

**WESTERN AUSTRALIAN JOBS BILL 2017**

*Second Reading*

Resumed from an earlier stage of the sitting.

**MR P.J. RUNDLE (Roe)** [3.44 pm]: I have 30 seconds to close from my previous contribution. As I was saying to the Minister for Sport and Recreation, the Treasurer and the Minister for Emergency Services, I welcome the Western Australian Jobs Bill 2017, but the new government needs to lead by example. With the company supplying the lights for the stadium and the suppliers to our Department of Fire and Emergency Services, we need to focus on not just supplying jobs, but making sure that we have local content in our industries that are also WA suppliers. As our esteemed leader, the member for Central Wheatbelt, said yesterday, we welcome the jobs bill and we will support it, but it must be run in tandem with those local companies.

**MR D.T. PUNCH (Bunbury)** [3.45 pm]: I was getting so excited about this bill that I rose early! I rise to speak in support of the Western Australian Jobs Bill 2017. It is an incredibly important bill for so many reasons, not the least of which is that the government is sending a clear message to the WA business community about the importance of participation in the government's around \$25 billion spend per annum. It sets out a clear structure within procurement processes about how business can participate. I understand the anxiety that has been expressed by many members opposite—that this legislation would sit within the broader market context defined by section 92 of the Constitution and the Australian New Zealand Government Procurement Agreement—but there are two options with this. We can wring our hands and say, “It is an open market; let the market decide” and not do anything, or we can be proactive and look for opportunities to work within that framework and maximise the potential for small and medium enterprise, particularly when this government's program of works will involve procurement right across regional WA and the metropolitan area.

Our aim is to recognise that we cannot preclude suppliers from outside WA, but we can require all suppliers to understand the Western Australian industry participation strategy and directly assist local businesses to get smarter information and direct lines of sight about contracting information. We can make sure lead contractors in particular understand the capability, capacity and quality of fabrication of all suppliers in our local market. These industry participation requirements will require suppliers to complete an industry participation plan as part of the procurement process. I have talked with businesses about these sorts of concepts. They tell me that they are a very good lead-in in the audit process for preparing and providing a tender, stopping and taking stock of what is around, what they can use and how they can form good strategic alliances and taking that forward in a complete procurement opportunity. It will require agencies receiving offers to assess and consider the participation plan and look at it in detail without compromising value-for-money considerations. But it does provide the opportunity to consider value for money in the context of the government's agenda for job creation and local content, supply and participation. The commitments in those agreements will be required to be included in final contracts should the proponent be the successful tenderer. It provides a clear structure that is mandated and backed by legislation that provides a minister who is responsible and a reporting framework. It lifts the whole issue out of the realm of policy, out of the realm of “Well, maybe we could” and out of the realm of chance and puts it into a clear positive structure for the future.

I have worked on both sides of the procurement agenda, in both the consideration of offers and supporting industry to take advantage of offers. I know it takes extensive work to introduce local capability and local capacity to lead contractors.

We learnt about that way back in the early part of 2000 with term network contracts for Main Roads Western Australia. The process involves building opportunities for networking to create understanding and business relationships and detailed industry briefings—I am very pleased to hear about the Metronet briefings coming up and the opportunity for regional participation in those briefings to see what the opportunities might be for regional business and industry—and then working with procurement agencies to ensure that contract components and offers are pitched in a way that maximises opportunity for a broad offering to the business community and the opportunity for competitive tenders to come back. These sorts of processes enable potential suppliers to evaluate their own ability to deliver and opportunities to collaborate.

I am very pleased to see that on 24 and 25 November this year Procure South West will hold an exhibition in Bunbury showcasing local industry capability. This is about business and industry taking the lead in looking at the procurement opportunities and how they can build relationships and alliances, and work collaboratively to take a proposal forward. Procure South West will be held over two days and all sorts of opportunities will arise from that. The sponsors are an impressive list of local business leadership. South32 Worsley is the major sponsor. The South West Development Commission is there to take advantage of its new opportunity to drive the ability of local contractors, as is Regional Development Australia South West. The South West Chamber of Commerce and Industry has maximised the opportunity of all the chambers of commerce in the south west to take advantage of and collaborate on the business opportunities. I acknowledge the outstanding work undertaken by Mr Rolf Stene,

AM, a founder of the South West Chamber of Commerce and Industry who has been a leading advocate of ensuring that regional businesses particularly get advantages from the opportunities to be had out of broader contracts and procurement. The Bunbury Wellington Economic Alliance is an association of six local governments, business and industry coming together to support the development of industry across the region and working in a way that builds collaboration, networks and the sharing of information, and pursues opportunities at both government and industry levels. The Chamber of Minerals and Energy of Western Australia's South West Regional Council represents major mineral processors in the mining sector across the region. Finally, the Warren Blackwood Economic Alliance at Manjimup brings into play the business community and the four local governments that make up the Warren Blackwood Economic Alliance.

In the south west, business is grabbing hold of opportunities and asking the questions: How can we better collaborate to take advantage of opportunities that we have seen going across to eastern states or to overseas providers? How can we showcase what we have to offer and work collaboratively without compromising value for money and competition and making sure that there is maximum opportunity to show what we can do best? Procure South West will include trade shows showcasing industry-business capability. Key industry speakers will talk about opportunities and the way to manage quotation and tender processes from both a government and an industry and business point of view. It will include information-sharing forums that will be opportunities to network, pool ideas and look at opportunities to collaborate and build off each other's capacity, thereby going after some of the larger contracts that an individual contractor previously would not have had the opportunity to access. There will be careers and networking forums looking at opportunities for training and building careers in the south west across business and industry networks. There will be specific collaboration and speed-dating sessions, and opportunities for people to take advantage of more detailed analyses of what each other has to offer.

Procure South West is a business, industry and government forum. It is exactly what this jobs bill is about—bringing people together. Its objectives include showcasing the capability of local industry and its ability to understand the needs of major industry and government. Its second objective is to encourage government and major industry to invest in local goods and services to create jobs. The focus is on building the capacity of local business to meet current and emerging needs of major industry. It is not just about selling wares; it is about strategic analysis of what is coming up.

**Mr W.R. Marmion:** And you're doing it without the bill.

**Mr D.T. PUNCH:** No, it will be done in the context of the bill. This bill—our policy—has set the framework. It is supported by some very good members in the members for Murray-Wellington and Collie-Preston. It has good support across the board.

Procure South West will provide opportunities for major industry to inform and collaborate with the support of south west businesses. It will encourage idea sharing and problem-solving and, importantly, create, nurture and grow south west business relationships within and across industries. It will encourage idea sharing, problem-solving and promote innovation in thinking. I am sure they are things that all members on both sides of this chamber would support. It will provide a platform for career information and opportunity. Procure South West is business taking responsibility for its contribution to both business-to-business and business-to-government relationships. It recognises that business relationships give rise to opportunities for collaboration, innovation and capturing prosperity, and is a perfect match between the goals of this bill and the aspirations of business. I acknowledge all those local business leaders for their vision. This bill provides a structure in the form of participation plans requiring agencies to take notice of those participation plans in the procurement process, and ensures that the accountability process for delivering on commitments given matches perfectly with efforts of the business community to look at how it can work together to take advantage of these opportunities.

This bill is also part of the government's broader agenda on industry participation. At a broader level, our jobs plan will focus on design and specification of supply requests to ensure that WA industry has the maximum potential to compete and that the terms of trade are relevant to business and industry. We heard the member for Roe talking at length about some of the practices he has seen in the contracting world recently that have been absolutely counterproductive to supporting business in his electorate. In cases when only intrastate offers are received, there can be an even greater opportunity to increase regional consideration, as constitutional and free trade agreement conditions will not apply in those circumstances. These can include criteria that more accurately requires identification of the location where businesses operate. In my own electorate, on many occasions, people have felt quite disenfranchised by large-scale businesses opening a small shopfront in the area and capturing agreements on the basis of local contracting and local provisions, and then finding that the work is contracted overseas. That has particularly been the case in the engineering sector.

This bill is part of a broad suite of actions. Importantly, that includes ministerial responsibility for jobs, greater transparency and reporting on outcomes, and genuine commitments to maximise the potential for procurement across the whole of the WA business sector. Together with this government's program of public works and

commitments such as the WA innovation grants there is a great opportunity for local business to participate, innovate and grow.

I am proudly Bunbury. I intend to work as hard as I can to support jobs and business.

**Mr D.A. Templeman:** The second-largest regional centre.

**Mr D.T. PUNCH:** But the most productive.

From my discussions locally, I know business will welcome this bill. It has been watching closely what this government has been doing across the board. When the Minister for Regional Development; Agriculture and Food addressed the business lunch in Bunbury, the questions we received were all about how we can maximise opportunities out of the policies of this government. We are not a policy-free zone; we have a clear suite of policies that we are taking forward and the business community in my electorate is welcoming it. This bill makes clear that major contractors especially will need to identify how they embrace and understand local supply, local content and local jobs. It is a terrific bill, and when I spoke in the debate on the motion yesterday, I mentioned the local fabricator Hotweld, which is a great example of a small Western Australian microbusiness.

Debate adjourned, pursuant to standing orders.