

41ST PARLIAMENT



Economics and Industry Standing Committee

Report 9

ANNUAL REPORT 2023–2024

Presented by Hon P.C. Tinley, MLA

September 2024

Committee Members

Chair	Hon P.C. Tinley, MLA Member for Willagee
Deputy Chairs	Ms M. Beard, MLA Member for North West Central
Members	Ms E.L. Hamilton, MLA Member for Joondalup
	Ms A. Kent, MLA Member for Kalgoorlie
	Mr D.A.E. Scaife, MLA Member for Cockburn (until 20 March 2024)
	Hon W.J. Johnston, MLA Member for Cannington (from 20 March 2024)

Committee Staff

Principal Research Officer	Ms Vanessa Beckingham
Research Officers	Mr Jamie Bourne (from 4 December 2023)
	Ms Franchesca Walker (until 15 March 2024)

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Economics and Industry Standing Committee

Annual Report 2023–2024

Report No. 9

Presented by

Hon P.C. Tinley, MLA

Laid on the Table of the Legislative Assembly on 19 September 2024

Chair's Foreword

This is the fourth and final annual report for the Economics and Industry Standing Committee (the Committee) in the 41st Parliament. As with previous reporting periods, once again this period proved very busy for the Committee.

During the 2023–2024 reporting period the Committee finalised its inquiry into Western Australia's trade and investment relationship with the Republic of Indonesia (the Indonesia Inquiry) while also continuing its inquiry into the WA Domestic Gas Policy.

The Committee tabled the report for the Indonesia inquiry on 17 August 2023, which coincided with the Indonesian Independence Day. *A long-term partnership: Developing stronger ties with Indonesia* was a comprehensive account of the evidence received and work carried out by the Committee throughout the year-long inquiry. It contained a range of recommendations to the WA Government aimed at improving our trade and investment relationship with Indonesia.

The inquiry into the WA Domestic Gas Policy continued throughout this reporting period. The Committee began this inquiry because of concerns that a domestic gas shortfall was imminent, and that there was a possibility that some liquified natural gas (LNG) producers might not meet their domestic gas commitments under the WA Domestic Gas Policy (the Policy) by end-of-field life. Gas reserved under the Policy contributes around half of the State's domestic gas supply. In the future, compliance with the Policy and domestic gas commitment agreements made pursuant to it will be an important part of ensuring energy security for the State of Western Australia.

I would like to thank my fellow committee members for their diligent work throughout the reporting period: the Deputy Chair, Merome Beard, MLA, Member for Northwest Central; Ms Emily Hamilton, MLA, Member for Joondalup; Ms Ali Kent, MLA, Member for Kalgoorlie; and the Hon Bill Johnston, MLA, Member for Cannington. I also thank Mr David Scaife, MLA, Member for Cockburn, for his valuable input until he left the Committee on 20 March 2024 to take up the role of Parliamentary Secretary.

I recognise the work of the committee secretariat, Ms Vanessa Beckingham, Principal Research Officer, and Mr Jamie Bourne, Research Officer. I also acknowledge Ms Franchesca Walker who worked as part of the secretariat in the capacity of research officer until 15 March 2024.



HON P.C. TINLEY, MLA
CHAIR

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Chapter 1

Committee Activities

Introduction

This report summarises the activities and expenditure of the Economics and Industry Standing Committee (the Committee) between 1 July 2023 and 30 June 2024 (the reporting period).

Summary of activities

During this reporting period the Committee carried out the following activities:

- Conducted two ongoing inquiries:
 - Inquiry into Western Australia’s bilateral trade relationship with the Republic of Indonesia (the Indonesia Inquiry)
 - Inquiry into the WA Domestic Gas Policy.
- Tabled three reports:
 - Report 5 – *A long-term partnership: developing stronger ties with Indonesia: Western Australia’s bilateral trade and investment relationship with the Republic of Indonesia* (tabled 17 August 2023)
 - Report 6 – *Annual Report 2022–2023* (tabled 19 October 2023)
 - Report 7 – *Domestic Gas Security in a Changing World: Inquiry into the WA Domestic Gas Policy: Interim Report* (tabled 22 February 2024).
- Held 20 deliberative meetings.
- Was briefed by stakeholders on three separate occasions.
- Took evidence from 51 persons at formal public hearings, and in addition, conducted a number of closed session hearings.
- Travelled to Sydney to attend the Australian Domestic Gas Outlook (ADGO) conference.

Table 1.1: Summary of the activities of the Committee, 1 July 2023 – 30 June 2024

Description	Activity
Briefings	3*
Deliberative meetings	20
Formal evidence hearings (public only)	21
Witnesses appearing at public hearings	51
Reports tabled	3
Report findings tabled	100
Report recommendations tabled	20

*this number is the total number of meetings which included a briefing, some of which included more than one organisation providing evidence (see Table 1.3)

Portfolios

The Committee’s functions are set out in Standing Order 287 of the Legislative Assembly Standing Orders. A committee function is to review and report to the Legislative Assembly on matters within its portfolio responsibilities. The portfolio responsibilities of this Committee in the 41st Parliament were tabled in the Legislative Assembly on 5 May 2021.

The Committee is currently responsible for the following 24 areas:

- State Development
- Jobs and Trade
- Fisheries
- Lands
- Transport
- Science
- Racing and Gaming
- Energy
- Heritage
- Forestry
- Water
- Mines and Petroleum
- Regional Development
- Tourism
- Commerce
- Industrial Relations
- Small Business
- Housing
- Planning
- Agriculture and Food
- Innovation and ICT
- Hydrogen Industry
- Ports
- Defence Industry

Public Hearings

Pursuant to Assembly Standing Order 264, the Committee has power to send for persons, papers and records. During the period 1 July 2023 – 30 June 2024, the Committee conducted 21 public hearings, taking evidence from 51 witnesses to assist with its inquiry into the WA Domestic Gas Policy (Table 1.2).

Table 1.2: Public Hearings of the Committee, 1 July 2023 – 30 June 2024

Date of hearing	Name	Position	Organisation
16 August 2023	Alistair Jones	Acting Director General	Department of Jobs, Tourism, Science and Innovation (JTSI)
	Dr Phillip Gorey	Deputy Director General, Resources and Project Facilitation	
	Stephen Dawson	Executive Director, Project Facilitation	
	Jai Thomas	Coordinator of Energy	Department of Mines, Industry Regulation and Safety (DEMIRS)
30 August 2023	Professor Tina Soliman Hunter	Director	Centre for Energy and Natural Resources Innovation and Transformation (CENRIT), Macquarie University
	Dr Madeline Taylor	Deputy Director	

Date of hearing	Name	Position	Organisation
13 September 2023	Richard Harris	Chair	DomGas Alliance
	Bree Liddell	Secretariat and Administration	
	Jai Coppen	Senior Energy Sourcing Manager, Yara Pilbara Fertilisers	
	Nicholas Rea	Manager, Wholesale and Low Carbon Fuels, Wesfarmers Chemicals, Energy and Fertilizers	
	Stuart Nicholls	Chief Executive Officer and Managing Director	Strike Energy
	Emma Alexander	Investor Relations and Corporate Manager	
20 September 2023	John Dagostino	Director Government Affairs	Alcoa of Australia
	Nicholas Eaton	Energy Director – Australia	
	Patrick Beashel	General Manager Gas Supply and Trading	Chevron Australia
	Jason Ridley	Domestic Gas Commercial Operations Team Lead	
11 October 2023	Virang Gadoya	Vice President Commercial	Shell Energy Australia
	Paul Arias	General Manager - Physical Trading and Origination West	
13 October 2023	Tanya Rybarczyk	General Manager, Kleenheat	Wesfarmers Chemicals, Energy and Fertilisers (WesCEF)
	Ian Hansen	Managing Director	
	Nicholas Rea	Manager Wholesale and Low Carbon Fuels	
18 October 2023	Laurent Trost	General Manager	Yara Pilbara Fertilisers
	Jai Coppen	Senior Energy Sourcing Manager	
20 October 2023	Rachael Risucci	Vice President Australian - Gas and Low Carbon Energy	BP Developments Australia
	Pam Starkey	Senior Finance and Planning Manager	
	David Fyfe	Chief Executive Officer	Synergy
	Mark Chambers	General Manager, Wholesale	
	Michael Price	Vice President Pluto/Scarborough	Woodside Energy
	Mark Abbotsford	Executive Vice President Marketing and Trading	

Chapter 1

Date of hearing	Name	Position	Organisation
3 November 2023	Russell Godsall	Executive General Manager Gas Operations	ATCO Gas Division, Australia
	Sean Pitt	Vice President Marketing, Trading and Shipping	Santos
	Marcia Evans	Acting Vice President Upstream Offshore	
	Kayleen Ewin	General Manager Government and Community Affairs (WA, NA, and TL)	
8 November 2023	Kate Ryan	Executive General Manager WA and Strategy	Australian Energy Market Operator (AEMO)
	Christopher Meredith	Energy Analyst	
	Steve Edwell	Chair	Economic Regulation Authority (ERA)
	Jenness Gardner	Chief Executive Officer	
	Rajat Sarawat	Executive Director Energy Markets	
	Sara O'Connor	Executive Director Regulation and Inquiries	
15 November 2023	Rebecca Tomkinson	Chief Executive Officer	Chamber of Minerals and Energy of Western Australia (CME WA)
	Adrienne Labombard	Director - Policy and Advocacy	
13 March 2024	Mark Abbottsford	Executive Vice President, Marketing and Trading	Woodside Energy
	Simon McCarthy	General Manager, Commercial	
	Michael Price	Pluto and Scarborough	
15 April 2024	Samantha McCulloch	Chief Executive	Australian Energy Producers
	Caroline Cherry	Director, Western Australia	
	Brian Pridgen	Senior Policy Adviser	
	Richard Harris	Chair	DomGas Alliance
	Jai Coppen	Senior Energy Sourcing Manager, Yara Pilbara Fertilisers	
	Nicholas Rea	Manager, Wholesale and Low Carbon Fuels, Wesfarmers Chemicals, Energy and Fertilizers	
	Keira McConkey	Associate Director, Government Relations, Cannings Purple	

In addition to the public hearings listed in Table 1.2, the Committee also conducted a number of closed hearings during the reporting period.

Briefings

In addition to the formal hearings listed above, the Committee also held briefings to gather information in relation to the Committee’s inquiry into the WA Domestic Gas Policy (see Table 1.3).

Table 1.3: Briefings provided to the Committee, 1 July 2023 – 30 June 2024

Date of briefing	Name	Position	Organisation
10 August 2023	The Hon. Bill Johnston	Minister for Energy	Government of Western Australia
14 February 2024 Forecasting Roundtable <i>This roundtable briefing included all the listed participants at one briefing.</i>	Kate Ryan	Executive General Manager – Western Australia and Strategy	Australian Energy Market Operator (AEMO)
	Christopher Meredith	Market Analyst – WA Future System and Design	
	Robin Parsons	Manager – WA Stakeholder Engagement	
	Steve Dawson	Executive Director, Resource and Infrastructure Agreements Division	Department of Jobs, Tourism, Science and Innovation (JTSI)
	Dr Phil Gorey	Deputy Director General, Resources and Project Facilitation Group	
	Richard Sellers	Director General	Department of Energy, Mines, Industry Regulation and Safety (DEMIRS)
Jai Thomas	Deputy Director General - Coordinator of Energy		
Dora Guzeleva	Director Wholesale Markets		

Date of briefing	Name	Position	Organisation
31 July 2024	Dr Phil Gorey	Deputy Director General, Resources and Project Facilitation	Department of Jobs, Tourism, Science and Innovation (JTSI)
	Steve Dawson	Executive Director, Resource and Infrastructure Agreements, Resources and Project Facilitation	

Investigative Travel

Table 1.4: Summary of Committee travel, 1 July 2023 – 30 June 2024

Date	Description	Attendees	Cost (\$)
March 2024	Inquiry into the WA Domestic Gas Policy Australian Domestic Gas Outlook Conference, Sydney, Australia	2 committee members 1 staff member	35,411

Australian Domestic Gas Outlook Conference 2024

In March 2024, two members of the Committee—the Chair, Hon Peter Tinley AM MLA, and the Hon Bill Johnston MLA—and the Committee’s Research Officer attended the Australian Domestic Gas Outlook (ADGO) conference to obtain information relevant to the Committee’s inquiry into the WA Domestic Gas Policy. The Committee’s Principal Research Officer attended the conference online.

The ADGO is an annual event which hosts a range of stakeholders within the domestic gas industry—including gas producers, pipeline operators, retailers, end-users, regulators and policymakers. The ADGO facilitates high-level strategy discussions about the direction of the industry in the future.

At the 2024 ADGO conference industry leaders spoke about policy and regulatory developments impacting the domestic market. Panel discussions included topics relating to gas policy, competitive pricing for gas users, and effective carbon mitigation for the gas sector.

The Committee Chair participated in two panel discussions, having been authorised by the other members to speak on behalf of the Committee about the findings of the Committee’s Interim Report (tabled in February 2024). The panels attended by the Chair were on the following topics:

- Is a Western Australian gas crisis looming?
- Politics, Policy and Pragmatism: If only being right was enough!

Issues raised at the conference which were particularly relevant to the Committee’s inquiry were the forecasted domestic gas shortfall for Western Australia, social licence,

policymaking and sources of prospective gas supply. Information gathered at the event informed the final report on the inquiry into the WA Domestic Gas Policy.

Work in progress during 2023–2024

Inquiry into Western Australia’s bilateral trade relationship with the Republic of Indonesia

The Indonesia Inquiry was established during the 2021–2022 reporting period (on 22 June 2022) and was largely carried out during the 2022–2023 reporting period. For more detail about this inquiry see the following reports:

- Report 5— *A long-term partnership: developing stronger ties with Indonesia: Western Australia’s bilateral trade and investment relationship with the Republic of Indonesia*—tabled 17 August 2023
- Report 6— *Annual Report 2022–2023*—tabled 19 October 2023

Following the tabling of the Indonesia inquiry report on 17 August 2023, the Committee held a post-inquiry event in the Parliament House Courtyard on the evening of 29 August 2023. The objective of this event was to raise awareness of the findings and recommendations made in the inquiry report and to promote awareness of the important bilateral relationship between Western Australia and Indonesia, and particularly, Western Australia’s sister-state relationship with East Java. It also aimed to facilitate discussion and connections between Indonesian and Western Australian stakeholders, ministers and members of Parliament.

The inquiry report contained 87 findings and 20 recommendations to government. A government response to the recommendations was tabled in the Legislative Assembly on 28 November 2023.¹ Overall, the government response welcomed the Committee’s report and noted that the 20 recommendations were ‘comprehensive’ and represented ‘a detailed review’ of the bilateral relationship. It supported 10 of the recommendations and noted the remaining 10.

Of particular importance, and arising directly from this inquiry, has been the establishment by the State Government of a second ASEAN Trade and Investment Commissioner, one of which is now based in Jakarta, Indonesia. The Committee considers this to be an important initiative and one which will support the State’s important relationship with Indonesia.

Inquiry into the WA Domestic Gas Policy

The inquiry into the WA Domestic Gas Policy was established by a resolution of the Committee in the previous reporting period, on 21 June 2023, and the Legislative Assembly was subsequently advised of the inquiry terms of reference on 26 June 2023.

1 A copy of the report and the government response can be downloaded from: Parliament of Western Australia, *A long-term partnership: Developing stronger ties with Indonesia; Western Australia’s bilateral trade and investment relationship with the Republic of Indonesia*, <[https://www.parliament.wa.gov.au/Parliament/commit.nsf/\(ReportsAndEvidence\)/210ADC1862B80F0048258A0E0005ADB2?opendocument](https://www.parliament.wa.gov.au/Parliament/commit.nsf/(ReportsAndEvidence)/210ADC1862B80F0048258A0E0005ADB2?opendocument)>.

The Committee called for submissions using social media platforms and a newspaper advertisement in *The West Australian*. In addition, the Committee wrote to key stakeholders inviting them to make a submission.²

During this reporting period, the Committee held numerous hearings to gather evidence, both public and in closed session, while also receiving and processing a large number of submissions.

Given the technical and complex nature of the evidence it was receiving, the Committee resolved to engage the expert services of Mr Matthew Bowen, Principal at Energy Transformations. Mr Bowen was engaged to provide industry and legal advice to Committee and assist in the preparation of briefing papers, draft reports and other documents.

Initially, the Committee intended to report to the Legislative Assembly on 30 November 2023. As time progressed, it became clear that the subject matter warranted more scrutiny, resourcing, and time than first anticipated. For this reason, the Committee amended its reporting date to report by 30 May 2024, and advised the Speaker of the Legislative Assembly of this on 11 October 2023 (this was subsequently extended again to 13 June 2024 for the same reasons, with the Speaker advised accordingly on 18 March 2024).

Considering the delay to its reporting date, the Committee resolved to publish an Interim Report to keep the Parliament and inquiry stakeholders abreast of the key issues identified during its investigations.

The Interim Report gave industry a sense of the emerging themes and direction in which the Committee was moving. It was clear following the tabling that industry was listening to the Committee and appeared to become more attentive to their respective domestic gas obligations held under the WA Domestic Gas Policy.

This underscores the value of committee work undertaken by the Parliament. For example, Woodside Energy agreed to double the domestic gas proportion of LNG exports associated with gas from its Pluto LNG project that is processed through the Karratha Gas Plant. This began in April 2024 and will go through to end December 2025. Woodside is also bringing forward the timing of Pluto gas which it has agreed to make available through the Karratha Gas Plant pursuant to its Additional Domestic Gas Commitment Agreement.³

Following the publication of the Interim Report on 22 February 2024, the Committee conducted additional hearings and received several supplementary submissions from inquiry stakeholders.

The Committee also held a roundtable discussion (the 'Forecasting Roundtable' – see Table 1.3) on 14 February 2024 with Australian Energy Market Operator, the Department of Jobs, Tourism, Science and Innovation, and the Department of Energy, Mines, Industry Regulation

2 For more detail about the inquiry process see: Economics and Industry Standing Committee, *Domestic Gas Security in a Changing World Inquiry into the WA Domestic Gas Policy: Final Report*, 15 August 2024, Appendix Two.

3 Economics and Industry Standing Committee, *Domestic Gas Security in a Changing World Inquiry into the WA Domestic Gas Policy: Final Report*, 15 August 2024, pp. 8-10.

and Safety. Representatives from these three organisations met with the Committee to discuss the inputs, outputs and processes for WA's domestic gas demand and supply forecasts, to ascertain how the Committee might recommend improvements to government.

In June 2024, the Committee again resolved to extend the tabling date, this time to 15 August 2024. This decision was made to provide members of the Committee some additional time to gain an understanding of, and deliberate upon, the large body of evidence gathered via the inquiry process.

As the tabling of the final inquiry report occurred during the next reporting period, more detail about the final report and tabling will be included in the 2024–2025 annual report.

Chapter 2

Financial Statement

The Committee does not have its own formal budget and is funded out of the budget of the Legislative Assembly. Approval for major expenditures is required on a case-by-case basis and is entirely at the discretion of the Speaker.

The Committee's expenditure for the financial year 1 July 2023 – 30 June 2024 (in accordance with Standing Order 276) is detailed below:

Table 2.1: Expenditure items of the Committee, 1 July 2023 – 30 June 2024

Expenditure Item	Amount (\$)
Advertising	2,309
Printing	3,955
Staff / Member Amenities	153
Consultants	58,000
Conference Registration Fees	17,371
Travel - Staff - Metro	44
Travel - Staff - Non Metro Accommodation	1,173
Travel - Staff - Non Metro Fares	3,480
Travel - Staff - Non Metro Other	394
Travel - Members and Staff - Car Hire/Taxis	134
Travel - Members - Accommodation	1,636
Travel - Members - Fares	11,049
Travel - Members - Other Expenses	130
TOTAL	99,828

Notes: Salaries of committee staff are not included.

Costs of shared administrative expenses, including lease costs for committee accommodation, not included.



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