intent to lead an SME delegation to a regional destination annually, with a view to providing an opportunity for our SMEs to partner and look for export opportunities from within the defence industry in Western Australia. That will support them in a way that the larger primes, for instance, do not necessarily need, because they have the capacity. This strategy will provide further opportunities for SMEs. That role will be funded from within there. Beyond that, there will be a lot of information dissemination and engagement with the industry. We will work with the Centre for Defence Industry Capability to ensure that the federal agencies and federal government provide support and information to our SMEs in the defence industry sector. They will be providing those sorts of funding forums and the like that convey that information. The defence industry directory, of which the member is aware, will also be upgraded, maintained and promoted. That is an ongoing activity.

Mr W.R. MARMION: The minister made a point about assisting SMEs. Are they assisted in going to South Australia, for instance, when the South Australian government puts on a work presentation about the \$80 billion worth of funding? Does the minister support SMEs from WA going over there?

Mr P. PAPALIA: Not as a matter of course. It is not a good use of taxpayers' money to be funding individual businesses and trying to pick which ones are sent somewhere. We are promoting the state and the capability within the state. We are looking for opportunities to promote and advance the cause of our industry players.

Attending a big expo such as the Pacific 2019 International Maritime Exposition Pacific, and buying a chunk of floor space and enabling small to medium-sized enterprises to have their own presence within that floor space without having to incur the cost they would otherwise is one of the contributions we can make. By pursuing that sort of approach, I think we get a better return and the SMEs themselves have to commit; they have to get themselves over there and provide their presence. The director general has just reminded me of a very good point. The member knows that we are about to establish a defence science centre in collaboration with the federal government, the Defence Science and Technology Group and the universities, so a grants scheme will be funded out of that allocation. Our contribution to the grants scheme will come from that allocation.

[9.40 am]

Mr W.R. MARMION: I think the minister got back to my original question about, basically, a one-off amount of \$3 million in one year. Is that mainly being used for that project?

Mr P. PAPALIA: In that supplementary information, we can provide the detail of where the budget is going.

The CHAIR: Are there any further questions on defence issues? Please arrange your advisers, minister, and introduce them when they arrive.

Mr R.S. Love, Chair.

Mr P. Papalia, Minister for Tourism.

Ms R. Brown, Director General.

Mr B. Carr, Managing Director, Tourism WA.

Mr R. Sansalone, Chief Financial Officer, Tourism WA.

Ms S. Doherty, Executive Director, Events, Tourism WA.

Mr I. Johnson, Principal Policy Adviser.

[Witnesses introduced.]

The CHAIR: Welcome to the advisers. I read the Chair's statement at the start of this division. I believe you were all in the gallery, so you would have heard that. You know not to interact directly with members but to go through the minister.

I give the call to the member for Vasse.

Ms L. METTAM: Just to finish up on regional aviation, can the minister confirm that the minister did not give a direction to remove Tourism WA from leading airline engagement in relation to the Busselton–Margaret River regional airport?

Mr P. PAPALIA: As far as I understand it, Tourism WA was never leading negotiations on aviation at Busselton. If that were the case under the previous government, I do not think would be appropriate anyway. I have answered lots of questions about this over the last couple of years. I had a meeting shortly after taking office with the Mayor of Busselton and his CEO, and I said to them at the time, "I think it will be a difficult ask to get airlines to fly to Busselton, but if you can do that, that's a good thing. We're not going to get a charter flight to fly to Busselton. That is not what we will do. We do not see that as a valuable contribution or use of taxpayers' money but if an airline flies there, obviously, we would be happy to support it."

Mr P.J. RUNDLE: Beforehand, the minister detailed some destinations that he is targeting. Can he let me know what is happening about the likes of Karratha, Port Hedland and Kalgoorlie, which are being strongly hit by the fly in, fly out factor? Does he have any strategy to reduce airfares to those destinations?

Mr P. PAPALIA: Member, after eight and half years of neglect and soaring aviation prices in the regions by the Nationals and Liberals, yes, I am very concerned. I will do whatever I can do. I am the Minister for Tourism, so, obviously, my focus has to be on the best use of taxpayer funding for tourism outcomes.

Mr P.J. RUNDLE: Kalgoorlie is certainly a tourist destination.

The CHAIR: Minister.

Mr P. PAPALIA: I did not say I was not viewing those destinations as tourism destinations, but we have to look to where we can get the best return. You do not do it all at once. When we organised the Broome flights, it was the most significant support provided to regional tourism, I think, probably ever. Straightaway we got some pretty juvenile commentary from some people around the regions about why they were not being supported. We are doing stuff. We are doing things that were never done under the previous government for eight and a half years during the boom times and when flight prices went through the roof. I am addressing it and working with other ministers towards trying to get affordable flights to other destinations, but it is not easy. You cannot do it all at once.

Ms L. METTAM: Picking up on that point and your role as tourism minister and getting, I guess, the greatest return for the state, why did Tourism WA select Rockingham as the location for *Viva La Romance*, the Chinese TV show?

Mr P. PAPALIA: Tourism WA did not.

Ms L. METTAM: Questions I have asked in Parliament revealed that it was a decision of Tourism WA.

Mr P. PAPALIA: Which question and what did it say?

Ms L. METTAM: I can provide it afterwards.

Mr P. PAPALIA: Unless the member reads out to me the question and the answer she is referring to, I do not believe that what she is saying is correct.

Ms L. METTAM: I believe the minister has told me two different things.

Mr P. PAPALIA: Tourism WA supported Chinese film activity, but I do not believe Tourism WA chose any location. It would ultimately be the choice of the show.

The CHAIR: I remind members that we are dealing with the budget estimates. We are not dealing with decisions of government that are not related to the budget.

Ms L. METTAM: I refer to point 16 under the heading “Growth of the Western Australian Tourism Industry” on page 191 of budget paper No 2, which states in part —

The State Government is also actively pursuing a new direct route from India and an additional air service between China and Perth.

I point also to the minister’s and the Premier’s joint media statement of November 2017 about the Perth–Shanghai flights, which indicated that flights could begin as early as October 2018. Where is this trial at and are we any closer to those proposed flights happening?

[9.50 am]

Mr P. PAPALIA: Discussions with airlines regarding creating new routes are challenging; they are difficult. They take a lot of effort and are subject to a whole range of other factors, such as relationships between federal governments. That media release reflected the nature of discussions. The Premier and I met with the chairman of China Eastern Airlines and he indicated that that could be happening by that time frame.

The member will be aware that, subsequently, the relationship between the federal government in Canberra and Beijing got very frosty and there were a lot of consequences to that, one of which was that discussions around new aviation routes may have been impacted. Beyond that, there is a lot of concern within Chinese aviation about routes that currently go to the east coast. As I understand it, there is some sort of government subsidy or benefit for establishing a new route. That support from the Chinese government is ending. The routes are not necessarily sustainable, and the Chinese perception of Australia as a market is more in global terms rather than as specific to Western Australia, so we have to establish an awareness of us as a market. At the moment, we can be impacted by their view that Australia is not going that well, because a lot of the routes on the east coast do not have high loading and are not getting a high return; in fact, some of them may be losing money.

We have to continually make the case. There have been several delegations to China. The Premier has been back there. He met with the president of China Eastern Airlines and had fruitful discussions. The managing director has been there with the CEO of Perth Airport. Our trade commission office in Shanghai is constantly talking with Tourism Australia and China to convince them of the value of the route. It is just a matter of continuing. We will not know until we get to that point, so I cannot say to the member that it is about to happen or it is not going to happen. I am hopeful that it will happen. Post the Premier’s meeting, there have been some meetings with senior executives from China Eastern in Western Australia that were very positive. They are looking at the potential benefits around the route. We are putting a good, strong business case. Tourism WA has compiled a lot of information and data with Perth Airport to enable us to make the case. It is just a matter of convincing them to do it. As soon as we get that, I will tell everyone; do not worry about that.

Ms L. METTAM: The media statement said that the trial would start in October 2018. When does the minister expect the trial to begin?

Mr P. PAPALIA: As I indicated, that media statement reflected the comments by the chairman of China Eastern at that time. In the event that we get China Eastern to the point of commencing a flight, we will announce it.

Mr P.J. RUNDLE: I refer to the table of spending changes on page 189 of the *Budget Statements*. The first item in the table under the heading “New Initiatives” is Aboriginal tourism and an amount of \$3.6 million has been allocated over four years. Can the minister please identify how much of the \$900 000 a year is allocated from royalties for regions?

Mr P. PAPALIA: All of it is. The money the member is talking about goes to the Western Australian Indigenous Tourism Operators Council and it is all from royalties for regions.

Mr P.J. RUNDLE: I bring to the minister’s attention the discontinuation of the Aboriginal tourism development program funded through royalties for regions of —

Mr P. PAPALIA: Where is that in the budget?

Mr P.J. RUNDLE: That was funded with \$1.2 million previously. Given that the state government refers to Aboriginal tourism as a key focus, how does the effective funding cut of \$300 000 demonstrate its support for the sector?

Mr P. PAPALIA: I am not sure that that is a legitimate question because I do not see the Aboriginal tourism development fund referred to in the budget, but I am happy to answer it. I will wait until the member can pay

attention, because he will want to hear this. I am happy to answer it. What was the annual amount for the Aboriginal tourism development fund?

Mr P.J. RUNDLE: It was \$1.2 million and now it is \$900 000.

Mr P. PAPALIA: Just so the member understands, the amounts being allocated by Tourism WA towards Aboriginal tourism this year include \$900 000 for WAITOC; \$500 000 for Camping with Custodians on the Dampier Peninsula; \$40 000 for sponsorship of the world Indigenous tourism conference; \$194 000 for four projects, including export-ready cruises, Camping with Custodians and other development activity; and \$150 000 for the regional events scheme, which is a newly created Aboriginal regional events scheme. That is \$1.784 million. In addition, outside of tourism's budget, there are allocations of \$1.33 million to the Murujuga Living Knowledge Centre; \$2.5 million for the Gascoyne Aboriginal Heritage and Cultural Centre to reopen; \$1 million for the Dampier Peninsula; and \$649 000 for the Murujuga rock art strategy. That is a total of \$5.479 million to Aboriginal tourism outside of the tourism budget, which, in comparison, basically dwarfs what the previous government allocated to its program, because that funding in the previous government's forward estimates will end in the middle of this year.

Mr P.J. RUNDLE: Can the minister detail any supportive infrastructure and services as part of the detailed list he just gave that will allow international tourists to access Aboriginal initiatives?

Mr P. PAPALIA: I will be meeting with the CEO and chair of WAITOC this afternoon, because we need to have some outcomes from that \$900 000. This is certainty of funding. WAITOC did not have this under the previous government. Every couple of years, it would go cap in hand, begging for a grant. This is certainty of funding into the forward estimates. It is a significant amount of money; in fact, it is more than the Tourism Council of WA gets from Tourism WA. Its role is to promote, advocate for and support Aboriginal tourism operators. I will be looking to put some significant key performance indicators around that so that we get value for the taxpayer.

That aside, Tourism WA markets all tourism attractions, assets and operators in Western Australia. Our priority is to get people to Western Australia from interstate and overseas. That is what we have set as our major aim so that we get new money into the economy and grow jobs. We are doing things all the time around Aboriginal tourism just as a matter of normal activity. We will open two more Camping with Custodians sites in the East Kimberley. I will go there and we will do promotion around that. We will work with the communities to ready the five campgrounds that will be in existence by then; we have already opened the other ones. Tourism WA is ensuring that the Camping with Custodians campgrounds are licensed, insured and in good operational order. It undertakes a training and capacity-building program for campground staff. It does a marketing program with the aim of delivering on the Camping with Custodians trademark conditions.

With regard to the Dampier Peninsula, Tourism WA is the lead agency for workstreaming the whole-of-government Dampier Peninsula project, including the master planning project for Kooljaman at Cape Leveque; land assembly for the Djarindjin campground; assistance with grant submission applications to the commonwealth for construction funding; planning and concept studies for a new campground or enhancements to existing campgrounds across three communities on the peninsula; and development of two products and experiences in partnerships with communities. When the Cape Leveque road is sealed, there will be a substantial uplift in opportunity for Aboriginal cultural tourism on country. All the communities on the peninsula will have the opportunity to be day product from Broome, which will enable them to access the cruising market. The government will dredge Broome harbour this year and make it a 24/7 port for large cruise ships, which will be looking for new products. Cruise ship passengers will be bussed up to the peninsula. The communities along that peninsula will have a cultural tourism product on country. Tourism WA will market that, as will, I anticipate, the Western Australian Indigenous Tourism Operators Council with some of the money that the government is giving it. The promotion of those destinations will be part of our normal activity.

Tourism WA is helping with the roundtable workshop and discussions on the Kimberley access pass. Remote communities and high-end cruise-shipping companies are having discussions about annual access and the costs associated with that. We are assisting with those discussions. That is a challenging bit of work but it is necessary to ensure that that great tourism product is protected and that Aboriginal people get their rightful return from ownership of the land. We are supporting the World Indigenous Tourism Summit in April next year by providing the \$80 000 host-destination fee and participating in the conference organising committee. Tourism WA will throw itself at that conference in the same way that it did with the recent Australian Tourism Exchange, which was such a great success. The World Indigenous Tourism Summit focuses on Indigenous tourism people. People from all around the world who promote Indigenous tourism products will come to this summit in Western Australia. The government will provide \$80 000 to continue the Aboriginal tourism export-ready program by increasing the number of WA products in a range of export-ready activities. Tourism Australia's Signature Experiences of Australia promotion, "Discover Aboriginal Experiences", is incorporated in that. The ATE 2020 and other international-focused travel-trade activities will promote Aboriginal product in Western Australia. There were nine Aboriginal tourism operators on the floor at ATE, which is the largest number we have ever had. I think there were

80 Western Australian tourism operators in all. Nine Aboriginal tourism operators is not a bad proportion—near on 10 per cent. All that was promoted and funded by Tourism WA and the state government. There is an Aboriginal regional events scheme, which is a new opportunity for regional events that are primarily Aboriginal focused, with \$150 000 quarantined for seven events in 2019–20 to deliver authentic Aboriginal experiences. Applications for 2021 will open in October this year.

Tourism WA is participating in the implementation of a working group to progress \$1.33 million of land assembly activities for the Murujuga Living Knowledge Centre and tourism precinct. Tourism WA also has been providing advice and support to the Department of the Premier and Cabinet on the Geraldton alternative settlement agreement. Our government will reopen the centre that was closed after the former government cut its funding. We are also working on an Aboriginal tourism action plan. Tourism WA's two-year action plan, which was launched in March last year, is obviously working and we want to do one for Aboriginal tourism. A cross-agency working group will work with WAITOC to develop a two-year action plan for Aboriginal tourism.

[10.00 am]

Mr W.R. MARMION: Just on the extension of the Broome–Cape Leveque Road, which I think everyone in Western Australia would say is a terrific project, what was Tourism WA's rationale to seal the road from north to south rather than south to north? It makes logical sense to seal it from south to north because the road was built from south to north. If it had been done that way, it would have been completed and people would be driving on a bitumen road. It will not be complete until —

Mr P. PAPALIA: It had already started from the north. The member would be aware that effectively it goes from just south of One Arm Point to Lombadina, near the airstrip. It was sealed by past governments. If that is the plan now, I imagine—but the member would have to ask the Minister for Transport—that the department has talked to people in the local community and they want to do it that way. A lot of Aboriginal work is involved in the task. I know that some community members are concerned about the sealing of the road and the associated threat of access to alcohol, drugs and the like. Those communities need to be prepared. They need infrastructure—not the least of which is things like ablution facilities for visitors—to the extent that they will need it, because they will be a major attraction. Perhaps it was done that way so the communities can prepare all the other infrastructure they need as they go. I do not know. The member should ask the Minister for Transport.

Ms L. METTAM: Further to the question the minister asked me earlier, the minister confirmed in a question that I asked on notice in the Assembly —

The CHAIR: Member, is this related to the budget?

Ms L. METTAM: Yes, well, the minister asked me about *Viva La Romance* —

The CHAIR: Member, I will call you out of order unless you can refer to something in the budget.

Ms L. METTAM: Okay. I refer to budget paper No 2, page 196, “Tourism Destination Development”, and also to page 191, point 14, which can be linked to job creation and diversifying the economy. I refer to the new tourism case management framework that the minister announced prior to the budget. Has the government provided dedicated funding for the framework or will it be absorbed within the department?

Mr P. PAPALIA: It will come from the global budget.

Ms L. METTAM: In a recent letter that I wrote to the minister about a Kings Park zip-line, the minister said it was the responsibility of the Minister for Environment. Will such issues change the structure going forward?

Mr P. PAPALIA: The intent of the framework is effectively to provide a concierge service for key projects that are identified by government as being significant to the state. It will assist people to meet their obligations for planning and it will assist different agencies. It does not mean that they will not confront challenges in meeting those obligations. They will still have to do it, but there will be a concierge service to help people find their way through the different approvals and the like that are required. Not every proponent will get it. It is for the significant ones that are identified as being of priority to the state. Beyond that, all the others will still be assessed and supported by government. This will elevate the few projects that are deemed significant enough to be a priority of the state in getting them approved and underway.

Ms L. METTAM: How will streamlining approvals assist tourism operators if there is no government will? I point to the Perth wave project. What constitutes a reasonable time frame?

Mr P. PAPALIA: I have no idea what the member is talking about.

Ms L. METTAM: The member does not know?

Mr P. PAPALIA: No, I do not know what the member is talking about. What is the question?

Ms L. METTAM: My question is pretty simple: how will this framework assist tourism operators if there is no government will to assist with a project?

Mr P. PAPALIA: That is a silly question. In 2018, we experienced the biggest number of tourism visitors to Western Australia in history, driven by the government's two-year action plan, which was launched in March last year. Clearly, we have a commitment to tourism. It is silly to suggest otherwise.

[10.10 am]

Ms L. METTAM: What is the status of the wave project and how confident is the minister that they will be successful under this model and under the state's new-found commitment to tourism?

Mr P. PAPALIA: Member, the wave project is not in the budget. If the wave project were captured by the framework and identified as a key priority, it would be supported with concierge support through the approvals process. The wave park is in a different portfolio. It was the Minister for Lands who decided that —

Ms L. METTAM: Is that not the purpose of this?

Mr P. PAPALIA: It is not question time, member; it is estimates. The wave park got to the point of decision, which was always going to happen. The minister responsible chose not to decide in its favour. As I understand it, the minister's office is working very closely with the proponents to identify another site. They are very happy with that work.

Ms L. METTAM: I am a bit confused. The minister said that the wave park project is not his responsibility because it is not in the tourism portfolio, but I thought that the whole purpose of the tourism case management framework was to identify projects that have tourism value and to provide support for them. What role will the minister have in ensuring that projects such as this, which are being successfully developed in other states, will be developed here in WA?

Mr P. PAPALIA: I said that the decision not to approve the wave park proposal in Mosman Park or wherever it was—Applecross or wherever —

A member: Melville.

Mr P. PAPALIA: Melville—was not mine; it was a different minister. With respect to proposals of that nature, if they are deemed to be of suitable strategic importance to the state, they will be captured by this framework and they will get a concierge service to help them through the process of meeting their obligations under all the different relevant legislation that applies to their site and their activities. That will not mean that it goes away and it will not mean that Tourism becomes the responsible authority for approving or rejecting any proposal. All it means is that Tourism WA will be assisting through the process. It will help them to identify what they need to do next; it will try to lower the hurdles that are placed in their way in terms of people finding their own way through a process. It happens with miners. Big mining companies, which probably have more resources than just about any other proponent in the state, get a concierge service. They get assistance because their projects are deemed to be of importance to the state. We want to do a similar sort of thing for tourism proponents, but it will not necessarily be big ones; it could be small ones, as long as they are deemed worthy of that status of strategic importance. That is what it will do.

Ms L. METTAM: What is a reasonable time frame for these projects?

Mr P. PAPALIA: I cannot define that because they are all different. They all have different challenges and they all have different obligations around legislation. All I can say is that it will be done as efficiently and as quickly as possible. The intent will be to try to assist to make it a much easier process.

Ms L. METTAM: To clarify: no funding has been committed, the minister does not take any responsibility for the projects, and no reasonable time frame is attached to this framework.

Mr P. PAPALIA: That is just about the stupidest thing the member has said this morning.

Ms L. METTAM: I am summing up a pretty stupid answer.

The CHAIR: I am a bit confused. The member for Carine is listed as being on the committee at this point but the member for Nedlands is still in his chair. Can I confirm who is actually on the committee?

Mr A. KRSTICEVIC: Do I have to sit down there?

The CHAIR: Yes, please. The member for Nedlands can ask a question as a member of the Assembly. I just wanted to be clear that the member for Carine, going by the list, is supposed to be here.

Mr W.R. MARMION: I have a further question on this program because I think it is a very good program. The minister is absolutely right: mining projects, even small ones, are supported by the Department of Mines, Industry Regulation and Safety, as best it can. I have a question about a smaller project. There is a project in my electorate of Nedlands called the hot springs project. I understand it is going through planning issues with the local government. The tourism department has seen this as a possible tourism destination site. Could the minister update me on the department's progress in getting itself involved in pursuing this very exciting project for the City of Nedlands?

Mr P. PAPALIA: I think it is Tawarri springs.

Mr W.R. MARMION: That is it.

Mr P. PAPALIA: We are supporting it, but I do not know exactly where it is at. The proponents have met with Tourism WA, and quite regularly meet with even my staff. We are very familiar with it. It has been challenging for them because there are a lot of hurdles in different agencies. It is not the tourism agency that is the problem; it is not necessarily a problem. Meeting their obligations has been challenging. They have found it difficult. That proponent is one of the reasons for establishing this framework. That is a good example—if a mining company wanted to create a big hole in the ground somewhere in remote Western Australia, it would be helped through all the processes; it would know what needed to be done next. It would be guided and supported by government agencies, even though it might have a lot of resources that would make it capable of doing that itself. This proponent is much smaller. I like the project too, but I cannot tell the member exactly where it is at. I just know that we are helping and looking to assist with that project.

Mr P.J. RUNDLE: My question is one that I attempted to ask the minister yesterday. I refer to paragraph 8 on page 190 of the *Budget Statements*, which refers to the international education strategy in collaboration with StudyPerth. Referring to the \$4.5 million to implement the StudyPerth international education action plan and encourage growth in Western Australia's international education market, what was the tendering process for funding StudyPerth to attract overseas students?

Mr P. PAPALIA: Sorry, I am consulting with the director general because StudyPerth is actually under the Premier's portfolio. I know that the member tried to ask a question yesterday.

Mr P.J. RUNDLE: I asked it yesterday and the minister referred me to this division.

Mr P. PAPALIA: I do not have visibility of StudyPerth's budget process. I know what the member is talking about. We are aware of the need to market our international students as part of promoting the state, but the budget the member is talking about—the money and what it is using it for—is the Premier's portfolio.

Mr P.J. RUNDLE: When I asked this question yesterday, the minister referred me to this division. The minister said it was under the tourism portfolio.

Mr P. PAPALIA: This part, yes, but the member is asking me more than that. The member is not asking me what Tourism WA is doing for international students; he is asking me what the \$4.5 million is being spent on. I do not know because that is not my budget. In Tourism WA terms, we promote Western Australia as a destination for all tourism sectors, and international students are part of that. We assist with marketing the state. As I said yesterday, I believe that the single biggest thing we can do as a state to grow our international student numbers is get new direct flights from India and China. We are pursuing that. When we undertake discussions and deliberations around those flights, we talk to international student proponents in those countries and people who market our destination as a student destination. But I do not control and I do not know about the \$4.5 million.

[10.20 am]

Mr P.J. RUNDLE: Has the minister noticed whether the tourism sector has taken a massive hit from the decimation of the priority occupation list and the lack of international students coming to Western Australia?

Mr P. PAPALIA: What I have noticed is that in the 12 months to December 2018, we had the biggest tourism numbers in the history of Western Australia.

Mr P.J. RUNDLE: Certainly, leading up to 2018, as a result of those changes to the priority list, international students and their families were not turning up, so did the minister notice a major change in the sector from those actions?

Mr P. PAPALIA: I noticed that tourism had been neglected. During the boom, we had a business traveller market that masked the fact that we did not have a leisure market. Post the boom, during the transition from construction to production, no action was taken to address the imminent reality of a massive collapse in business travellers, the former government's strategy did not achieve its targets and no work was done on developing new or potential markets like Japan. On 1 September, we will have a direct flight from Tokyo seven days a week. There had been no discussions with India. The former government did not even view India as a potential market, despite the fact there are 1.3 billion people there and 50 million Indians will be flying internationally next year. The former government spent zero dollars on marketing Western Australia in India for any purpose related to tourism. The fact that we got a plan together to respond to that challenge, and we implemented the plan in March last year, and it is working, is a good thing.

Mr P.J. RUNDLE: Does the minister feel that he has arrested the slump, as I would call it, in international students who were diverting to Tasmania and South Australia?

Mr P. PAPALIA: I think the member missed his opportunity; he should have asked the Premier these questions. I am not responsible for StudyPerth and international students.

Ms L. METTAM: I refer to the significant issues impacting the agency on page 190 of budget paper No 2, and specifically international education, trade and investment. Point 9 states —

The Department is progressing Brand WA and the Asian Engagement Strategy to realise overseas opportunities that will lead to jobs growth in Western Australia.

I also refer to the government's 2017 election commitments. We are halfway through Labor's term and Brand WA has not been launched. How does the minister expect to capitalise on every marketing dollar spent if Brand WA is still under development?

Mr P. PAPALIA: Brand WA is being progressed under the Department of the Premier and Cabinet; it is not my portfolio.

Ms L. METTAM: Can the minister confirm that the operator that won the tender is the same company that worked on "Western Australia Worth Sharing"?

Mr P. PAPALIA: No, because it is not my portfolio. The member should have asked the Premier that question.

Ms L. METTAM: I refer to spending changes on page 189 of budget paper No 2, and the line item "International Marketing Boost" under the heading "New Initiatives". The line item shows allocations of \$2.75 million for 2018–19 and \$7 million for 2019–20. The government has talked about a \$12 million allocation. Where does the additional \$3 million to make up the \$12 million come from?

Mr P. PAPALIA: The boost to the budget there is from external sources. The \$9 million in funding the member referred to is from the Burswood Park trust and \$3 million is from within the Tourism WA budget.

Ms L. METTAM: Is that from the events budget?

Mr P. PAPALIA: No, it is from the marketing budget.

Ms L. METTAM: It is from the marketing budget. With this boost, acknowledging that we have seen a growth in domestic visitors but six consecutive quarters of decline in international visitor spend, what does the minister anticipate will be the outcome of the additional \$12 million to visitation to this state?

Mr P. PAPALIA: I confirm that some of that \$3 million is funding from events and some of it is from marketing.

Ms L. METTAM: Is that the \$3 million not spent last year in the events budget?

Mr P. PAPALIA: This is for next year. We have a \$12 million fund and between now and the end of the coming financial year there will be essentially a 100 per cent increase in marketing funding for international marketing.

Ms L. METTAM: I was just confirming that. I remember that last year during the budget estimates hearings the minister confirmed that there was \$3 million in unspent event funding. Is it that funding?

Mr P. PAPALIA: I do not recall, sorry. All I can say is some of that \$3 million from within the Tourism WA budget comes from events, because we are focused on doubling the marketing spend for international markets.

Ms L. METTAM: That is certainly very much welcomed by industry.

The CHAIR: Member, you have a question that has not been resolved. Do you want to ask that question?

Ms L. METTAM: I think he has answered it.

Mr P. PAPALIA: I am sorry; I did not hear that question because I was getting confirmation that I got it wrong.

Ms L. METTAM: The additional funding has certainly been welcomed. If we focus on the 2019–20 commitment of \$7 million for marketing, how many extra visitors and jobs does the minister anticipate that would support?

Mr P. PAPALIA: I ask the member to put that question on notice. We know what the spend is, we know the markets the spend will go to and we know the types of activities that will be funded. We could do some projections around each of those factors to determine what we would hope to achieve in increased visitor numbers, but the question about jobs is more comprehensive and it is best put on notice.

[10.30 am]

Ms L. METTAM: Can I ask that it be provided as a supplementary question?

Mr P. PAPALIA: No, because I would not get it there within the time frame.

Mr P.J. RUNDLE: I refer back to page 189 and the line item "Aviation New Market Development". I want to talk about the tourism routes that I spoke about earlier. I regard Kalgoorlie to be a tourism route. We note that traffic to Kalgoorlie is up by 15.4 per cent, to Newman by 8.3 per cent, and to Port Hedland by 7.6 per cent. Can the minister tell me what steps he will put in place so that locals do not suffer the consequences of increased price rises and so that tourists going to Kalgoorlie will have the opportunity to arrive there at a reasonable rate?

Mr P. PAPALIA: That is not really related to the line the member has referred to because that is about international aviation. We have to remember that the tourism portfolio essentially has to be about growing visitor numbers and tourism. There have been some nice outcomes resulting from the initiatives we have undertaken in regional tourism aviation that help locals as well. That is a nice thing, but it is not our priority and it is not the focus of the tourism budget. We are working on other ways of trying to assist in making regional aviation affordable, because the opposition did not do anything about it when it was in government. It had no ideas and it did nothing. In opposition, we committed to doing an inquiry, which we delivered, and we have subsequently taken action to assist in making regional airfares more affordable in a number of locations, but it is not an easy task, otherwise the opposition would have done it; that is what it generally did—the easy things. I am being facetious, but we are working on other stuff. I do not think Tourism WA can do most of the heavy lifting in the area the member is talking about, because he is talking about residents and people being impacted by demand from the commodities sector, and that is a tough thing to address.

Mr P.J. RUNDLE: I have a further question. Would the minister agree that Kalgoorlie is one of the premium inland tourism destinations in WA?

Mr P. PAPALIA: Yes, and the thing about Kalgoorlie is that most of the tourists we get there arrive by vehicle. It is a perfect destination for the Road Trip State campaign. We launched that last year and it is a multimillion-dollar campaign in nine different countries and all across Australia. We now know that in 2018, Kalgoorlie did really well out of tourism, and I would attribute a fair amount of that to that campaign—not all of it, but Australia's Golden Outback is part of what we market to the world.

Mr P.J. RUNDLE: Can the minister give me his assurance, with Kalgoorlie being a premium destination—probably close to the premium inland tourism destination in WA—that, considering this 15.4 per cent increase in traffic to Kalgoorlie, he will commit to keeping airfare prices down for locals as well as for tourists?

Mr P. PAPALIA: Seriously, when in government the opposition did nothing about regional airfares. These are commercial activities and state governments have very few levers to pull with regard to the setting of fares for commercial activities. The member would have to agree that that is the case. As I said, the opposition in government did very little to address this matter. I can say that I am working with other ministers to try to come up with a solution to make regional travel a bit easier. Obviously, I have a great interest in getting tourists out to the regions, and that would assist me, so we are working on things. Right now, there are affordable flights to the regions. People have to book early; they are not ones that people can just google and get the cheap flight of the day, but there are affordable flights, if people book in advance, to Esperance, Albany, Monkey Mia, Carnarvon, Exmouth and Broome, and we are working on others.

Mr P.J. RUNDLE: That is exactly what I am saying. A minute ago the minister said that he does not have much influence, and then he reeled off six or seven destinations where he has had an influence. That is what I am asking: can the minister wield some influence on the likes of Kalgoorlie, where locals and tourists are suffering?

Mr P. PAPALIA: I did not say that; I said the state government has very few controls over commercial enterprises. When we are engaged in partnerships with airlines for specific outcomes, clearly we are able to do things there. I agree with the member that Kalgoorlie was neglected by the Nationals and Liberals; I agree with that. It is a terrible thing that the previous government, which was swimming in royalties, a lot of which came from Kalgoorlie, did nothing to assist the residents of Kalgoorlie with their airfares. The previous government sat on its hands for eight and a half years, enjoying more royalties and revenue per capita than any other jurisdiction in the country, yet managed to rack up \$40 billion-plus worth of debt that it saddled us with and that we have to address. The previous government did nothing and did not care about those people, and I agree that they were treated terribly. We made a commitment before we came to government to do an inquiry into it, and we did that inquiry. Qantas responded with some community airfares to Kalgoorlie and other places as a result of our inquiry. I would like to do more and we are working on doing more, but right now, in respect of tourism, Kalgoorlie is a great drive destination. That is how most visitors get to Kalgoorlie and that is where a lot of the growth opportunities for tourism in Kalgoorlie lie. I am very supportive of the Road Trip State campaign and any measures we can undertake to make that even more successful, but we are looking at what we can do for other regional airfares. It is just extraordinary that the Nationals have suddenly discovered how expensive it is to fly to regional centres after being in government for eight and a half years.

Mr P.J. RUNDLE: Does the minister agree that he has been in government for over two years now?

Mr P. PAPALIA: What page is that one on?

Ms L. METTAM: I refer to budget paper No 2, page 191, and paragraph 18, regarding the growth of the WA tourism industry. There is reference to marketing the state as a major tourism destination. It also refers to the two-year action plan. Can the minister advise which new homegrown event is being launched in 2019, and when exactly it will happen?

Mr P. PAPALIA: We have already publicly stated that the signature event that is being developed will be in 2020. We had hoped to have one in 2019, but the work involved is pretty comprehensive and challenging, so it is going to happen in 2020, not 2019. I think I have said that already, out in the community. I cannot tell the member what it is because we want to launch the thing. We want to get as much possible attention for it and benefit to the taxpayer out of it as we can, so we are not going to do that in estimates hearings; that would be bad.

[10.40 am]

Ms L. METTAM: When will the long-term tourism strategy for WA be launched? I know the minister said earlier that he could not answer this, but can the minister give us some idea of what it is expected to contain and how it will align with the national strategy as well as Brand WA?

Mr P. PAPALIA: I asked the Tourism WA board to work on developing a long-term strategy. The first task we gave it in mid-2017, when it became evident that tourism was in a challenging environment, was to develop a two-year action plan, because the Tourism 2020 targets were not going to be met, as the Auditor General confirmed in about September. It was written at a different time, under different circumstances, and was not fit for the purpose of growing tourism in the environment that we confronted. We asked Tourism WA to develop a two-year action plan. It did that and we launched the plan on 18 March 2018. It has now been going for a little over a year. We asked Tourism WA to commence work on a longer term strategy once the plan was completed. I have had discussions with the chair of the board and work will commence on the longer term strategy now. That is going to be a process, because it did the action plan in cooperation with industry players. There was a lot of engagement with the industry, peak bodies, other key stakeholders and individuals with the capacity and skills to assist with the development of the action plan. It wants to do the same thing with the strategy. The member is right; obviously, it needs to ensure that it leverages off, and does not conflict with, the federal government's Tourism Australia strategy, which was only recently delivered, too. We are now going to work on ours.

Ms L. METTAM: When will the long-term strategy be launched?

Mr P. PAPALIA: When it is completed.

Ms L. METTAM: Is that next year or before the next election?

Mr P. PAPALIA: The two-year action plan has another year or thereabouts to run. It will be before that.

Ms L. METTAM: More plan and less action.

Mr P. PAPALIA: I am sorry—the two-year action plan that was launched in March last year resulted in the biggest tourism numbers in history. If we can take our time and get it right, we might get good results like that, which would be a good thing.

Ms L. METTAM: In reference to all the work that has been done on the strategy and plan, is there going to be a target for the number of visitors who will come to the state by 2021, or a target to grow tourism?

Mr P. PAPALIA: I do not know what the strategy will encompass or look like. Once it is prepared, we will announce it, release it and people will be able to look at it, but there is no point in trying to guess what it might have in it. At this stage we have an action plan that is working. One thing I will say is that the federal government's strategy—the Tourism Australia strategy—is east coast-centric and unlikely to assist Western Australia. It was very disappointing, and I have made that point clear to the Minister for Trade, Tourism and Investment, Senator Simon Birmingham—I hope he retains the portfolio. I made that point clear at the last ministers' meeting—that it is focused on the east coast. It is written by people who view Sydney as the entry point and does not reflect our need to be the western gateway as much as I think it needs to. That is something that we will have to address. Our strategy is always going to be Western Australian-focused.

Ms L. METTAM: To clarify, does the minister anticipate having a target number of visitors and a target growth in spend for tourism in the state?

Mr P. PAPALIA: I do not know what the strategy will look like, and it may be that there are more important things than targets. It may be that we have a target. The last plan had a target that the former government failed to meet, so I am not sure how much value targets represent. What I am certain of is that if we have a good plan and we execute the plan, we are far more likely to achieve positive outcomes than if we do not have a plan and we meander through the changing environment and fail to respond to it. Long-term strategies are necessary. They give you a pathway. They guide your operational and tactical activity, but they are strategic. The targets and strategies are aspirational. The things that I am really interested in right now are tactical and operational responses that can result in near-term improvements in visitor numbers, and a lot of that has been working.

Mr P.J. RUNDLE: I refer to paragraph 15 on page 191 of budget paper No 2 in relation to Optus Stadium, which has created new opportunities to host international events and showcase WA. With the forthcoming ICC T20 World

Cup 2020, Sydney and Melbourne will host several women's and men's marquee matches, but Optus Stadium has missed out on blockbusters such as the finals. How hard did the minister go into bat with the International Cricket Council to secure those matches?

Mr P. PAPALIA: The event is run by Cricket Australia. It was a process in which it sought submissions, and we participated in that process. The member suggested that we do not have any blockbusters, but we have India versus South Africa. Australia is coming to WA. I think we have the British. I might ask Ms Doherty to tell the member the games that we have. The suggestion that we do not have blockbusters is not right, but it is fair to say that we do not have finals.

Ms S. Doherty: Yes, we do have blockbusters. India versus South Africa is a significant game that we have coming, which will be run on the opening night of the tournament at Optus Stadium. In the 2015 limited overs Cricket World Cup, the India versus South Africa game was the single biggest-selling fixture except for the final, so we expect that will be a big drawcard. The difference between the 2020 tournament and the 2015 tournament is that it is being run over three weeks, not six weeks. There were limitations in terms of Cricket Australia and the ICC's programming. We focused very strongly on making sure that we were hosting fixtures that were of interest to our key markets. A target of ours was high-profile Indian games. We made it clear that it was important to us to host an Australian game; not many cities in Australia are hosting Australia. We also strategically requested South African and England games. In terms of tourism outcomes, obviously when a city hosts a final, it does not know who the opponents will be, so we will also be able to better strategically leverage the games that we do have because we know who will be playing.

Mr P. PAPALIA: That is a really good response. Clearly, the focus is from a tourism perspective. The member likes cricket. He is talking about getting a final because he is a cricket fan. From the perspective of the taxpayers' benefit from tourism money and tourism focus, I think we have done really well. Focusing on getting leading games from those big markets that are near to us that are likely to result in uplifting visitor numbers is a good outcome. We would have liked to get finals, but the two cities the member is talking about have a fair amount of weight to throw around when it comes to cricket and to funding for bids of that nature. I think it is a really good return. I would ask the member to not talk it down. The 2020 World Cup fixtures in Perth are good. They are significant and they lead in to the events, and it is great that we have them. I do not think anyone should downplay the contribution that they will make.

[10.50 am]

Mr P.J. RUNDLE: I do not have any intention of talking it down.

I have a further question about Optus Stadium and the marketing of AFL packages. I understand that around 1 200 seats are set aside for each match for interstate visitors. Does the minister think there could be a better method by which the clubs market those seats in tandem with their AFL opponents, the eastern states clubs, so they can fill all those seats and get the maximum tourism opportunity, rather than what seems to be happening? At times, 500 to 700 seats are released to the public within two or three days of the event because they cannot be sold. I am suggesting an interaction between teams—say, the Eagles and Collingwood—with much more marketing through members of Collingwood, for example, to get all those 1 200 seats filled.

Mr P. PAPALIA: Our AFL marketing campaign does that. It works in conjunction with the AFL marketing organisation and through all the clubs on the east coast to promote their games over here. We have only 1 000 seats designated as out-of-Perth allocations, which includes the regions as well. Another 6 000 seats are general admission. That is not us, we do not control them, but they are available for sale to the eastern states. As I understand it, we are well exceeding 1 000 a game.

I have just been informed—I thought this was the case—that about 3 000 people a game come from outside Perth. That incorporates the regions as well as interstate. The objective was to fill 1 000 seats. It is a good outcome. It is working well. We are looking to improve it. I would like the packaging of hotels and the extension of people's stay from interstate to be refined so we get better outcomes in that activity. The Tourism Council Western Australia is assisting the stadium in marketing packages. I am not sure that we have got that right yet; we are still learning. That would result in people staying longer, rather than just coming to the game. The longer they stay, and the more regions they visit, the better the outcome for the state. There is work to be done around that, but it is going well. The argument is that 500 seats are coming on the market, but they are not coming from us. I suggest that they are the football clubs' seats. I am not across all the seating management and arrangements, but Tourism's part of it is not the reason the stadium is not selling out. We are getting what we need to. I would like to get more, and we always look to enhance what we can do to get better results. It is going pretty well at the moment.

The CHAIR: Members, there are four divisions to deal with over four hours. We have now come up to two hours and we are still on the first division. I am just pointing that out to you.

Mr P.J. RUNDLE: This will be my final question on this area. I agree that I would like to maximise the tourism benefits of those packages and seats. Is there any chance of providing supplementary information for each match, say in the last AFL season, to indicate the number of seats that were not taken up from that arrangement?

Mr P. PAPALIA: The stadium is not under my portfolio. The stadium management knows those sorts of details. What we know is how many people came from outside Perth. The member needs to ask VenuesWest his question. The Minister for Sport and Recreation has portfolio responsibility for that. The guys here today are not responsible for that and do not know that information. We have been informed that 65 000 people over the last season came from outside Perth, from interstate and regional areas. That is the home-and-away games and the finals.

I will give the member some supplementary information; it is more tourism information. I will undertake to provide to the member a table providing total visitors during the season and the finals; total visitor nights as a result of those visitors; and total visitor expenditure as a result of those visitors from interstate and intrastate attending AFL games at the stadium.

[*Supplementary Information No B23.*]

Ms L. METTAM: Obviously, a lot of activity is coming up at Optus Stadium. It has been well stated that last year we had a lot of domestic visitors in particular to Western Australia as a consequence of the successful AFL season and events at Optus Stadium. What work is being undertaken by Tourism WA to leverage off those activities? What activities are happening in Perth and around the metropolitan area to leverage off the opportunity of having the Bledisloe Cup and Manchester United here, and the AFL season, which is so instrumental to our domestic tourism growth?

Mr P. PAPALIA: I will correct some ill-informed and incorrect claims that were made around tourism last year and that have subsequently proven to be baseless. One of them was the suggestion that the only reason for the increased visitor numbers to Western Australia was the stadium. That is not true. Western Australia just had the biggest visitor numbers to the state in history. The claim that the visitor numbers increased as a result of only AFL at the stadium is ridiculous. I place that on the record.

[11.00 am]

With respect to the events coming up, Tourism WA is working to ensure that we market the packaging of those events. We want to attract people to see more than just the event. We want to exploit the fact that we have the most affordable, high-quality hotels in the country that are willing and engaged to sell any event as a package around accommodation and potentially other attractions. Right now, a lot of work is being done with aviation players as well to link interstate travel with packaging for events like this. Tourism WA will be assisting with the marketing of those events, but we are trying to focus on getting people to stay longer and get out into the regions as well. That is just part of what Tourism WA will do.

Ms L. METTAM: Are any events or initiatives happening in Perth at that time to ensure that some vibrancy and activity is going on during what is traditionally a quieter time in our capital city?

Mr P. PAPALIA: The provision of an attraction and vibrancy has been achieved through the events. We need to ensure that we get the most benefit out of people coming to the event by getting them staying longer. That requires us to market packages that incorporate deals on accommodation. For example, if a person stays longer, they might get an additional discount or a more attractive cost. We will also do some marketing around people getting out into the regions, which is part of what Tourism WA does all the time. There are discussions about potentially getting flight packages so that people see an attractive airfare linked to a big event and the opportunity to stay longer in Perth or get out to the regions. That is our priority and how we will get the greatest value out of those events. The Manchester United and Leeds United game is a great event. It is a 10-day full-on proper training camp. They are not coming to muck around; they are coming for a proper training camp. There are two significant games, but there are a range of other ticketed events, such as a 1 000-seat legends dinner. When Man U travels, it brings with it the legends of the game, and the manager will also be at that dinner. There is also a golf day with the legends and the manager. There are open training sessions and other opportunities to witness the fact that the team is in town, but there are ticketed events beyond just the game.

Ms L. METTAM: Will additional marketing funds be committed to regional dispersal?

Mr P. PAPALIA: I do not think we have to do anything additional. The funding is adequate and it will be used to exploit those games and events.

Mr A. KRSTICEVIC: I refer to page 190 and the significant issues impacting the agency. The budget papers refer to the Western Australian industry participation strategy and the Western Australian Jobs Act. The WA Jobs Act that was created by the minister's government defines local content as any state or territory in Australia and New Zealand. We have seen lots of contracts go interstate and overseas. Can the minister tell me how he will make

sure that more Western Australian businesses get work under this legislation; and how will he try to contravene his government's legislation and stop work from going to the eastern states and overseas?

Mr P. PAPALIA: No, I cannot, member. The member has to ask the Premier about that. It does not come under my portfolio.

Mr A. KRSTICEVIC: The minister just talked about more Western Australian businesses getting a greater share of —

Mr P. PAPALIA: We are dealing with the division on the Department of Jobs, Tourism, Science and Innovation, which encompasses a range of portfolios. The particular matter to which the member refers is the responsibility of the Premier.

Mr A. KRSTICEVIC: Then I will refer to page 191 and paragraph 14, which states —

Tourism generates \$10.4 billion for the Western Australian economy and supports more than 104,000 jobs.

What is the minister going to do to ensure that the job figure grows and that contracts are not given to the eastern states and New Zealand, as per the government's jobs act? What will the minister do to support Western Australian businesses to navigate the WA Jobs Act so that they can get local jobs rather than contracts going to the eastern states and overseas to New Zealand, as we have seen happen many times now?

Mr P. PAPALIA: That was a bunch of waffle.

Mr A. KRSTICEVIC: It is about jobs in WA and supporting businesses—it is not waffle.

Mr P. PAPALIA: Member, I am trying to answer —

Mr A. KRSTICEVIC: If the minister wants me to explain it to him, the question was about jobs in WA.

Mr P. PAPALIA: I have no idea what the member is trying to get at with regard to tourism. I can tell him that we fixed the mess we inherited.

Mr A. KRSTICEVIC: This government has given tourism jobs to Queensland and other states.

The CHAIR: Members!

Mr P. PAPALIA: The previous government's contribution to tourism was the worst in the history of the state. It had no leisure market. It let the leisure market collapse under the boom.

Mr A. KRSTICEVIC: I am asking the minister about the WA Jobs Act —

Mr P. PAPALIA: No, the member is just talking—he is not asking anything.

The CHAIR: Minister and member for Carine! The member has asked a question. I give the call to the minister—through the Chair, please. Member for Carine, please do not interject anymore or I will call you.

Mr P. PAPALIA: I think the member was not in the chamber—he often does not listen in question time—so he may be unaware that 2018 saw the biggest number of tourism visitors to Western Australia in the state's history. That was a direct consequence of the two-year action plan launched in March last year to rectify the mess that we inherited. During the boom, we did not have a leisure market; we had a business traveller market. That market ended when the boom ended and the previous government had taken no action to prepare for it.

Mr A. KRSTICEVIC: I am not asking a question about that.

Mr P. PAPALIA: You asked about tourism, mate. You are going to get an answer about tourism.

Mr A. KRSTICEVIC: I asked about the WA Jobs Act.

The CHAIR: Member for Carine, let the minister give the answer, please.

Mr P. PAPALIA: The Tourism 2020 strategy was failing because it was written at a different time from the environment we confronted in 2017 when we took office. We asked Tourism WA to work with industry to develop a plan of immediate action that could respond in the short term. That was launched in March 2018 and it is working. WA has seen the biggest tourism numbers in its history, which benefits every small business, every member of the hospitality sector and every tourism operator. It has benefited the Western Australian economy right across the board. That is the consequence of a plan that was developed to rectify the previous government's failures, and it is working. Any number of local operators benefit from the efforts that we make to bring new visitors from outside the state to Western Australia. That is essential, because if more people come to WA, more people fill our hotel rooms and use our hospitality outlets and tourism operators, which creates jobs. That is the best thing that we can do and it is fully in compliance with the focus on growing local content. Those businesses are benefiting from that plan. The member can talk about other portfolios, but they are not mine. If he wants to talk about the jobs act, he should talk to the Premier.

We are going to run out of time. We have four other portfolios to address.

Extract from Hansard

[ASSEMBLY ESTIMATES COMMITTEE B — Wednesday, 22 May 2019]

p275c-292a

Chair; Ms Libby Mettam; Mr Paul Papalia; Mr Peter Rundle; Mr Bill Marmion; Mr Tony Krsticevic

Ms L. METTAM: I refer to page 190 of budget paper No 2, and specifically the target of an additional 150 000 new jobs by 2023–24. How many new tourism jobs is the minister anticipating will be created out of this 150 000 jobs, and when does he anticipate the 1 200 jobs lost under the tourism portfolio in 2017–18 will be regained?

Mr P. PAPALIA: We know that in 2018 the biggest number of tourism visitors came to Western Australia in our history. The ill-informed and unfounded claims about job losses in the tourism sector were basically wrong.

Ms L. METTAM: By the Tourism Council.

Mr P. PAPALIA: They were made based on some sort of bizarre —

Ms L. METTAM: Reduction in spend.

The CHAIR: Member!

Mr P. PAPALIA: — projection from a perceived drop in spend under the member's government as a consequence of its failures in 2017. Tourism Research Australia's data is released quarterly but it reflects only the previous 12 months. Until the last lot of data, we were burdened with the failures of the member's government.

[11.10 am]

Ms L. METTAM: You made some significant changes.

Mr P. PAPALIA: The worst year in recent times that has confronted the tourism sector was 2017 when we inherited the member's government's failed policies, failed budget, failed strategies and the structures it had put in place. That all changed, and in March 2018 we launched the two-year action plan. We now know that the 12 months to December 2018 saw the biggest number of visitors to Western Australia in history. Those are the facts. Anything else the member says is just waffle.

The appropriation was recommended.

Meeting suspended from 11.10 to 11.15 am