

ECONOMICS AND INDUSTRY STANDING COMMITTEE

Annual Report 2002-2003 - Seventh Report

MR A.D. McRAE (Riverton) [10.06 am]: I present for tabling the 2002-03 annual report of the Economics and Industry Standing Committee.

[See paper No 1687.]

Mr A.D. McRAE: The seventh report of the Economics and Industry Standing Committee provides an overview of the committee's activities from 1 July 2002 to 30 June 2003. It is fair to say that, with another year over and a new one just begun, everyone involved in this committee hopes it is a good one. In the little more than two years since this committee was constituted, it has maintained a constant, continuous and wide-ranging program of inquiry and review. This is demonstrated by the year under report. The focus of the Economics and Industry Standing Committee's major inquiries over the past 12 months was the Western Australian strata management industry and the sustainability of the Western Australian dairy industry. The inquiry into the strata management industry was commenced following a referral of the matter from the Minister for Consumer and Employment Protection. The inquiry involved travel to Queensland, New South Wales and South Australia for briefings, and public hearings in Kalgoorlie, Busselton and Perth. The committee tabled two reports on this matter. The first contained an edited version of papers presented to a public forum held on 8 November 2002, and the second contained the committee's findings and recommendations and was presented to the Legislative Assembly on 26 June 2003. On 25 June 2003, the Legislative Assembly referred to the committee for investigation an inquiry into the sustainability of the Western Australian dairy industry. The committee is nearing the end of its investigation of this matter, and is due to report to the Legislative Assembly in the first week of December.

The committee has also corresponded with ministers and departments with roles within the committee's portfolio of responsibilities and established a network of direct departmental contacts. This direct relationship between the committee and both portfolio agencies and relevant ministers is regarded as an essential characteristic of a robust and effective committee process. It is also worth noting that the nature of the committee's direct relationship with ministers and their portfolio agencies during the course of the year is part of what was imagined by the previous Parliament when it determined that there should be a system of standing committees of this House. Previously, when a matter came before the House or to the attention of particular members, there would be debate on the formation of a select committee and its particular terms of reference, and the committee would be constituted by members with an interest in that matter from across the Chamber. The formation of standing committees is, in my view, a real advance, because it allows the development of a body of expertise within a group of members who are able to interact and develop a sense of investigation into a portfolio. Importantly, it also establishes a research and investigation capacity of this Chamber in a way that was not available to it with periodic select committees.

In brief, I would like to give a sense of the kind of level of interaction between the committee, the public and various industry sectors by giving some statistics on the committee's activities in the reporting period. I am able to report that the committee held 26 deliberative meetings. It completed, as I said, the strata management inquiry, which involved 21 meetings and two reports. The committee took evidence or was briefed in the reporting period by 52 people. The committee travelled to Sydney, Brisbane and Adelaide, and was briefed by 19 people in those States on the matters under investigation. In all, the committee has contacted the 58 government agencies within its portfolio responsibility, and developed a framework for actively fulfilling its role of oversight of those agencies' activities.

The committee has begun a process of selectively examining in detail one agency within its broad area of portfolio responsibility, and doing an analysis of the annual report and the relationship of the annual report of that agency with its budget estimates committee forecasts. That is a process under which the committee will start to get a better understanding of the way in which agencies lay down their performance indicators and their targets for implementation of government programs, and the way in which those matters are finally reported in the subsequent year's annual report.

Members of the committee also attended a number of conferences. Most importantly, two conferences were held in this reporting period. The one held in Adelaide was the National Conference of Public Works and Environment Committees. That was a national congress of all the parliamentary committees of the States and Territories of Australia and New Zealand relating to public works and the environment. The Adelaide conference was a terrific success. Its major theme was the effective use of water. Given the location of Adelaide at the bottom end of the Murray-Darling system, that was absolutely appropriate. I believe that members of the Western Australian Parliament who travelled to Adelaide to attend that conference very much appreciated the theme of that conference. It informed our discussions about what the Western Australian Legislative Assembly Economics and Industry Standing Committee should do in its role as the host of the 2003 National Conference of Public Works and Environment Committees.

The Economics and Industry Standing Committee was the host of the national conference this year. It is fair to say that members of the committee took note of the Adelaide conference and determined that the theme of the conference in Western Australia would be sustainable development in regional Western Australia. Our particular focus was to give members of parliamentary committees from all the States, Territories and the Commonwealth an understanding of, first, the role that Western Australia plays in generating Australia's export income; and, secondly, the kind of investment required, which falls largely on the shoulders of the State Government, to put infrastructure in place that gives support to those industries that generate such a large proportion of Australia's total income. I am talking about ports, railways, schools, hospitals, roads and police - all the social and industrial infrastructure necessary for us to build industries that export to the world and, in particular, to our region. There is no doubt that the consensus of committee members is that, regardless of which side of politics is in power, Western Australia is now engaged more directly with its region, and the future prosperity and sustainability of this State as a viable liberal democracy rests very much on its capacity to engage directly with its neighbours.

Mr P.G. Pendal: Externally, you mean - the region, as in South East Asia.

Mr A.D. McRAE: Our regional neighbours throughout east and south Asia. I thank the member for South Perth.

To take the opportunity to host a national conference involving all the Parliaments of Australia and to demonstrate the kind of effort that Western Australians must make to put the infrastructure in place to generate that export income was a responsible approach by the committee. I observed members of all those Parliaments who attended the conference in Perth and, later, in Karratha for three days, where we were able to take people on a tour of the North West Shelf gas and iron ore projects, salt operations, Aboriginal communities, and all the other things that go on in and around the west Pilbara. This was revealing in the fact that it showed how little people understood about the task, the burden and the challenge faced in Western Australia, the distances involved, the thin population that exists outside metropolitan Perth and the surrounding regions, and the challenge of providing viable and sustainable resources and services in those districts, which are absolutely essential in continuing to generate the export industries that underpin this State's prosperity.

The sting in the tail for Western Australia hosting that conference was really to demonstrate that this State suffers from the current commonwealth grants process, and that the allocation to Western Australia, which occupies one-third of the continent and generates more than one-third of Australia's export income, with a population of just under two million people, is not fair. The allocation from the commonwealth grants process does not favour Western Australia. That has been demonstrated by research. For example, I know that the Treasurer, together with his Treasurer colleagues from New South Wales and Victoria, commissioned the Garnaut report in 2001-02. It confirmed absolutely that Western Australia is being ripped off through that process. I can tell you, Mr Acting Speaker (Mr A.J. Dean) and colleagues in the House, that the Economics and Industry Standing Committee did not miss the opportunity to demonstrate absolutely and utterly the unfairness of and the fiscal imbalance in that commonwealth grants process, and the additional burden it places on Western Australian taxpayers and on the State Government to develop and deliver those export earnings for the whole country.

I also note from the report that the committee has tabled three reports in the Chamber this year. It has provided 17 findings of inquiry and 21 recommendations from the investigations it has undertaken. This has been a highly active and productive year for the Economics and Industry Standing Committee. I am proud to have been a part of it. I place on the public record and the record of this Chamber my appreciation of the approach taken by all members of the committee to work in a cooperative, intelligent and thorough manner to pursue objectives that we recognise are in the common interests of all the people we represent. I pay particular tribute to my fellow committee members for their individual and collective efforts over this past year. It is absolutely true that a standing committee like this, which in terms of the history of this Chamber is still building a work ethic and a culture of investigation and reporting, relies very heavily on the professionalism, expertise and dedication of its staff. During the reporting period there was a handover from principal research officer Melina Newnan to Dr Ray Wills. I thank both those principal research officers, and also research officers Liz Kerr and Jovita Hogan, for their enthusiasm and professionalism. I also thank Helen Lunsmann and parliamentary assistants Glen Whitting and Peter D'Cress for their invaluable assistance to the committee's efforts over the past year. I commend the report to the Chamber.

MR M.P. MURRAY (Collie) [10.21 am]: I also want to speak on the report, mainly to thank my colleagues on the committee. The committee members work together very well, and, even though we sometimes cross the divide on political issues, we tend to get a result at the end of the day. I also thank the staff of the committee, particularly Dr Ray Wills and Jovita Hogan, for being extremely helpful, along with my parliamentary colleagues who stepped in when members were not able to be there to make sure we had a quorum. I commend the staff for the great effort that they put into the conference that was held in Karratha, at which we were able to showcase the north west of our State to people from other States of Australia, even from as far down as

Tasmania, and from New Zealand. Most of those people had not been to the north west of our State before and were not able to understand the problems associated with the distances that prevail in Western Australia. Most of them were surprised at the size of the projects and were unaware of what was taking place in the north west, other than from a few newspaper clippings about the iron ore projects and the mines. The conference was able to show those people how the local people, the indigenous people and the fly in, fly out workers interact and how that all comes together to enhance Australia's exports. The conference was well received, and I take my hat off to the staff who organised it.

More recently the committee has been inquiring into the dairy industry in this State. As all members know, since deregulation the dairy industry has been in a terrible state. It has been enlightening to look at what is taking place in the regional towns and the problems that will face those people in the future. That inquiry is ongoing, and a lot of work will need to be done to make sure that the dairy industry will be sustainable into the future. The dairy industry is very important to the economics of my region of Collie, and I am sure it is also very important to the region of the member for Murray-Wellington and that he understands that as much as I do. We are working very hard to make sure that we produce a report before the Parliament rises so that the people in the dairy industry will have an indication of what the Government can do to help them.