

**Division 12: Gascoyne Development Commission, \$256 000 —**

**The CHAIRMAN:** The member for Warnbro.

**Mr P. PAPALIA:** I refer to the first dot point on page 172 of the *Budget Statements*. Minister, the last sentence reads —

However, an important issue that will impact the opportunity for growth is the quality of aviation services provided to the region. Tourism should be recognised as a critical driver in the selection of air service providers to the region.

I agree with that, but I am just wondering what involvement the Gascoyne Development Commission had with the allocation of aviation services with regard to regulation in the region recently and what involvement it looks like having in the future. What involvement, if any, has the development commission had with respect to the state aviation strategy that was announced this year by the Minister for Transport, and what involvement does it look to have in the future development of that strategy?

**Mr D.T. REDMAN:** Across all the development commission blueprints and the development work that has happened so far in bringing into sharp focus the significant drivers of the economy and things that can unlock potential, tourism is one that is rising to the surface. The Western Australian Regional Development Trust has also highlighted the importance of tourism across regional Western Australia as something that is probably a bit underdone, and I even said recently in a couple of speeches that I think we underdo tourism in the regions and it is something that I think needs strong support. The member for Warnbro's point is valid in terms of tourism being something that has a lot of potential. A number of investments have been made in different development commissions to support tourism initiatives in their particular region. The aviation strategy is the remit of the Department of Transport and therefore the Minister for Transport, so he has direct responsibility for that. He would have had, and did have, a process in developing the state aviation strategy. I am not aware of development commissions directly having —

**Mr P. PAPALIA:** That is why I am asking. I would like the development commission to answer.

**Mr D.T. REDMAN:** Yes, but we are talking specifically about Gascoyne here.

**Mr P. PAPALIA:** Yes. Specifically relating to that dot point, I want some sort of indication of what the process involved is with respect to its consultation. Was it involved, and to what extent does it look like being involved in the future?

**Mr D.T. REDMAN:** I will ask the acting chief executive officer of the Gascoyne Development Commission, Linda Gray, to make the comment.

**Ms L. Gray:** I respectfully agree with Mr Redman that the Department of Transport is responsible for the changes that have impacted very much on the Gascoyne region in regard to the transfer from Skywest to Skippers. On Wednesday this week, the Department of Transport is attending Carnarvon —

**Mr P. PAPALIA:** Please speak closer to the microphone.

**Ms L. Gray:** I am sorry. Did the member for Warnbro catch the first bit?

**Mr P. PAPALIA:** I am half deaf—too many explosions!

**Ms L. Gray:** Obviously, the Department of Transport is responsible for the change in the regulatory services to the Gascoyne region—the change from Skywest to Skippers. The Department of Transport is attending Carnarvon this week for a consultation session in regard to the changeover that impacts in 2016, which will be the end of the deed it has with Skippers. We are very much a part of the consultation process and also the strategic planning for the future; however, as stated, the responsibility very much sits with the Department of Transport. In answer to the member for Warnbro's query about the review of the strategy, yes, we reviewed it thoroughly and we submitted back to them, but we have had no feedback at this stage.

**Mr P. PAPALIA:** Through the minister, because this is what I am after. As to the allocation of the route to Skippers, was the development commission able to indicate, prior to that occurring, its view about the need for links with international routes and the benefits that can come from airlines that enable —

**Mr D.T. REDMAN:** International routes out of the Gascoyne?

**Mr P. PAPALIA:** No; listen. I am asking about airlines that enable booking from overseas through the same airline via an online booking service, and with the one airline, to enable people to transfer through Perth to the Gascoyne via the one airline, as opposed to having what is effectively an orphan service in Skippers running the route. Was the development commission able to contribute to that discussion prior to that decision being made?

**Mr D.T. REDMAN:** I will ask Linda Gray to make comments, if she can, to deal with the nature of the submission made by the development commission to the strategy.

**Mr P. PAPALIA:** That is what I am after.

**Mr D.T. REDMAN:** The elements of that submission, which I am assuming is public.

**Mr P. PAPALIA:** Was the development commission able to contribute? I know where the Department of Transport is working, but I am interested in whether it listened to the development commission at all.

**Ms L. Gray:** Unfortunately, I cannot say. It was back in 2010, and I would have to research the question to see what feedback there was. I am aware, however, that since 2010-11 we have pushed very strongly for us to address the deficiency of not being part of the global distribution system. We are very much pushing for that as being one of the key parts.

**Mr P. PAPALIA:** Does the minister acknowledge that it would be a key benefit of regulation to allocate a route to an airline with the capacity to market to overseas markets the ease of transfer via Perth to these regions? Otherwise it is kind of pointless and it was not really a good deal to allocate it to Skippers.

**Mr D.T. REDMAN:** There are a number of questions there, but if I can respond more generally I think the member's point is a sound one about how resources are allocated for regulated routes where market failure actually occurs. What has driven a lot of these routes in recent times has been the resource economy. The backbone commercial flights and commercial patronage has been one of the drivers that has helped these airlines service these regions. Through the transport minister—again, it is not my remit; it is his business and ultimately that goes to cabinet for sign off—there can be an impact on getting services to areas where there is market failure in a number of ways. Either a bunch of routes can be packaged up and put out to market that includes profitable routes and less profitable routes, and undertake that in signing up to that the airline needs to deliver so many services into some of the less profitable components of that; or that route can be straight-out subsidised, which I think we do for the airline services across the north. A straight-out subsidy of something like \$1 million a year goes into those northern links that allows a service to happen where a commercial service is not occurring. If we change the level of support either by the regulated package or by a level of subsidy, it will impact upon the commercial decisions that those operators make. The National Party actually made a submission on this because it feels quite strongly about the impact on regulated routes to maintain services into those regions.

Packaged up with that, the discussion about tourism and taking it to the next level in international markets is a significant one. I was up in Broome recently; Broome has taken an absolute hiding in recent times. There is a lack of patronage into Broome, and a decrease from the level it has historically had. We are in discussions now with the South West Development Commission around the potential for an upgrade of Busselton Regional Airport to take planes from interstate as a strategy of accessing people from the eastern states of Australia into an iconic region such as the Margaret River region of Western Australia. Those are, again, the sorts of decisions we get to make around this table and in the deployment of our resource.

**Mr P. PAPALIA:** As minister responsible for representing, in this case, the Gascoyne Development Commission, what did the minister do, as part of the process of allocating this route, to advocate on behalf of a better service that would enable not only overseas but also interstate visitors to access this route more easily because of a more linked-in service, rather than an orphan-type service such as the one provided by the airline that got it in the end?

**Mr D.T. REDMAN:** I will answer at two levels. The development commissions are authorities in their own right, and they make submissions for these. It is their job to do that and advocate for their region and the things they think —

**Mr P. PAPALIA:** It is the minister's job to argue in cabinet.

**Mr D.T. REDMAN:** It is, but that ultimately comes through the Minister for Transport and comes to cabinet. I am not going to talk about the deliberations of cabinet, but that is the point when the sharp point of those discussions actually occurs.

**Mr P. PAPALIA:** It sounds like it has just been stovepiped. The elevation of tourism to a higher profile is last-minute now; the minister is talking about it in the future for the next allocation of that area. We missed the opportunity in 2011.

**Mr D.T. REDMAN:** No. Is the member for Warnbro talking about expenditure of royalties for regions —

**Mr P. PAPALIA:** No, I am talking about the minister acting on behalf of these regions to improve the benefit they receive from tourism. It is a key economic activity. I know it is not the minister's portfolio, but —

**The CHAIRMAN:** I do not want a debate here.

[11.40 am]

**Mr D.T. REDMAN:** I make the point that significant investments—I think a total of \$6.1 billion—have been allocated and acquitted since royalties for regions came into place. Part of that is about developing the capacity of regions to cater for population growth and to have the infrastructure to support that, and part is about those initiatives that unlock potential—tourism is one of those. I spoke at the Committee for Economic Development of Australia conference in Broome recently. Broome's economy is built around resources, agriculture and tourism, so tourism is a platform that is coming through. The notion of being more strategic, member for Warnbro, which is what the opposition and others call for, came out of the Duncan review; development of the blueprints for identifying those things that trigger and unlock potential has come through that process. Quite rightly, these development commissions will and do advocate on behalf of their regions for things that can unlock potential. As we move forward with investment decisions that we make, they should quite rightly fall in behind the blueprint work that has been done. It is not only decision-making through cabinet about the nature of regulated routes, but also investment in capacity in these regions. For example, we will hear more about Aboriginal tourism capacity very soon. It is also about in the future being more strategic about unlocking potential. What are the things that unlock potential in the south west? One potential opportunity is upgrading Busselton airport so that it can receive traffic from interstate.

**Mr M. McGOWAN:** I have a brief question. I refer to page 172. Is there money in the budget to provide new aged-care facilities in the Gascoyne region; and, if so, when and how many beds, and what will the staffing arrangements be?

**Ms L. Gray:** This may relate to the Department of Regional Development in regard to funding for aged care. The funding that we have received is for close collaboration with the Shire of Carnarvon in identifying land suitable for aged care. There is also another project to do with aged care, but that is under the auspices of the Department of Regional Development.

**Mr M. McGOWAN:** My question remains: is there an aged-care facility being funded by the state, which I think was promised before the state election?

**Mr D.T. REDMAN:** Does the Leader of the Opposition mean capital or operating expenditure?

**Mr M. McGOWAN:** I refer to capital. Is there an aged-care facility being funded by the state; and, if so, how many beds will it have and how will it be managed?

**Mr D.T. REDMAN:** Linda Gray would not mind making a comment in direct response to that question.

**Ms L. Gray:** There is a differentiation between the two, of course. There is high-end care, which is also funded by royalties for regions and is in the process of being completed as part of the Carnarvon Health Campus initiative. There is also a small project that has been done in regard to independent living units. We are working with the Shire of Carnarvon to identify land for that. There are actually two aged-care initiatives in the Gascoyne region at the moment and there are separate high-level care facilities intended.

**Mr D.T. REDMAN:** I make the point, Leader of the Opposition, that that is part of the North West Health Initiative, which is under the Department of Regional Development, which would be the appropriate place to ask the question. An amount of \$161 million has been allocated through the budget around health. I imagine that components of that would pick up aged care as a theme.

**Mr M. McGOWAN:** Can I get final clarification on lower level care, which I think was the commitment of the government back in 2012? A facility of 16 beds or thereabouts was to be constructed in Carnarvon, from memory. Is that in the budget; and, if so, when, and how much is allocated to it?

**Mr D.T. REDMAN:** I imagine that would be a regional development question, but I am happy to take that on notice.

**Mr M. McGOWAN:** It is a dot point in this division. Can I get that by way of supplementary information?

**Ms L. Gray:** In regard to that, there is also an initiative under the Gascoyne revitalisation plan that is being worked on at the moment. That is a joint initiative between the Department of Regional Development and the Gascoyne Memorial Foundation. I think that is approximately \$21 000 and is sitting mid-level in the fact that it is independent living but it is not high end. My apologies for the error; there are actually three projects. One of them is under the Gascoyne Development Commission and the other two are under the Department of Regional Development under the Gascoyne advisory group. The information on that is through the Department of Regional Development.

**Mr M. McGOWAN:** I ask by way of supplementary information exactly what facilities will be built and when, how much has been allocated, and how many beds will be part of that.

**Mr D.T. REDMAN:** I am happy to provide that in response to the question from the Leader of the Opposition. Did he say that was related to a commitment given in 2012?

**Mr M. McGOWAN:** I referred to 2012. I am after what aged-care facilities the state is funding via the Department of Regional Development or the Gascoyne Development Commission. In what years will they be constructed, how many beds will there be, what is the funding and how will that be managed?

**Mr D.T. REDMAN:** I am happy to provide that information.

*[Supplementary Information No B6.]*

**The appropriation was recommended.**