

INDUSTRY AND TECHNOLOGY DEVELOPMENT AMENDMENT BILL 2021

Introduction and First Reading

Bill introduced, on motion by **Mr R.H. Cook (Minister for State Development, Jobs and Trade)**, and read a first time.

Explanatory memorandum presented by the minister.

Second Reading

MR R.H. COOK (Kwinana — Minister for State Development, Jobs and Trade) [10.24 am]: I move —

That the bill be now read a second time.

The purpose of the Industry and Technology Development Amendment Bill 2021 is to ratify amendments to the Industry and Technology Development Act 1998, to permit use of Northern Australia Infrastructure Facility finance for government trading enterprises through changing the definition of “industry” in the Industry and Technology Development Act 1998 to include any activity undertaken by a GTE; and to remove the Technology and Industry Advisory Council from the Industry and Technology Development Act 1998 by removing references to TIAC, its members, functions and activities. The bill being introduced today is consistent with the government’s vision to support resources development and economic diversification in northern Australia.

The Industry and Technology Development Act 1998 was established to encourage, promote, facilitate and assist the development of industry, trade, science, technology and research in Western Australia, to continue the Technology and Industry Advisory Council, and for related purposes. The Northern Australia Infrastructure Facility is administered under the ITD act, on behalf of the commonwealth. However, this prevents NAIF from being able to lend to government trading enterprises due to the ITD act’s definition of “industry”. This definition of industry relates to private industry and therefore excludes grants or loans being made to government-owned companies. This results in barriers to investment in government-owned infrastructure in northern Australia by NAIF. Although the state government does not have the same barriers to accessing financing markets that some private sector proponents experience, it is often asked to underwrite or otherwise support industrial development through the provision of infrastructure. This leads to the state either being exposed in relation to the infrastructure that the project proponent seeks, or requiring a guarantee from that proponent to de-risk the state’s investment. Proponents without substantial balance sheets are often unable to meet the latter requirement.

Recently, proponents requiring substantial investment in state-owned common-user infrastructure have been unable to obtain finance—NAIF or otherwise—to develop that infrastructure due to the inability of banks to take security over state-owned assets. Development of this infrastructure by the state currently requires an assumption of the risk that if a proponent’s project ceases production, that infrastructure will be underutilised and not make a return on the state’s investment. Using NAIF as a vehicle for investment in GTEs potentially allows the state to share the risk of delivering this infrastructure with the commonwealth, unlocking opportunities to support projects that might not otherwise be supported by the state.

In response, the amendments to the ITD act revise the definition of industry to include GTEs. The amendments to the ITD act will remove blockers on investment in common-user infrastructure, helping to drive economic growth in the state’s north as a state recovery initiative. In addition to assisting with the administration of NAIF finance, the amendments will also support the WA renewable hydrogen strategy and similar funding schemes managed by the Department of Jobs, Tourism, Science and Innovation. The current drafting of the ITD act requires the department to use different contracting mechanisms for disbursement of funds to GTEs, as use of the ITD act does not currently extend to funding GTEs. This will allow the department to streamline that funding so that it is all delivered through the ITD act, ensuring consistency in contracting and funding delivery.

The Technology and Industry Advisory Council is administered under the ITD act. However, TIAC was established in 1998 with an incredibly broad mandate and was unable to achieve the goals that are set out in the ITD act as it is currently drafted. The establishment of TIAC also predates the mass data availability and access to extensive research and expert insights that the internet now provides. Technology has progressed exponentially since the establishment of TIAC over 20 years ago and as a result, the mediums for access to technology and industry expertise have also clearly changed. Since forming government in 2017, the McGowan government has also set up numerous forums that are better suited to meeting the outcomes intended by the ITD act, including the LNG Jobs Taskforce, the Renewable Hydrogen Council, the battery and critical minerals industry task force, the steel round table and, more recently, the WA jobs task force and WA skills summit. To reflect these changes, TIAC was disbanded at the direction of the Premier, as the minister responsible for the ITD act at the time, on 31 August 2018. However, references to TIAC are still present in the ITD act. The amendments therefore also propose to remove these obsolete references to TIAC from the ITD act.

I commend the bill to the house.

Debate adjourned, on motion by **Mr P.J. Rundle**.