

**STANDING COMMITTEE ON  
ESTIMATES AND FINANCIAL OPERATIONS**

**2021–22 BUDGET ESTIMATES**



**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
THURSDAY, 21 OCTOBER 2021**

**SESSION THREE  
DEPARTMENT OF JOBS, TOURISM, SCIENCE AND INNOVATION**

**Members  
Hon Peter Collier (Chair)  
Hon Samantha Rowe (Deputy Chair)  
Hon Jackie Jarvis  
Hon Nick Goiran  
Hon Dr Brad Pettitt**

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**Hearing commenced at 2.00 pm**

**Hon ALANNAH MacTIERNAN**

**Minister for Regional Development representing the Minister for State Development, Jobs and Trade, examined:**

**Ms REBECCA BROWN**

**Director General, examined:**

**Mr CHRIS CLARK**

**Deputy Director General, Resources and Project Facilitation, examined:**

**Ms SIMONE SPENCER**

**Deputy Director General, Strategy and International Engagement, examined:**

**Ms LINDA DAWSON**

**Deputy Director General, Industry Science and Innovation, examined:**

**Ms CAROLYN TURNBULL**

**Managing Director, Tourism Western Australia, examined:**

**Ms RENATA LOWE**

**Acting Executive Director, Destination Development, examined:**

**Ms CAROLINE CHERRY**

**Executive Director, Infrastructure, Planning and Economic Development, examined:**

**Dr DEBRA COUSINS**

**Executive Director, Science and Innovation, examined:**

**Mr RENATO SANSALONE**

**Chief Financial Officer, examined:**

**Mr COLE THURLEY**

**Chief of Staff, examined:**

**The CHAIR:** I would like to welcome everyone to today's estimates hearing. The committee acknowledges and honours the traditional owners of the ancestral lands upon which we meet today, the Whadjuk Noongar people, and pays its respects to their elders, both past and present.

Can the witnesses please indicate that they have read, understood and signed a document titled "Information for Witnesses"? Just a nod is fine.

**The WITNESSES:** Yes.

**The CHAIR:** Your testimony before the committee must be complete and truthful to the best of your knowledge. This hearing is being recorded by Hansard and broadcast live on the Parliament's website. The committee will place the uncorrected transcript of your evidence on the internet a few days after the hearing. When the transcript is finalised, the uncorrected version will be replaced by

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the finalised version. This is a public hearing but the committee can elect to hear evidence in private. If for some reason you wish to make a confidential statement, you should request that the evidence be taken in closed session before answering the question. Members, before asking your question, I ask that you provide the relevant page and paragraph numbers. However, as I have said previously, in the Legislative Council we provide quite a bit of latitude with that.

Minister, would you like to make an opening statement?

**Hon ALANNAH MacTIERNAN:** I do not think I will—I will pass so that we can move more quickly—other than to say that in respect of my function as Minister for Hydrogen Industry, I think we have made considerable progress in the last year. We are seeing over 30 projects in Western Australia emerging. We are very confident that we are going to have a very significant role to play in this new world industry

**The CHAIR:** Thank you. Committee members, any questions?

**Hon JACKIE JARVIS:** I am now regretting not having a hydrogen question. I do not have a hydrogen question, I am afraid! I refer to page 212 of budget paper No 2, volume 1, and the election commitment of \$6 million for wind turbine manufacturing. The line item at the top of page 212 says that the government will invest \$6 million in land acquisitions as part of its election commitment to support the development of wind turbine manufacturing. I am just wondering is the \$6 million for the land to put the wind turbines on, or is that \$6 million for a manufacturing facility or hub?

**Hon ALANNAH MacTIERNAN:** Who would be best placed to respond to that?

**Ms DAWSON:** Thank you for the question. We have done a prefeasibility study on that work. An industry action group is associated with that, which has representation from most of the major fabricators here, and also some of the industry partners in the mining sector who would be looking to secure wind turbines. The funding is to assist in the development of a wind turbine manufacturing capability here, so to look at the pathways to land access and land enablement, as well as what we would need in terms of infrastructure to facilitate such a facility being established here in WA, and then also the capability that we would need through workforce development activity. It is a combination of a number of things. Obviously, \$6 million will partially secure some of the land access requirements.

**Hon JACKIE JARVIS:** This is following on from the renewables theme. On page 215 is a line item—I am not even sure that I will pronounce this right—“Cathode Active Manufacturing Industry”. I am trying to work out if this is linked to the future battery and critical minerals industry strategy.

**Hon ALANNAH MacTIERNAN:** Sorry. What line is it?

**Hon JACKIE JARVIS:** At page 215, there is a line item “Cathode Active Manufacturing Industry”. I am trying to work out that funding is.

**Hon ALANNAH MacTIERNAN:** We will look for the descriptor of that, but obviously we have been very focused on developing a battery industry here in Western Australia. Minister Johnston has largely been running this particular part of state development. Obviously, the cathode active manufacturing industry is part of getting us involved. We have refining capacity obviously coming on board with Tianqi at Kemerton, with Albemarle. What we are trying to do is work our way up the value chain. The cathode active material manufacturing represents a step up the food chain.

We are looking to attract a PCAM manufacturer to the state as part of an overall \$13.2 million project. We have sourced intelligence from consulting firms on the manufacturers and we are targeting, so we have prepared a shortlist of companies, some from East Asia and some from Europe, that would be open to investing here. The Premier has recently corresponded with those

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parties to get this process underway. It is about making sure that you are identifying the players that might be interested in doing this and certainly have the technical capability. We are in that part of the process where we are attempting to elicit interest.

[2.10 pm]

**Hon JACKIE JARVIS:** I have one more question, if I may. It is actually the last point on page 205. I cannot actually find a budget line item that matches, sorry. I am just interested in research collaboration through cooperative research centres. From memory, I think the CRCs are joint commonwealth–state research centres. I was just interested in what the commitment is with regard to research collaboration with the cooperative research centres.

**Hon ALANNAH MacTIERNAN:** The model, obviously, has been in Australia now for a number of years, which is where various universities and industry and government entities come together to invest strategically. We have been very keen, of course, to headquarter a number of these CRCs in Western Australia. Six of the CRCs are currently headquartered here. We have cyber security; the honey bee products CRC, which is a very interesting organisation; MinEx CRC; the Future Battery Industries CRC; the CRC for Transformations in Mining Economies; and the Future Energy Exports CRC. They are the ones where we are headquartered, but there is also a range of other CRCs that we are members of: SmartSat CRC, Future Battery Industries CRC, Cyber Security CRC, Food Agility CRC. There might be a couple of others that are not listed through this agency. I know we have a collaboration with the Blue Economy CRC and we are doing some joint investment with the Blue Economy CRC, although we may not have formally been an industry partner.

**Hon SAMANTHA ROWE:** Minister, I have two questions. The first one is around the tourism industry and tourism grants. It is on page 215 of budget paper No 2, volume 1. The line item is right down towards the end. I am just wondering if you are able to outline what support has been made available already to the tourism industry, and if there is anything else that you would like to add.

**Hon ALANNAH MacTIERNAN:** This is part of the tourism recovery program?

**Hon SAMANTHA ROWE:** The line item is “Tourism—Other Grants and Sponsorships”. It is right down the end of page 215.

**Hon ALANNAH MacTIERNAN:** If we are looking at the second-last line item, that is just a range of sponsorships; it is not particularly focused on the COVID recovery. It tends to be those projects that the department has traditionally supported. I do not know whether anyone can give us some examples of the types of grants and sponsorships that is, but I presume it is probably things like the Gourmet Escape and some of those.

**The CHAIR:** You have stumped them.

**Hon ALANNAH MacTIERNAN:** Basically, they are sponsorship arrangements that we have with groups like the Australian Hotels Association and the Tourism Council WA, and some other sundry programs.

**Hon SAMANTHA ROWE:** If I have may, still on tourism, obviously, during the COVID pandemic, particularly last year, they have been under a lot of stress in terms of not being able to have interstate and international tourists come. What sort of things has the government been able to do and provide to the tourism industry during that COVID pandemic time?

**Hon ALANNAH MacTIERNAN:** I thank the member for that; it is a good question. Obviously, we had the early shutdowns, which really pretty much meant no industry whatsoever, but of course we dug ourselves out of that lockdown pretty quickly. There is no doubt that COVID and the international and interstate travel restrictions have fundamentally changed much of the industry. It would

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probably be true to say that across Australia in terms of international tourism, Australians spend more overseas than tourists spend here. I think Australia-wide there is about a \$20 billion difference between those two things. But it does not mean then that tourism has not taken a big hit, because a lot of that extra money that stayed in Australia was being spent on household extensions, new carpets, new televisions—a whole raft of things. Whilst I think it is pretty clear for anyone who is trying to get a booking anywhere from Albany to Kununurra that keeping people confined, shall we say, to the state has meant an absolute fluorescence for much of the industry, there certainly have been pockets that have struggled—perhaps those people who were in the experience travel, which locals are less likely to do, or because they had a product uniquely geared to the overseas market or the interstate market. I think we saw most recently the impact on big events coordinators, who do rely on there being interstate trips. We have had a whole variety of payments. Carolyn, do you want to comment on this one?

[2.20 pm]

**Ms TURNBULL:** I can certainly add to that. We have obviously contributed a significant amount of support to the sector, more recently, a \$16.8 million WA tourism and travel agent support fund, which was co-funded by the Australian government to assist tourism and travel agent businesses here locally with some of the financial impacts resulting from much of the country being under significant pressure from COVID, of course.

Last year, we distributed more than \$14 million to tourism businesses throughout the state through recovery grants in 2021. The agency continues to support the state's tourism sector through recent domestic marketing campaigns, the likes of the Kimberley Wanderer Pass and the recent ReLook and Book campaigns, to support operators and a lot of cooperative marketing activities throughout our local tourism partners throughout the state to drive that intrastate traffic and also with our interstate partners through the travel trade distribution network to ensure that we are keeping that message warm across all our interstate major markets, particularly those that remain open to Western Australia. There have been a lot of initiatives taking place.

**Hon NICK GOIRAN:** Minister, can I ask you to turn to budget paper No 2; it is volume 1, page 214. This sets out the controlled income statement for the department. The line item that is of particular interest at this time is the one entitled "Supplies and services"; you will see that as the third line item down. You will see that the estimated actual for last financial year is just over \$71 million but that doubles in the budget. What is the explanation for that increase?

**Hon ALANNAH MacTIERNAN:** You mean that the budget figure is greater than the actual expenditure; is that what you are referring to?

**Hon NICK GOIRAN:** No. The estimated actual for the last financial year is \$71 million, but for this budget year that we are in at the moment, it is more than double.

**Hon ALANNAH MacTIERNAN:** Renato, would you like to that question?

**Mr SANSALONE:** The increase is largely driven by the implementation of the 2020–21 election commitments funded from 2021–22 onwards and we also see a large amount of recovery program expenditure occurring in 2021–22 as well.

**Hon NICK GOIRAN:** Further to that, the \$77 million increase, is that all election commitments?

**Hon ALANNAH MacTIERNAN:** Can I just perhaps get a clarification here because I note that the actual budget estimate in 2020–21 was actually almost \$94 million so there was a considerable underspend in that year, presumably because of COVID factors. Would some of that increase in the 2021–22 budget be deferred expenditure? Perhaps if you could explain that, Renato.

**Mr SANSALONE:** As the minister just said, there was an underspend in 2020–21 and the agency has looked to defer some of that expenditure budget over 2021–22, which would account for some of that increase as well.

**Hon NICK GOIRAN:** Is it possible to provide a breakdown of the difference between the deferred amount and the election commitments proportion?

**Hon ALANNAH MacTIERNAN:** What we could do is give you a breakdown of the election commitment components.

**Ms BROWN:** The other aspect I was going to add, which the chief financial officer mentioned, is the aspect which relates to the agency having responsibility for implementing 29 of the initiatives as part of the state government's recovery plan. Those initiatives are a mix of short, medium and long-term infrastructure and non-infrastructure initiatives across a range of sectors and industries, including tourism, international education, defence, the renewable hydrogen space, resources and steel fabrication. Many of the initiatives are also implemented within that year; in addition, to election commitments, they will also be part of that increase.

**Hon NICK GOIRAN:** Let us try to get a focused answer or, alternatively, it could be taken on notice, minister. As you quite rightly pointed out, there is \$22 million that has been underspent in the last financial year, and as you indicated the response might be because of COVID. Can we get an indication, even if it is taken on notice, of how much of that \$22 million is intended to be deferred and spent in the current budget of 2021–22?

**Hon ALANNAH MacTIERNAN:** What we will look at is items of expenditure from the 2020–21 year that were deferred from that year and are now being accommodated in the current budget.  
[*Supplementary Information No C1.*]

**Hon NICK GOIRAN:** Further to that, Mr Chair, then separate to that, minister, can we get then an indication of the proportion of the \$148 million in that budget estimate which is for election commitments?

**Hon ALANNAH MacTIERNAN:** You can have a look at the election commitments on page 215. This information is there very clearly in the budget paper on page 215 under the heading "Election Commitments".

**Hon NICK GOIRAN:** I have page 215, minister.

**Hon ALANNAH MacTIERNAN:** It has "Details of Controlled Grants and Subsidies".

**The CHAIR:** I think they are only grants, though. That is a different line, minister.

**Hon JACKIE JARVIS:** The total on page 215 relates to the item above "Details of Controlled Grants and Subsidies".

**Hon NICK GOIRAN:** That is right, whereas we are asking for "Supplies and services" at \$148 million. I am happy for it to be taken on notice.

**Hon ALANNAH MacTIERNAN:** Just give us one minute.

Let us shortcut it. So C2 will be a list of any election commitments that are contained in that line, "Supplies and services".

[*Supplementary Information No C2.*]

**Hon Dr STEVE THOMAS:** I refer to budget paper No 2, volume 1, page 202. The top of the page has a list of spending changes and the first group of those are elections commitments. But within that entire group of spending changes, I note in the election commitments the industry and attraction fund of Collie gets basically \$1 million. My assumption is that that is funded out of royalties for

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regions and transferred to this department somehow. Can I just get confirmation of that and then ask if there is any other expenditure, including changes of expenditure, that are actually funded from royalties for regions going through this department?

**Hon ALANNAH MacTIERNAN:** My understanding is that the Collie expenditure is included in our list of RforR projects.

I can provide—I hope this is correct.

[2.30 pm]

**Hon Dr STEVE THOMAS:** So do I!

**Hon ALANNAH MacTIERNAN:** But we have a list of RforR projects that are funded through this department. Sorry, member, I was looking for you over there.

**Hon Dr STEVE THOMAS:** I know; I have shifted.

**Hon ALANNAH MacTIERNAN:** Some relate to Oakajee, prep work that is being done in various other industrial estates, but I am happy to provide that as C3.

[*Supplementary Information No C3.*]

**Hon Dr STEVE THOMAS:** Can we table that list somehow?

**The CHAIR:** It will come in as C3.

**Hon ALANNAH MacTIERNAN:** That will be a list of projects that are funded, which are accredited against RforR, that are being delivered by the department.

**Hon Dr STEVE THOMAS:** By JTSI; thank you. I appreciate that.

On pages 210 and 211—it does not matter whether we deal with it under “Destination Marketing” or “Tourism Destination Development”. I want to ask about tourism’s interactions on the south coast, in particular, the collapse of the Amazing South Coast project. This is something that I have discussed with the previous tourism minister on a few occasions. What is the department’s, or the government’s—I guess more appropriately—view on the collapse of that particular enterprise? Is the government going to support the establishment of an alternative? Where do south coast tourism businesses plug in then to the system in terms of Tourism WA, Tourism South West and wherever else they might need to assist themselves?

**Hon ALANNAH MacTIERNAN:** The Amazing South Coast brand was always a little controversial. It would be fair to say that whilst one or two people in particular were heavily focused on it, there was probably an even—well, there were a significant number of people who thought that that was not the best branding for the area. I certainly know that under our new CEO down there—of the development commission—she is certainly working with a number of agencies making sure that there are plenty of structures in place. I do not know whether, Carolyn, you want to comment on the other work that is going on and how it intersects with the work that the commonwealth is doing. Are you across that because I note that you have only come to the department very recently?

**Ms TURNBULL:** Day 4, minister. I will add to that. The Amazing South Coast remains a key priority for Tourism Western Australia. We have focused our efforts to ensure that that part of the south west is elevated through our marketing initiatives with Australia’s South West, one of the five RTOs that we fund. The regions of Albany, Denmark and so on are certainly elevated throughout all our marketing activities, both in the intrastate and interstate markets. Additionally, we have placed a new staff member in Albany to focus on this area, as a tourism development manager. Our CEO for Australia’s South West, Catrin Allsop, is overseeing the Australia south coast region. We feel confident that we have got that area well covered.

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**The CHAIR:** So confirming, the Amazing South Coast is fully supported by the government?

**Hon ALANNAH MacTIERNAN:** The Amazing South Coast—let us just be clear about this—is a brand essentially.

**Hon Dr STEVE THOMAS:** Was a brand, perhaps.

**Hon ALANNAH MacTIERNAN:** It was a brand. I think, perhaps, maybe what Ms Turnbull was saying is that the tourism endeavour in the great southern is absolutely being supported, and not so much the commitment to the brand of Amazing South Coast.

**The CHAIR:** Thanks for that clarification.

**Hon Dr STEVE THOMAS:** So we are suggesting then that Australia's South West, which is not a bad organisation in itself, is putting a full-time person down on the south coast. Will they function effectively as Australia's South West? Is that the branding that they will be operating under?

**Hon ALANNAH MacTIERNAN:** Look, perhaps I will perhaps get Ms Turnbull to comment after this, but the Australian government has made, understandably, a decision about how they divide up their endeavour because they are covering the whole country. That does not necessarily reflect brands, right; so they have a whole south west. In many respects the south west—in our terms here—will be marketed differently from the great southern. The Porongurup wine region will be marketed differently from the Margaret River wine region even though you might have, at a federal level, a collective administrative body. That is not the same thing as a brand. The administrative arrangements in terms of divvying up where you put people and how you allocate resources is a different thing from the brand. I am hoping that we have good collaboration. What we always find—I know down in the great southern, that is one brand—is that every time you go to an area, when you go to an event at Gnowangerup, for example, where we opened the Bloom Festival a few weeks ago—there is a tendency for people to want to have very separate brands and separate promotions. But, obviously, at some level you need to have an administrative entity to sit on top of it. I think it is important to understand that there is difference between a brand and an administrative entity.

**Hon Dr STEVE THOMAS:** Perhaps I can try to pin this down and then pass on to someone else. In terms of a tourism operator in Albany or Denmark, in particular, if they were asked, “What is your regional tourism representative group?” it was kind of Amazing South Coast—sort of—previously; is it now Australia's South West, with the employee that is down there, or is it something else, or is it intended to become something else over time?

**Hon ALANNAH MacTIERNAN:** My understanding—I am happy for us to provide a more detailed analysis on this by way of an answer to the question—is that Amazing South Coast, for example, may have taken over Taste Great Southern. Taste Great Southern has now gone back, I think it is, to the Denmark Chamber of Commerce—or was it the Denmark tourism group?—to operate. I am happy to get a page for the member on what the administrative and brand arrangements are for the great southern tourism product.

**The CHAIR:** Does Ms Turnbull want to add anything?

**Hon ALANNAH MacTIERNAN:** We can provide that as C4.

*[Supplementary Information No C4.]*

**Ms TURNBULL:** I can, if you like. To provide more clarity on that, it is our intention to promote the south coast under the Australia's South West branding. Through all those marketing efforts, both domestically and internationally, that region will be very well covered. The ASW work with their operators; the visitor centre and local tourism organisations are all encompassed in the work that Australia's South West undertakes.

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**Hon Dr STEVE THOMAS:** Hopefully, we will see a large increase in the ASW's budget coming up.

**Hon TJORN SIBMA:** My questions relate to page 202 of budget paper No 2, volume 1. In the spending changes table, under "New Initiatives" is "Defence Industry Veterans Employment Scheme". When I look at the spend across the estimates I make the assumption that that is funding an FTE position; is that a correct assumption?

[2.40 pm]

**Hon ALANNAH MacTIERNAN:** We are talking on page 202, and it is which line item?

**Hon TJORN SIBMA:** The "Spending Changes" table, and the first line after "New Initiatives", which is "Defence Industry Veterans Employment Scheme".

**Ms BROWN:** In regard to that matter, the Defence Industry Veterans Employment Scheme is \$400 000 over three years to skill or reskill veterans for work in the defence industry and provide better access to employment opportunities. Funding will be provided to JTSI by the Department of Training and Workforce Development and will be paid as grants to individuals to meet education costs.

**Hon TJORN SIBMA:** That is to administer a grants scheme? Is it effectively \$130 000 in grants per annum?

**Hon ALANNAH MacTIERNAN:** It might be operating some of these programs.

**Ms BROWN:** Grants only.

**Hon ALANNAH MacTIERNAN:** Under this scheme, veterans can receive up to \$5 000 to meet educational costs. The collaborations are going on with TAFE to make sure that there are worthwhile packages available that can be delivered under that \$5 000.

**Hon TJORN SIBMA:** May I ask some questions about the purpose and the structure of that scheme then? I am making an assumption that the purpose of an individualised grant of around \$5 000 is effectively to translate skill sets or qualifications acquired in military service into the civilian realm?

**Hon ALANNAH MacTIERNAN:** I think there is a combination of purposes. One is ensuring that that cohort of people have skills to have deployment opportunities post their period of service, but it is also acknowledging that veterans are a pool of high-calibre individuals. I note talking to James McMahon, the well-known James McMahon, that some of those veterans get concerned from time to time that they are always cast as people who struggle, but there are many high-calibre individuals who have received extensive training in their time during service. This scheme is designed to ensure that we get that translation, to maximise the opportunities to translate that skill set, into jobs in the civilian defence area.

**Hon TJORN SIBMA:** Thank you, minister. I commissioned a piece of work probably two or three years ago privately which indicated the series of obstacles of employment transition, and one of them is pernicious attitudes about somebody's temperament or mental health condition, which is interesting. I think the services sector by far and away did not distinguish themselves very well in terms of their attitudes, but I understand as well, talking to service providers, that there is a lot of work that goes into, for example, translating CVs and the like. I cannot help but think that there is more of a structural issue here at play and whether or not there is any worthwhile piece of work—and this would probably have to occur on a national level as well as a state level—of effectively a ready reckoner of skills that can translate into a civilian qualification equivalent so that we basically run in Australia a dual qualification system, so that there is not the need to effectively requalify but potentially even downgrade skills, if you know what I mean. Is any thought being devoted towards the structural impediments, rather than the individualised translation, please?

**Hon ALANNAH MacTIERNAN:** It is a very interesting point and I do not know whether Linda has some specific comments on that comment about looking at the system as it is now and providing an enhancement or pathway for those skills to be translated, and whether or not work has been done within presumably the defence force on how those skills might more readily be translated.

**Ms DAWSON:** I can confirm there is a piece of work underway. JTSI and Defence West are working with the Department of Training and Workforce Development on exactly what you articulated to actually understand the skill sets that come out of defence and how they correlate and translate with industry capabilities, so you can get some recognised prior learning capability transition. They can look at their CVs and try to help them understand how to put that in language for the very industry that they are applying to so that it will make sense—if you are a captain, what does that mean in terms of a supervisor in industry? We are also working with the Department of Veterans' Affairs on that as well. There is work specifically being done in WA in that regard. I can confirm the DIVES money, the full amount, is awarded to grant recipients. There is no administration associated with it.

**Hon TJORN SIBMA:** That is excellent news and I await the outcome of that with a high degree of interest. Can I reflect on the Defence West–related dimensions here, not so much the spending changes table—that is an ongoing initiative—but I might just ask about the leadership of that, where that sits internally within JTSI. Can I ask the size of the Defence West office within the department?

**Ms DAWSON:** Defence West reports into my portfolio, into industry, science and innovation. Within the Defence West team there is budget allocation for 21 resources and the programs to be facilitated through that. That includes the Defence Science Centre, as well as the veterans' issues and support portfolio, defence industry capability building, and also, obviously, working with the primes and Defence more broadly; looking at the programs, and trying to attract those to Western Australia; and the infrastructure piece around the AMC and facilitating and working with Defence on that, alongside our broader industry of resources and energy.

**Hon TJORN SIBMA:** Again, it is an organisational question related to Defence West and its reporting. I understand that the executive director of Defence West has moved on. Is there an intention—forgive me my ignorance, but I presume you are at an executive director level yourself?

**Ms DAWSON:** No, I am deputy director general.

**Hon TJORN SIBMA:** Deputy director general, forgive me for the demotion. Is there an intention to fill that vacancy or to continue on in the reporting?

**Hon ALANNAH MacTIERNAN:** I will put that to the DG.

**Ms BROWN:** There is currently a recruitment process underway for the executive director role.

**Hon TJORN SIBMA:** When would you anticipate that that might be filled, director general?

**Ms BROWN:** I suspect the process and the appointment will be complete by the end of the year, subject to public sector processes, obviously, but it is well underway. It was publicly advertised and there is a process underway.

**Hon TJORN SIBMA:** With respect, and it is a question asked out of ignorance, does the department have a sense of the size—whether it be by market cap, volume of revenue or size of workforce—of the defence industry in Western Australia today? I do not expect that as a supplementary now, but if I put in a question afterwards, I would probably be able to extract that information.

**Hon ALANNAH MacTIERNAN:** I want to clarify, because I would presume that we have passed around and had a look at that. Could you give us a broad overview of what we think the size of the industry currently is, and whether or not you have a view of what it could be?

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**Ms DAWSON:** You may recall the *Western Australian defence and defence industries strategic plan* was launched a couple of years ago by the government. Articulated in that plan was an objective to double the size of the economic contribution of the defence industry to the state from \$3 billion to \$6 billion by 2030. We have had work done through WA Treasury Corporation to validate the baseline and the projection in terms of where the industry growth is likely to come from, and, certainly, we are confident that we are well on track to deliver.

[2.50 pm]

**Hon TJORN SIBMA:** With that doubling of growth as a broad objective, on what size workforce is that predicated and what is the gap now, because I understand, like every other sector, there is a significant shortage of skilled workers, particularly in shipbuilding. I think Western Australia has a deficiency of around 100 at the moment. I am not necessarily sure whether that is right. How are we going to progress or improve the size of the workforce? I understand there is an agreement with South Metro TAFE, but overall how do we intend to support the growth of that workforce?

**Hon ALANNAH MacTIERNAN:** I think we are getting down to extraordinary detail, but Ms Dawson may be able to comment on that.

**Ms DAWSON:** I will comment briefly on that. Certainly a piece of work has been done in concert between Defence West and the Department of Training and Workforce Development on the blue, grey and white-collar workforce requirements, both existing and future projections. We have been working with the Department of Defence on that and also the Naval Shipbuilding College on what skills requirements would be needed, dependent on what sort of programs arise, based on the shipbuilding program that is known to WA. Certainly we have capacity within the state to manage for that. We are within the hundreds of numbers needed; we are not in the thousands that are required. Certainly, shipbuilders are looking at automation processes, like all others, to get the efficiencies and it will move into a different skillset that they require. But certainly we have the capability here in WA.

**Hon ALANNAH MacTIERNAN:** Very good questions.

**Hon TJORN SIBMA:** I have plenty of time unencumbered by the demands of executive office, like you, minister. I have plenty of time to dream them up.

**Hon NEIL THOMSON:** I refer to the “Renewable Hydrogen” line item under “Spending Changes” on page 202. I assume there is a baseline in hydrogen. I could ask my first question in terms of the target baseload: is that the total funding associated with renewable hydrogen in the department? It is near the bottom of the table above the word “Other”.

**Hon ALANNAH MacTIERNAN:** This relates to recurrent. The total that has been allocated to renewable hydrogen to date is \$89.5 million. This particular line item is just additional money that has come in for staffing. We are expanding and increasing the seniority of some of the players. That relates just to the FTEs in the department that are dedicated to that.

**Hon NEIL THOMSON:** How many FTEs in JTSI are associated with the renewable hydrogen project?

**Mr CLARK:** We have a dedicated 11 FTE in the hydrogen unit itself, but then we have numerous other units that interact with that and provide services. We have a strategic projects area that manages some of the big renewable energy hydrogen projects, so a whole other team feeds into that. We have a kind of corporate policy area that again feeds into hydrogen and the role it will play in diversifying the economy. We have various kind of legal inputs and finance assistance as well, so it is a significant number of FTEs.

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**Hon NEIL THOMSON:** How many of those FTEs associated with that would have expertise in the Land Administration Act and the Native Title Act?

**Hon ALANNAH MacTIERNAN:** We have expertise across government in those areas. For example, on land tenure issues, we work very closely with the Department of Planning, Lands and Heritage. Indeed, we have a ministerial task force, which comprises myself, the Minister for Lands and the Minister for Mines and Petroleum in order to bring resolution on those issues. We do not necessarily reinvent the wheel on all of those things, but we work with the experts in those other areas. Although I have to say, some of the people, for example, in major projects—so where a hydrogen project has been elevated and given a lead agency status, the people who oversee that within the department have a working knowledge of the Mining Act and of the native title legislation and of the Land Administration Act, so they have some competency. But we work closely, particularly through this ministerial task force, on trying to resolve those issues jointly.

**Hon NEIL THOMSON:** I appreciate that, and you have answered the question I was going to ask, so that is great. How long has that ministerial task force been in operation?

**Hon ALANNAH MacTIERNAN:** It was formed perhaps two months subsequent to us forming government again.

**Hon NEIL THOMSON:** I refer to an article, which I am sure the minister is aware of, six days ago on the ABC where the minister was quoted about the decision by Andrew Forrest to move his project to Queensland. He levelled some criticism at the state government in relation to the land tenure system and red tape in general. You are quoted as acknowledging WA land tenure laws need amending but suggesting Mr Forrest's reticence was related to native title.

**Hon ALANNAH MacTIERNAN:** I did not quite say that, so perhaps that was not a proper reflection of what I said, but I am happy to address this issue.

**Hon NEIL THOMSON:** Please.

**Hon ALANNAH MacTIERNAN:** The decision to locate an electrolyser manufacturing plant has absolutely nothing to do with challenges of land tenure. The member has to understand this, and I know it is a bit hard sometimes from outside to grasp this, but it is in the production of large-scale hydrogen that brings land tenure issues into play, not the availability of land on which to build a plant to manufacture electrolysers. A number of issues have been conflated, but a decision to build an electrolyser plant in Queensland has absolutely zero, and could have zero connection, with some of the challenges around land tenure for large-scale hydrogen production. Does that make sense to you, member?

**Hon NEIL THOMSON:** I am intrigued, thank you.

**Hon ALANNAH MacTIERNAN:** In terms of the land tenure, there are people on the pathway to land tenure. If you look at the Asian renewable energy hub, an intercontinental project, which I think is about 5 000 square kilometres, they have gone through the section 91 process and have now got an option to lease. They are moving down and doing their work. Likewise, they have got an exclusive section 91 licence over 15 000 square kilometres. We have a range of other proponents—the Murchison House project, Province Resources—all of whom are working down the tenure pathways. There are tenure pathways that are available and that people are accessing. It is not as though people are not able to do anything. Have we got this in its absolute perfect form yet to maximise the chances? No; we have acknowledged that is a work in progress.

That had nothing whatsoever to do with making the decision to build an electrolyser plant, which would be built on industrial land. It was never going to be built on a pastoral lease. We are working on a structure that could more closely mimic that of mining legislation through this notion of

exclusive 91s and looking at a combination of exclusive and non-exclusive leases. Native title is always going to be an issue, but talking to a number of proponents that have been in the field for a number of years, they are getting very close to having their ILUA. Of course, we acknowledge that native title is something that we cannot negotiate away—that is a federal provision—and many parties are in very active negotiations with the native title holders.

[3.00 pm]

**Hon NEIL THOMSON:** I am intrigued. You are saying that section 91 is a process for the establishment of infrastructure you have related to something like the Asian renewable hub. I thought it was just the access to land for profit à prendre purposes, and in fact you probably need a section 79 or 83 lease to undertake that.

**Hon ALANNAH MacTIERNAN:** Obviously, we have people who have moved through. They have done the section 91 and they have developed the data. As you would be aware, because I know you are really across this stuff, you require at least two years of data on the various site-specific solar and wind resources, and then you move on to an option to lease. One of the proponents has got an option to lease, and I think that is probably the first project, which is the Asian Renewable Energy Hub. They have actually got an option to lease. A number of other projects are in the pipeline, where they are on the cusp of getting their option to lease.

**Hon NEIL THOMSON:** To be clear, the Asian Renewable Energy Hub has access to land to get data, is that what you are saying? They do not have a right to develop yet.

**Hon ALANNAH MacTIERNAN:** They have an option to lease under section 88.

**Hon AYOR MAKUR CHUOT:** My question is on the Aboriginal tourism fund. I refer to page 202 of budget paper No 2. I refer to the funding provided for the Aboriginal tourism fund. Can you please provide an overview of this initiative?

**Hon ALANNAH MacTIERNAN:** I thank the member for that question. Looking at this from two different directions, one is the ability and desire that we have to help the Aboriginal community to create economic opportunities for them so they can fully participate in the opportunities in our community, but also, secondly, we recognise that visitors, particularly international visitors, show a really huge interest in understanding Aboriginal culture and the extraordinary thing that it is, linking us back 65 000 years. In fact, when I was a federal member on the northern development committee, I remember we were, I think, in the Northern Territory, and talking to various tourists. It was not even just wanting to connect with the traditional culture; there was this huge desire to actually meet modern-day Aboriginal people and interact with modern-day Aboriginal people and talk about their lives and their experience. It is not just about the traditional culture, but people absolutely wanting to have that opportunity to meet and understand contemporary Aboriginal people. That tells us that there is enormous interest in Aboriginal tourism, so we have developed the *Western Australian Aboriginal tourism action plan 2021–2025*, which is a plan really for the next four years. We have allocated \$20 million in the budget to do that, working across government in the delivery of projects. There are some amazing projects going on. You go up onto the Burrup and a number of different Yindjibarndi and Ngarluma groups offer incredible tours of the rock art. You have people in Wyndham taking international students—or they did before COVID—out on to country for a completely immersive experience. Down in Busselton, Josh Whiteland does a brilliant project. In Margaret River, there are a number of people who have fantastic tourism projects. There is great potential there, but there needs to be more support and development, and development of all the business skills you need around operating a tourism business.

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**Hon Dr BRIAN WALKER:** My questions regarding hydrogen have mostly been taken, so I will leave that for the time being. However, COVID has also not been unknown in our society, and I am looking here at the impact on our recent trade difficulties. I am looking at “Invest and Trade” on page 204, under paragraph 6, and I bring that back to the line on page 202 under spending changes. There is a \$440 000 budget estimate, and it remains fairly static. I assume there is a lot more to be looked at in the way of encouraging investment and trade, and I would like very much to hear what we are doing, in more detailed terms, to encourage investment and trade back into Western Australia, and exports out.

**Hon ALANNAH MacTIERNAN:** What are we doing to encourage investment and trade? Where do we start? Perhaps I will ask the director general if she wants to talk about the general international investment and trade network and what we are doing with that. There is all of the detailed work we have mentioned today, whether it is the battery minerals and the battery production project, where we are actively going out and seeking parties here, or the work that we are doing in hydrogen, with our work on enabling approvals and providing some capital incentive. Just earlier today, we met with a big investment fund from Copenhagen that wants to invest in hydrogen projects. Last week, we met with big Italian and French entities that are very keen on working on projects. There is that specific stuff. Perhaps the director general would like to talk about the trade and investment network.

[3.10 pm]

**Ms BROWN:** As the minister has said, there is an enormous amount of work across the department in supporting the state government in driving its agenda to diversify the economy and grow investment into the state and opportunities for greater trade and export growth. As part of that, in supporting the state government’s agenda, the department has made a number of changes across the overseas offices. We have retained a presence of eight offices operating across a global network, with five of those offices with an Agent General leading the office or an investment and trade commissioner. Those offices also work closely with the Perth office, and we have a new area set up which is the front door to investors and opportunity for local industries to grow export potential and trade opportunities. Invest and Trade Western Australia has Perth-based staff and they work with our network of overseas offices. Those offices, in addition to having local presence and being run by officers from Western Australia, who will shortly be deployed, have a network of locally employed staff so that we can draw from local experience about what the potential business networks and links are there, but also again working back and linking into the Perth office.

It was recently announced that the Agent General, John Langoulant, will take up his position in London in early November and cover the UK and Europe markets. We have two commissioners going in to represent our ASEAN trading partners and also into North Asia, representing Japan and Korea. Our commissioner for ASEAN will initially be based in Singapore, but with the intention of then being based in Indonesia, and our North Asia commissioner will be based in Japan and also overseeing the office in Korea. In addition to that, we anticipate our commissioner for China will be in place early next year.

An enormous amount of work has been done to ensure that that global footprint remains. In the interim and during COVID, the department has continued to support ministers and others in terms of virtual trade missions and engagement, particularly, as the minister said, around key sectors—battery materials, hydrogen, international education and the transforming energy and resources sector.

**Hon ALANNAH MacTIERNAN:** Member, can I give you just one very interesting example of how that was done during COVID. I think I-Lyn Loo from DPIRD was running virtual wine tastings, where we

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would send over to the sommeliers in Japan bottles of wine—in some cases, they had created, for the very premium wines, special little bottles of wine. So you would have, say, 10 sommeliers in their hotel and the wine master here would be doing a tasting. Apparently, they have been quite successful.

**The CHAIR:** We are going to have to move on. Can we be mindful with our responses that we still have a few to get through?

**Hon Dr BRIAN WALKER:** It is just sad that we were not invited to take part in that! I will press on. I was going to ask a follow-on about China.

On page 204, paragraph 8 looks at international education suffering the same issues there as well. I am looking here at the \$2.684 million in the new spending changes, for that. Again, another broad brushstroke, if you would, as to how we intend to recover the loss of our international students and the benefits they bring to Western Australia.

**Ms SPENCER:** Thank you for the question. During COVID, as part of the WA recovery plan, the state launched an international education recovery and renewal plan. That obviously took on the fact that we cannot bring students to Western Australia at this time, but we have an enormous retention rate for students who were currently studying with us prior to the borders closing at the beginning of 2020—the most significant cohort being from India, who represent about 20 per cent of our students at this time. Under that plan, there was a focus on looking after the wellbeing of those students. Obviously, how we take care of those students reflects back on the market and then the interest of future students wanting to come and study here. The plan also looks at our policy settings to make sure they are conducive for students to come in the future, so that is maximising the migration settings, looking at things like how we leverage our post-study work rights and how we market offshore. There is an extensive component of the plan focused on offshore marketing, which we are doing at the moment, to build that pipeline. We are also looking at how we leverage our in-market offerings. That is happening in a number of different ways. We sell our curricula offshore, so we are expanding our SCSA footprint, the WACE program that we sell into multiple markets. Again, that is about building that future student pipeline. We provided funding for organisations across the ecosystem of international education from ELICOS providers, English as a second language providers, VET providers to universities to upgrade their online offerings and capability to retain students and have them stay connected to us but studying online. We also provided sector support funding to make sure that we did not lose players from the WA market while they were effectively being furloughed for the period of the border closure.

Our focus has really been on making sure that we retain quality providers. We help them augment their offerings. We make sure that when we do open our borders, we have a healthy pipeline of students wanting to come onshore and that we have a marketing campaign ready to go that can be used by the whole sector to make sure that the pre-COVID numbers that we had, which were quite significant—we had 52 000 students and we had about a \$2 billion economic return to the state from international education in 2019.

**Hon WILSON TUCKER:** My question is related to budget paper No 2, volume 1, part 4, page 202, under the “COVID-19 Response” line item. I am particularly interested in the joint commonwealth–state assistance grant program. By way of background, minister, I asked a question on notice prior to this hearing which indicated that just 30 per cent of the applications from tourism operators had been evaluated and approved as of 1 October. Given there is a backlog of applications for funding, my question is: what is the average processing time for a grant to be evaluated and a decision to be made?

**Hon ALANNAH MacTIERNAN:** I am just making sure that I have the right issue. You are talking about—was it page 201?

**Hon WILSON TUCKER:** Page 202.

**Hon ALANNAH MacTIERNAN:** I just want to make sure that we are talking about the same funds this time. On page 202, which is the page entitled “Spending Changes”—is that it? My page 202 has got “Spending Changes”.

**Hon WILSON TUCKER:** I believe it is under the spending changes table, “COVID-19 Response” line item on page 202.

**Hon ALANNAH MacTIERNAN:** I am still trying to work out which fund you are talking about.

**The CHAIR:** Which line item was it under “COVID-19 Response”?

**Hon WILSON TUCKER:** It is the “COVID-19 Response” line item in the spending changes table. There is a reference to the tourism recovery program and the joint commonwealth–state assistance grant program.

**Hon ALANNAH MacTIERNAN:** We are just trying to find it.

**Hon WILSON TUCKER:** Can we try maybe page 204, “Tourism” and “Significant Issues Impacting the Agency”.

**Hon ALANNAH MacTIERNAN:** You are particularly interested —

**The CHAIR:** Can I just get some clarity from the honourable member? We are now looking at page 204 under “Tourism”. Is that correct?

**Hon WILSON TUCKER:** Yes. I think that might be a bit more accurate.

[3.20 pm]

**Hon ALANNAH MacTIERNAN:** Yes, tourism. The funds that the member is concerned about when he says that there is a backlog in processing —

**Hon WILSON TUCKER:** Yes, for the joint commonwealth–state assistance grants program. Thirty per cent of those applications have been approved, and there is a backlog of applications that are pending an outcome. I am curious to know the average wait time from when someone makes an application to when it is approved.

**Hon ALANNAH MacTIERNAN:** Renata has indicated that she can help us here.

**Ms LOWE:** This is related to the WA tourism and travel agents fund, the round that has closed recently, which is our round 4 of financial support provided to the tourism sector. Just before arriving to Parliament today, minister, there were only 13 left out of the 280-odd applications that are still awaiting approval. We are awaiting some documentation from those individuals. Only 13 of those applicants are still awaiting assessment.

**Hon WILSON TUCKER:** Thank you. Is the minister able to give me an indication of the average response time it takes from when somebody puts an application in to when it is evaluated and a decision is made?

**Hon ALANNAH MacTIERNAN:** For that particular scheme—or is that a continuous scheme?

**Ms LOWE:** That scheme actually closed at the end of September. That is the current round, and we have processed those. We were processing them as we were receiving them, minister. These last ones were related to applicants not providing all of their documentation required to fulfil that. So we are just at the end of that one.

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**The CHAIR:** Are you going to continue with this line of questioning on this particular line item?

**Hon WILSON TUCKER:** I might sort of switch tactics a little bit.

**The CHAIR:** Before you do, with regard to this line item, I have a follow-up. I am going to come straight back to you. How much are the grants worth, and what are the criteria for those grants?

**Hon ALANNAH MacTIERNAN:** Ms Lowe, it would be very clear if you could articulate the name of the grant again, and provide information about the value or the potential value of each grant.

**The CHAIR:** And the criteria.

**Hon ALANNAH MacTIERNAN:** Yes, and the criteria for them.

**Ms LOWE:** Minister, we have done four rounds of grants. They have all had different criteria. The current round, which is the WA tourism and travel agent funding support grant, had criteria that required eligibility to an organisation, be it a regional tourism organisation, Tourism Council Western Australia or an accreditation program, or alternatively that that operator had participated in some activity with Tourism WA in 2020 or 2021, be that marketing or other activity. It also had a requirement of demonstrating a 30 per cent reduction in turnover over two specific periods—that being the period before the lockdown on the east coast, and the period of that lockdown—to demonstrate that there was a downturn in their turnover at that particular time.

**The CHAIR:** Have any of the grants been for individual operators?

**Ms LOWE:** Yes, they are for travel agents and individual tourism operators from across the state. Those are anything from accommodation to tour operators, attraction operators, and booking operators as well.

**The CHAIR:** Travel agents?

**Ms LOWE:** Yes, travel agents. We estimate that approximately 30 per cent of those that have been successful have been travel agents.

**The CHAIR:** What was the grant for an individual operator who had seen a downturn of more than 30 per cent?

**Ms LOWE:** The percentage of those operators?

**The CHAIR:** What was the grant?

**Hon ALANNAH MacTIERNAN:** Chair, are you looking for the size of the grant? I would imagine it would vary. How is it framed? Is there a maximum; and is it based on their loss of turnover?

**Ms LOWE:** The minister is absolutely right. There were three tiers of \$2 000, \$5 000 and \$10 000. It was dependent on a sole trader at \$2 000, and the other two levels were related to employment figures, and turnover.

**The CHAIR:** As a local member, we have all had a lot of inquiries with regard to this, minister. Is there any intent to provide additional support for those single operators in particular—not the company operators; the single operators who are still suffering as a result of COVID, with no interstate or international travel?

**Hon ALANNAH MacTIERNAN:** Chair, are you specifically talking about travel agents?

**The CHAIR:** Yes, travel agents.

**Hon ALANNAH MacTIERNAN:** I would imagine it is not terribly relevant whether or not they are a sole trader or an incorporated entity, because even single traders now have an entity that is incorporated. You are concerned about basically travel agents and what ongoing assistance is available to them?

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**The CHAIR:** That is right.

**Hon ALANNAH MacTIERNAN:** This is the joint state–federal arrangement?

**Ms LOWE:** That is right, minister. The current one is the joint arrangement. There is also assistance at the federal level at the moment, with another round for travel agents. This is the second grant or funding opportunity that we have provided to travel agents in particular.

**Hon ALANNAH MacTIERNAN:** Were you saying there is a subsequent federal one?

**Ms LOWE:** There is, I believe, a grant of funding program at the moment at a federal level.

**The CHAIR:** The threshold is quite high for that one, is it not?

**Hon ALANNAH MacTIERNAN:** Ours have been targeted at lower, smaller entities?

**Ms LOWE:** Minister, I do not have that information at hand.

**The CHAIR:** That is okay. I just want to confirm that the threshold level for that commonwealth support is quite high.

**Hon ALANNAH MacTIERNAN:** Do you know what that is, Ms Lowe?

**Ms LOWE:** I am sorry; I do not have that information.

**The CHAIR:** That is all right. I can find that out. I do not want to take up to any more of Hon Wilson Tucker's time.

**Hon WILSON TUCKER:** Does the department track the health of the tourism industry in Western Australia, and can the minister tell me how many tourism operators have closed since the COVID pandemic began?

**Hon ALANNAH MacTIERNAN:** Sorry; can you just repeat the end of that question?

**Hon WILSON TUCKER:** I am curious around whether the department has any metrics that would indicate the health of the tourism industry at large. More specifically, can the minister tell me whether any tourism operators have closed since the start of the pandemic?

**Hon ALANNAH MacTIERNAN:** Just let me frame this, though, because I am sure that the member, as a member for the Mining and Pastoral Region, is out there all of the time in the northern and eastern regions of the state, and he would know how busy the majority of tourism is and the number of places that are fully booked and the restaurants that are working to full capacity. Whilst we recognise that in some segments, particularly those that have been focused on international trade, and to a lesser extent interstate trade, there have been difficulties, I think in many respects tourism has been pretty vibrant in Western Australia, because for the vast bulk of the time we have been able to keep people moving around freely, and we have been able to keep people within the state so that they have limited choices to holiday elsewhere. I do not know whether we have any other metrics on the health of tourism.

**Ms TURNBULL:** In order to support the operators moving forward, we have had various campaigns at both the intrastate level and to those markets that are open to Western Australia, to ensure the survival of the tourism businesses moving forward, in particular a number of “stay and play” campaigns to support the city hotels that would normally be reliant upon business traffic midweek. A lot of effort has gone into the Kimberley region to ensure the sustainability of their high season as well.

**Hon WILSON TUCKER:** Minister, previously you admitted that, in your own words, some operators are struggling because of the lack of interstate and overseas travellers. I am curious to know whether the minister is aware of any tourism operators that have closed since the start of the pandemic.

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[3.30 pm]

**Hon ALANNAH MacTIERNAN:** There certainly have been events operators. I do not know if you have any data on any that have closed. I know, for example, companies like Mandurah Cruises—it has been very interesting to see how people have morphed their business—which were very much geared to the Asian market for many of their products, have now taken one of their vessels up north during the season in Broome in order to capture a different market to what they previously had. I know there have been various assistance packages that we have talked about before that they have used to help them build resilience. I think we heard recently that an events company did announce their administration. Basically, it was a company that really relied on staging big events. With the difficulty of bringing big acts into WA, that group has folded. I am getting the impression that we have not got a list of tourism businesses that have closed.

**Hon WILSON TUCKER:** Is that something you can take on notice?

**Hon ALANNAH MacTIERNAN:** We do not have it. We can take on notice to give you information that we have.

**Ms LOWE:** May I add that Western Australian tourism businesses are very, very entrepreneurial. We are not seeing business closures so much as businesses adapting and pivoting to the current environment—a current environment of West Aussies that are travelling. We have Aboriginal tourism businesses that have done a very good job of pivoting to cultural awareness activities or the education market. They are finding other ways to adapt until their east coast markets or inbound markets are coming on. It is not so much about business failure as opposed to a very entrepreneurial sector that is finding ways of adapting and pivoting.

**Hon WILSON TUCKER:** Thank you for the answer. I certainly see the adaptability of some of the operators out in the regions. That is not the question. I am really curious about the number of operators that have closed since the start of the pandemic. I appreciate you do not have that information on hand. Is that something you can take on notice?

**Hon ALANNAH MacTIERNAN:** No. I take on notice information that I am sure we have and that we would be able to provide. I do not think we have that information, so I would not take that on notice. I could not.

**Hon SHELLEY PAYNE:** Minister, my question follows on from some of the questions we have had this afternoon on the spending changes, page 202 of budget paper No 2, in particular, the second one there under “Election Commitments”—“Global Advanced Manufacturing Hub”. I would be grateful if you could provide me an update on how this investment will support industry.

**Hon ALANNAH MacTIERNAN:** Thank you, Hon Shelley Payne, for that question. In March 2021, we announced a commitment to establish a global advanced manufacturing hub on the western trade coast. That is basically the area around Latitude 32, down in the Kwinana–Rockingham area. It brings together the Kwinana industrial area, the Rockingham industrial zone, the Australian Marine Complex and Latitude 32. It is bringing together all of those under this unified entity. Work really has just begun. I do not know if there is anyone that can report on the work that has been done. We really want to foster an industry focused and coordinated approach to infrastructure delivery and development approvals to make sure that we have enough project-ready industrial land, so it is bringing the planning for those four industrial areas together. The director general can add to that.

**Ms BROWN:** It is a very important piece of work. It recognises that the western trade coast is already a global leading industrial ecosystem. As that area transforms through the government’s investments and projects, including existing investment in the AMC, the Australian Marine Complex, and some of the projects that are happening there now, obviously right through to the government’s

investment in Westport, it is very much about ensuring that that area of the state that is a large contributor to the state's economy continues to grow as it transforms in its function, particularly some of the renewable energy projects that are emerging in the western trade coast, but also in terms of broader industrial land that is available around the entire area and how that can be further enhanced and attracted to investors, including further investment in terms of ensuring project-ready industrial land, but also the strong coordination between government agencies and with industry to ensure that it retains its prominence as an attractive location to do business in Western Australia.

**Hon MARTIN PRITCHARD:** Budget paper No 2, page 202, under "Spending Changes", in the table up there under "COVID-19 Response", I am just interested in the aviation recovery fund. I presume that is not grants. Given our size, it is a vital issue—getting around the state. I am just wondering what that money has been put aside for. It is \$15 million this financial year and a further \$10 million next financial year and no recurrent. I am wondering what that spending is for, how it is going to be spent and what it is to achieve.

**Hon ALANNAH MacTIERNAN:** There is no doubt that certainly for the first year there was a real decline in the amount of airline traffic going into our regional centres. I know that Albany fell from having four return services a day to one return service four or five days a week. It has now got back to two return services five days a week. Quite clearly, we are still seeing a big impact on regional aviation. What we are going to be using this \$25 million for is to negotiate and secure aviation services because in order to get some new routes made available, both intrastate and interstate, we are presumably going to have to offer some incentive packages. A number of subsidised services that we were offering, as Hon Jackie Jarvis would be well aware of the oft-postponed Melbourne–Busselton flights that we are still waiting for and the Melbourne–Kununurra flights, are the sorts of services that got separate funding streams to theirs. We are trying to expand and bring back and make more resilient the regional airline services, so this is an allocation that will give us a framework within which to negotiate some new routes or intensification of existing routes, and international as well. As we know, it is going to take a while to build up markets. We want to get them built up before it economically makes sense for a company, the ability to have some money there to incentivise the early start of these flights would be positive.

[3.40 pm]

**Hon MARTIN PRITCHARD:** I forget the name, but there is a new carrier that is thinking of starting up in Australia—a budget carrier.

**The CHAIR:** Bonza.

**Hon MARTIN PRITCHARD:** Are there any approaches there? Is that going to help or hinder?

**Hon ALANNAH MacTIERNAN:** I am not sure. Has Bonza approached us?

**Ms TURNBULL:** We have been in discussions with Bonza.

**Hon MARTIN PRITCHARD:** Will a new player in the game sort of put further pressure on those regional flights, or does it seem that competition might actually help?

**Ms TURNBULL:** Bonza is a new east-coast low-cost carrier, and it would not be a new carrier that would put pressure on our regional capacity. It would be a potential airline to drive affordable airfares from the east coast into Western Australia.

**Hon ALANNAH MacTIERNAN:** But it is a very good point though, member. It is one of the conundrums in the regional services; often people want competition in Geraldton or Albany—they want a multiplicity of airlines to be competitive—but in reality, these routes are thin routes and it

really does not make sense to allow a multiplicity of airlines because what it would mean is you do not get a viable service. That is why I think around 2001, we first set up the notion of regulated routes because we recognised that, notwithstanding the fact there is immense enthusiasm for competition, in some of those routes it was actually antithetical to the maintenance and retention of airline services.

**The CHAIR:** Before we go to further questions, minister, can I just pick up on a point that was raised by Hon Wilson Tucker just regarding the tourism operators. What communication has the agency had with tourism operators or representative groups to ascertain the criteria that is used for the grants in the first place and, dare I say it, the health of the industry?

**Hon ALANNAH MacTIERNAN:** I am sure there is very extensive engagement and I think Carolyn will be placed, coming from a tourism background.

**Ms LOWE:** Sorry, can you repeat that one?

**The CHAIR:** Just with regard to the point that Hon Wilson Tucker brought up with regard to the number of agencies or agents that have perhaps gone under as a result of —

**Hon ALANNAH MacTIERNAN:** So what is the structure by which we gain data? I know that the development commissions, for example, in the regions can provide some of that, but I think you have got formal arrangements with industry, so perhaps Carolyn, if you can talk about that.

**Ms TURNBULL:** Thank you. A variety of different avenues and various consultation programs have taken place over the last 18 months. We have a relationship with the Tourism Council Western Australia whereby they are our eyes and ears with the 3 000 operators across the state through various surveys that have been conducted, so we feel that we are abreast of the current landscape and the health of the industry. So whilst we were not able to answer the specific number of operators that may have closed, I can assure you that we feel that we have a good sense of the operators that are stressed at this point in time; hence, why our continued funding arrangements are currently underway.

**The CHAIR:** I guess, again, it gets down to that specific notion of an independent operator, an individual operator, and there are numerous individual operators, family businesses et cetera, that rely very, very heavily on interstate travel.

**Hon ALANNAH MacTIERNAN:** You are talking about travel agents here?

**The CHAIR:** Yes, travel agents, that rely very heavily on interstate travel.

**Hon ALANNAH MacTIERNAN:** Look —

**The CHAIR:** If I could just finish. In this instance, their entire business has been cut—100 per cent cut. The only travel that they have essentially got is intrastate, you know, within Western Australia. What avenues are provided for those sorts of operators?

**Hon ALANNAH MacTIERNAN:** Obviously, for a while there would have been JobKeeper, which would have been available for some time, but I guess the federal government has indicated that that was there for a finite period and if the business was not able to be revived at that time, their question is: is it time to move on? I wonder if we could get perhaps a briefing or some further advice. Perhaps we will take a question on what is the information we have got on the plight of travel agents in particular.

**The CHAIR:** That is right, and particularly individual agents.

**Hon ALANNAH MacTIERNAN:** Just be careful about —

**The CHAIR:** No; I understand where you are coming from, minister. By all means, do it collectively.

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**Hon ALANNAH MacTIERNAN:** You mean small travel agencies, rather than individuals, if we could get, perhaps, some further information. I am just wondering about how we would frame that within the budget. Do you think we would be able to get something? We will give some feedback on what intel we have.

**The CHAIR:** I would appreciate that, minister, I really would, just on their plight, the communication and where we are going from here. I would appreciate that.

[*Supplementary Information No C5.*]

**Hon NEIL THOMSON:** Following on that issue of hydrogen, we had the explanation about Andrew Forrest's project and the conflation of issues around that; I assume it was not quite the green energy project that you were referring to in this line item. You did say in the media, and this is relevant to the renewable hydrogen project—the minister can confirm this, if you may—that there will be a new form of land tenement to accommodate green energy by the end of the year. Has the department been consulted on the draft bill for the amendments to the Land Administration Act?

**Hon ALANNAH MacTIERNAN:** As I explained to you before, we have a ministerial task force on which JTSI, Mines, Planning and Lands are all working towards the tenure arrangements. They are looking at what are the existing tenure pathways, how we can get those existing pathways to work better, and what would be the changes that would need to be made, either in a policy or a legislative sense, to improve and provide a more flexible arrangement, and that work is ongoing.

**Hon NEIL THOMSON:** So a bill will be here by the end of the year?

**Hon ALANNAH MacTIERNAN:** Sorry?

**Hon NEIL THOMSON:** A bill. Sorry, it is my New Zealand accent. Will a bill be here by the end of the year?

**Hon ALANNAH MacTIERNAN:** I cannot promise that a bill will be here by the end of the year. There are some complex issues to resolve, but certainly that work has been well underway.

**Hon TJORN SIBMA:** I am looking at page 204 of the budget papers, "Tourism", and particularly paragraph 7.3, which talks about effectively three new Camping with Custodians campgrounds and an increase in tourism experiences and the like in order to grow what I think is described as the authentic Aboriginal tourism industry. I wonder whether or not the government's intention or JTSI's intention is to potentially leverage off the creation of new marine parks joint vested in Aboriginal body corporates around the Buccaneer Archipelago and elsewhere through the state. Is that one of the objectives or applications of this policy?

**Hon ALANNAH MacTIERNAN:** It is certainly one of the possibilities. Renata, did you want to comment on that?

[3.50 pm]

**Ms LOWE:** The Jina plan, the Aboriginal tourism action plan, has three pillars. One of those is related to creating amazing Aboriginal tourism experiences, so 69 actions in one of those pillars. That relates to Camping with Custodians, which you have identified. We have five of those at the moment in the Kimberley and Pilbara. The next Camping with Custodians site will be completed at the end of November, with a 47-bay campground—that will be on the Dampier Peninsula—to support the work of other agencies in doing that marine tourism or marine park activity. The Jina plan will create more of those Camping with Custodians sites. We will be looking at taking those across the state as well, but also creating other activities that will be supporting marine and terrestrial activities.

**Hon TJORN SIBMA:** I appreciate that. Changing gears with different sectors in the short time. Obviously, the international education sector in Western Australia has taken an enormous hit for

reasons that need not be canvassed here. But I am seeking a bit of clarification regarding the information presented on page 207 concerning the pre-existing share in the outcomes and key effectiveness indicators. The one I am interested in is “Western Australia’s share of Australia’s international student enrolments”. In 2019–20, there is a 5.7 per cent share indicator there. I want, first of all, to clarify whether that relates specifically to the tertiary or also to tertiary plus vocational education markets or is there a bit of secondary education included there as well?

**Hon ALANNAH MacTIERNAN:** There is, I understand, university to schools and TAFEs and VET —

**Ms SPENCER:** And English as a second language, or ELICOS, providers.

**The CHAIR:** Sorry; just for the benefit of Hansard, can Ms Spencer respond to that?

**Ms SPENCER:** It is a holistic figure. How they collect the statistics is that it is those people who nominate international education as a part of their visa process—that is how that overarching data is captured. It does capture all the levels of international education from schools through VET through English as a second language to tertiary.

**Hon TJORN SIBMA:** Was that 5.7 per cent the prior figure—the 2019–20? Was that, effectively, a reduction or about the average of the earlier years—2017–18 and 2018–19? I had always made the assumption that our market share initially was closer to 10 per cent than to 5.7 per cent. I just want to know whether I am right or wrong.

**Hon ALANNAH MacTIERNAN:** Yes, can Ms Spencer respond?

**Ms SPENCER:** Thank you for the question. We did have higher numbers in the early 2000s, but we did have a dip where that share dropped by a couple of percentage points. But what we did see when we had the decision come through in 2019 around giving regional status to Western Australia and Perth, giving students that one-year extra post-study work rights—so I guess more favourable conditions to study in Western Australia—in the last quarter of 2019 and into the first quarter of 2020, our numbers did show a sharp increase. From that trajectory, we were planning on being back on those early per capita share pathways, but, obviously, then we had the COVID pandemic.

**Hon TJORN SIBMA:** If I may, chair, in the few minutes available—perhaps if this can be taken on notice—I think different states presently are in slightly different situations; they have different approaches to border management, and we all understand that. But can I get a sense of the leaderboard across Australia of who has the greatest proportion of the market, just so I know where to contextualise Western Australia?

**The CHAIR:** Victoria.

**Hon ALANNAH MacTIERNAN:** I am not —

**Hon TJORN SIBMA:** Is that obtainable somewhere else? I will not oblige you to get it if I can get it somewhere else.

**Hon ALANNAH MacTIERNAN:** Where do we have the —

**Ms SPENCER:** I am happy to provide that information. I guess, as the chair noted, obviously it is Victoria at the top. If you can think about it this way: international education is Victoria’s mining. It is by far their most significant export sector and, so, in terms of relativity, yes, it is quite significant.

**The CHAIR:** Can I add, as a former education minister, that that was one of the biggest issues I had. We actually went to Asia a couple of times to try to stimulate the international market from Asia to Perth because they had been flying over to Perth to go to Melbourne. The Asian market was sitting at about 7.8 per cent. I do not know whether it improved prior to COVID, but it seemed

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extraordinary that a significant proportion of Asian students preferred to go to Melbourne than their backdoor here in Perth. Has that changed, Ms Spencer?

**Ms SPENCER:** We do actually have a different demographic in our international student cohort than the eastern states. We are not actually directly competing market for market in the same way. We have a much higher proportion of Indian and Malaysian students. Chinese students still dominate the Victorian and New South Wales markets.

**Hon ALANNAH MacTIERNAN:** My understanding is that they are perhaps looking at the more academic opportunities, whereas many of ours are looking for the job opportunities post whatever the VET program that you undertake.

**The CHAIR:** Just about those figures that were agreed to be provided.

**Ms SPENCER:** Yes.

*[Supplementary Information No C6.]*

**Hon ALANNAH MacTIERNAN:** Just to be very clear, because it is not really the job of the department necessarily to do a breakdown, but we will just provide our understanding of the percentage shares of the other states.

**Hon TJORN SIBMA:** That would be much appreciated. I will change gears abruptly only because of the time. May I ask a question about the Anzac Day Trust? I actually do commend the government on increasing the size —

**Hon ALANNAH MacTIERNAN:** What page is this?

**Hon TJORN SIBMA:** Let me find it. What a great question! I have become geographically embarrassed—not lost. I will find it somewhere. I know it is towards the end. It is page 219 in the “Details of administrative transactions” table, about halfway down—“Statutory Authorities”; the Anzac Day Trust. Can I ask, first, the grant normally works on an annual basis, I think. Have applications for grant funding been opened up in 2020–21?

**Hon ALANNAH MacTIERNAN:** I am going to ask Ms Linda Dawson to respond to that.

**Ms DAWSON:** I can confirm the grants process has opened and it is due to close again shortly.<sup>1</sup>

**Hon TJORN SIBMA:** May I ask, traditionally, I think—this is not pejorative—but the largesse that has flowed out of this scheme has predominantly gone to RSLWA or Legacy WA, probably to the exclusion of other ex-service organisations and the like. Is this an attempt to sort of broaden the pool of potential recipients or is the criteria for awarding grants the same or has it changed slightly? Is there a broader intention behind the expansion of the scheme?

**Ms DAWSON:** The Anzac Day Trust, the trustees, are actually looking at the criteria as part of this process to make sure it is distributed to the right support organisations to target the needs of veterans in the state, in particular, and to try to make sure that we are getting those local support organisations stood up and their capability built. There was also a number of small grants allocated that were allocated and went out by 30 June—the majority. That was about \$498 000. That was distributed to about 19 different small organisations to make sure there was a spread across the state to those organisations that are supporting veterans both in the metro areas as well as in regional areas.

**Hon NICK GOIRAN:** Can I go back to page 214, where we were earlier, in budget paper No 2, volume 1, and the income statement table that we were discussing. You have kindly taken some matters on notice with respect to the third line item, “Supplies and services”. Later in that same table there is,

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<sup>1</sup> A letter of clarification about this part of the transcript can be accessed on the committee webpage.

about three-quarters of the way down, a heading “Income from state government”. Then it refers to other appropriations. What will those fund be used for?

[4.00 pm]

**Hon ALANNAH MacTIERNAN:** “Other appropriations”?

**Hon NICK GOIRAN:** The budget estimate is \$18.9 million.

**Hon ALANNAH MacTIERNAN:** Is that the “Other appropriations” \$4 million per year and \$18 million for this year?

**Hon NICK GOIRAN:** Yes, and it is quadruple that in the coming budget.

**Hon ALANNAH MacTIERNAN:** I will ask Renato if he can explain that.

**Mr SANSALONE:** That relates to appropriations held centrally by Treasury and that we draw down as required. The vast majority of that for 2021–22 is the aviation recovery fund that was referred to earlier of \$15 million and \$10 million next year. Also, the National Collaborative Research Infrastructure Strategy is about \$2.7 million in 2021–22 and \$1.2 million for a future energy CRC.

**Hon ALANNAH MacTIERNAN:** These are moneys that you are saying they are held —

**Mr SANSALONE:** They are centrally held by Treasury and drawn down as required.

**Hon NICK GOIRAN:** That goes to my next question: why are they held by Treasury and not the department?

**Hon ALANNAH MacTIERNAN:** These may well be these ones where further work is required before final approval.

**Ms BROWN:** In regards to the aviation recovery fund, given the nature of the uncertainty with regards to the reestablishment of the aviation industry, we work quite closely with Treasury around how that funding will be used in response to emerging issues. It is held by Treasury; we then put forward a proposal when we have more information around what will be important leverage for the state in terms of supporting the recovery of the aviation industry.

**Hon ALANNAH MacTIERNAN:** Just to explain, because this happens in different portfolios, often there is a decision by government that a certain amount of money can be allocated, but until that is understood and negotiations have gone out and are to be held, we are not sure what the model looks like. Obviously, Treasury wants to maintain an element of control so that there is another layer of approvals that are required for the specific way in which the moneys are to be spent. We have said, “Okay, we’re happy with \$20 million for aviation, but we want to know, once you have done the negotiations, just exactly what the scheme is going to look like before we give you financial sign off.”

**The CHAIR:** I take that opportunity to say that is the end of this hearing, and thank you so much for your attendance today, particularly the witnesses for taking their time out to be here today, it is very much appreciated. Members, you may submit your remaining questions through the electronic lodgement system, which will close at 5.00 pm on 29 October 2021. Witnesses, once again thank you. The committee will forward the uncorrected transcript of evidence, with questions taken on notice highlighted, as soon as possible after today’s hearing. Responses to questions on notice are due by 5.00 pm on 17 November 2021. Should you be unable to meet the due date, please advise the committee in writing as soon as possible before the due date. The advice is to include specific reasons why the due date cannot be met. Once again, I thank you most sincerely for being here today.

**Hearing concluded at 4.03 pm**

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