



***ECONOMICS AND INDUSTRY  
STANDING COMMITTEE***

**ANNUAL REPORT 2003-2004**

**Report No. 9**

**2004**

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Economics and Industry Standing Committee

Annual Report 2003-2004

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Presented by:

**Mr A.D. McRae, MLA**

Laid on the Table of the Legislative Assembly  
on 23 September 2004



## COMMITTEE MEMBERS

<b>Chairperson</b>	Mr A.D. McRae, MLA Member for Riverton
<b>Deputy Chairperson</b>	Hon J.H.D. Day, MLA Member for Darling Range
<b>Members</b>	Mr J.J.M. Bowler, MLA Member for Eyre
	Mr B.K. Masters, MLA Member for Vasse
	Mr M.P. Murray, MLA Member for Collie

## COMMITTEE STAFF

<b>Principal Research Officer</b>	Dr Ray Wills, BSc (Hons), PhD (until July 04) Mr Simon Kennedy, BA (Hons) (from August 04)
<b>Research Officer</b>	Ms Jovita Hogan, BA (Hons)

## COMMITTEE ADDRESS

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# TABLE OF CONTENTS

COMMITTEE MEMBERS.....	I
COMMITTEE STAFF .....	I
COMMITTEE ADDRESS .....	I
COMMITTEE’S FUNCTIONS AND POWERS.....	V
CHAIR’S FOREWORD.....	VII
<b>CHAPTER 1 COMMITTEE ACTIVITIES .....</b>	<b>1</b>
1.1 INTRODUCTION.....	1
1.2 PUBLIC HEARINGS.....	2
1.3 BRIEFINGS .....	3
1.4 INVESTIGATIVE TRAVEL.....	6
1.5 REPORTS TABLED.....	7
1.6 WORK IN PROGRESS .....	7
(a) Inquiry into energy efficiency and renewable energy in Western Australia .	7
(b) Inquiry into vanadium resources at Windimurra .....	8
<b>CHAPTER 2 FINANCIAL STATEMENT .....</b>	<b>9</b>





## **COMMITTEE'S FUNCTIONS AND POWERS**

The functions of the Committee are to review and report to the Assembly on: -

- (a) the outcomes and administration of the departments within the committee's portfolio responsibilities;
- (b) annual reports of government departments laid on the Table of the House;
- (c) the adequacy of legislation and regulations within its jurisdiction; and
- (d) any matters referred to it by the Assembly including a bill, motion, petition, vote or expenditure, other financial matter, report or paper.

At the commencement of each Parliament and as often thereafter as the Speaker considers necessary, the Speaker will determine and table a schedule showing the portfolio responsibilities for each committee. Annual reports of government departments and authorities tabled in the Assembly will stand referred to the relevant committee for any inquiry the committee may make.

Whenever a committee receives or determines for itself fresh or amended terms of reference, the committee will forward them to each standing and select committee of the Assembly and joint committee of the Assembly and Council. The Speaker will announce them to the Assembly at the next opportunity and arrange for them to be placed on the notice boards of the Assembly.



## CHAIR'S FOREWORD

This is the ninth report of the Economics and Industry Standing Committee and provides an overview of the Committee's activities from 1 July 2003 to 30 June 2004.

A highlight of the last year was the Committee's hosting of the National Conference of Public Works and Environment Committees. The conference was held in both Perth and Karratha, allowing delegates to appreciate the development and infrastructure of our State's north-west, as well as an understanding of this region's contribution to the national economy.

In December 2003, the Committee tabled its report on the sustainability of the dairy industry in Western Australia. The work was done with the collaboration of two co-opted members from the Legislative Assembly - the Hon Paul Omodei and Mr Tony Dean. The Committee was also very fortunate in obtaining the assistance of Dr David Windsor, a senior research officer with the Department of Agriculture. The expertise provided by Dr Windsor enabled the Committee to table the report within six months of having the matter referred to it by the Legislative Assembly.

The Committee has continued to seek the views of Government agencies under the Committee's portfolio responsibilities. Two specific matters on which we have sought information over the past twelve months have been Australia's free trade agreement with the United States and the issue of trainees and apprenticeships. We look forward to continuing this direct relationship wherever practicable.

I would like to thank my fellow Committee members for their individual and collective contributions over this last year. The Committee has continually worked in a bi-partisan fashion; with all members having an effective voice in deliberations and discussions.

I also wish to commend the Principal Research Officer, Dr Ray Wills, and Research Officer, Jovita Hogan, for their enthusiasm and professionalism in the conduct of their roles.

MR A.D. McRAE, MLA  
CHAIRPERSON



## CHAPTER 1 COMMITTEE ACTIVITIES

### 1.1 Introduction

During the course of this reporting period (Table 1.1), the Committee:

- Held 31 deliberative meetings;
- Completed one inquiry on the sustainability of the dairy industry in Western Australia;
- Took evidence and/or was briefed by 107 persons in Perth and regional Western Australia
- Undertook investigative travel to the Australian Capital Territory, New South Wales and Victoria, including briefings by 26 persons;
- Attended the Australian Agricultural Research Society, and National Power and Gas Conferences.

**Table 1.1 Summary of activities of the Economics and Industry Standing Committee, 1 July 2003 - 30 June 2004.**

Description	Activity
Deliberative meetings	31
Briefings	36
Formal evidence hearings	18
Witnesses appearing	37
Reports tabled	3
Report findings tabled	56
Report recommendations tabled	22

## 1.2 Public Hearings

Pursuant to Assembly Standing Order 264, the Committee has power to send for persons, papers and records. During the period 1 July 2003 - 30 June 2004, the Committee conducted 8 public hearings, taking evidence from 11 persons to assist with its investigations into the sustainability of the dairy industry in Western Australia (Table 1.2). The Committee also took evidence from further 26 persons in 10 closed evidence sessions.

**Table 1.2 Public Hearings of the Economics and Industry Standing Committee  
1 July 2003 - 30 June 2004.**

Date	Name	Position	Organisation
19/9/2003	Dr Donald Vass	Veterinarian	Harvey Veterinary Clinic
19/9/2003	David Tognela		
15/10/2003	John Cummings	President	Western Australian Independent Grocers Association
15/10/2003	Ted Moore Chris Mara	General Manager Regulatory Affairs Advisor	Coles Myer Ltd.
17/10/2003	Stuart Knott	Company Director	Australian Business Linkages Pty Ltd.
17/10/2003	Adrian & Evelyn Brand		
22/10/2003	Antonio Pratico Andrew White	Dairy Section President Dairy Section Executive Officer	Western Australian Farmers Federation
22/10/2003	Len De Nooyer	Regional Manager	Woolworths Ltd.

### 1.3 Briefings

In addition to gathering evidence during formal evidence hearings, the Committee received a number of informal briefings used to gain information relating to the Committee's inquiries (Table 1.3).

**Table 1.3 Briefings provided to the Economics and Industry Standing Committee 1 July 2003 - 30 June 2004.**

Date	Name	Position	Organisation
20/8/2003	Neville Haddon		
20/8/2003	Elaine Haddon		
20/8/2003	David Partridge		
20/8/2003	Michael Partridge		
20/8/2003	Jacqui Biddulph		
20/8/2003	Don Fry		
20/8/2003	Laurel Fry		
20/8/2003	Peter Fry		
20/8/2003	Jenny Fry		
20/8/2003	Nola Marino		
20/8/2003	Michael MacLaughlin		
27/8/2003	Nigel Thomas	Chief Executive Officer	Peters & Brownes Group
27/8/2003	Steven Adams	Corporate Analyst	Peters & Brownes Group
27/8/2003	Bernie Plummel	General Manager, Supply Chain	Peters & Brownes Group
27/8/2003	Dean Maughan	Milk Supply Manager	Peters & Brownes Group
2/9/2003	Steven Coats	Program Manager Innovation and Change Management	Dairy Australia

<b>Date</b>	<b>Name</b>	<b>Position</b>	<b>Organisation</b>
2/9/2003	Chris Phillips	General Manager International Trade Development	Dairy Australia
2/9/2003	Daryl Gifford	Chief Executive Officer	Dairy Adjustment Authority
3/9/2003	Vernon Topp	Research Manager Agriculture & Trade	Australian Bureau of Agricultural & Resource Economics
3/9/2003	Dale Ashton	Principal Economist	Australian Bureau of Agricultural & Resource Economics
3/9/2003	Peter Martin	Survey Data Manager	Australian Bureau of Agricultural & Resource Economics
3/9/2003	Greg Williamson	General Manager, Meat, Wool & Dairy	Department of Agriculture, Fisheries and Forestry - Australia
3/9/2003	Sally Standen	Manager, Industry Operations & Reform, Wool & Dairy	Department of Agriculture, Fisheries and Forestry - Australia
3/9/2003	Polly McGee	Policy Adviser, Industry Operations & Reform, Wool & Dairy	Department of Agriculture, Fisheries and Forestry - Australia
3/9/2003	Carolyn Page		Department of Agriculture, Fisheries and Forestry - Australia
3/9/2003	Tim Grimwade	General Manager, Adjudication	Australian Competition and Consumer Commission
3/9/2003	Stephanie Chenoweth	Acting Director Adjudication	Australian Competition and Consumer Commission
3/9/2003	Stefanee Lovett	Senior Project Officer	Australian Competition and Consumer Commission
3/9/2003	Tanya Mayrhofer		Australian Competition and Consumer Commission



<b>Date</b>	<b>Name</b>	<b>Position</b>	<b>Organisation</b>
4/9/2003	Maurice Van Ryn	Chief Executive Officer	Bega Cheese
4/9/2003	Colin Griffin	General Manager Finance Company Secretary	Bega Cheese
4/9/2003	Michael Byrnes	General Manager Operations	Bega Cheese
4/9/2003	Tom D'Arcy	Director	Bega Cheese
4/9/2003	Barry Irvin	Chairman	Bega Cheese
4/9/2003	Mathew Kimber		
12/11/2003	John Feil	Executive Director	National Competition Council
12/11/2003	Alan Johnston	Director	National Competition Council
12/11/2003	Michael James	Competition Policy Advisor	National Competition Council
13/11/2003	Greg Beatty	Regional Managing Director Australasia	New Zealand Milk Australasia
13/11/2003	David Mallinson	Regional Finance Director	New Zealand Milk Australasia
13/11/2003	Allan Burgess	President	Australian Dairy Farmers
31/03/2004	Shelley Liddelow Evan Grey	A/Executive Director Senior Program Officer	Sustainable Energy Development Office
31/03/2004	Brett Sadler	Principal Project Officer	Electricity Reform Implementation Unit
31/03/2004	Paul Ebert Tony Perrin	Renewable Energy Project Director Manager Energy Trading	Western Power
24/05/2004	Antony Piccinini	Project Manager	Diesel and Wind Systems

<b>Date</b>	<b>Name</b>	<b>Position</b>	<b>Organisation</b>
24/05/2004	Bruce Manning Duane Schouten	Chief Executive Officer Senior Development Office	Great Southern Development Commission
02/06/2004	Cindy Siano Griff Morris Elizabeth Karol		Subiaco Sustainable Development House
10/06/2004	Tony Robertson Paul Gower	Principal Advisor Corporate Communications Principal Engineer Power Generation	Alinta
10/06/2004	Phil Campbell Melinda Bott	Refinery Manager Communications Team Leader	Alcoa World Alumina Australia
10/06/2004	Jim White Brian Nichols	Operations Manager Maintenance & Engineering Manager	Iluka Resources - Capel
16/06/2004	Ken Brown Peter Rowe	Manager System Operations Manager Corporate Affairs	Western Power
30/06/2004	Shelley Liddelow Tony Stewart	Sustainable Energy Development Office	WA Office of Energy

## 1.4 Investigative Travel

During 2003/04, the Committee undertook investigative travel both in regional Western Australia and interstate to Melbourne, Canberra and regional New South Wales. The people the Committee spoke with are listed in Tables 1.2 and 1.3 above.

## 1.5 Reports Tabled

The Committee tabled the following reports in the 2003/2004 reporting period:

- Report No 6 Interim report on the sustainability of the dairy industry in Western Australia (28 August 2003)
- Report No 7 Economics and Industry Standing Committee Annual Report 2002-2003 (30 October 2003)
- Report No 8 The sustainability of the dairy industry in Western Australia (4 December 2003)

## 1.6 Work in Progress

The Committee has two current inquiries:

### (a) Inquiry into energy efficiency and renewable energy in Western Australia

#### Terms of Reference:

On 7 April 2004, the Economics and Industry Standing Committee resolved to review and make recommendations on measures available to Western Australia:

- (i) which encourage efficiencies in electricity production and consumption;
- (ii) which encourage use of renewable energy; and
- (iii) any other relevant matters.

The Committee has received a number of briefings both intrastate and interstate in relation to the inquiry. Those people providing briefings are listed in Table 1.2.

**(b) Inquiry into vanadium resources at Windimurra**

According to terms of reference adopted on 30 June 2004, the Economics and Industry Standing Committee will inquire into:

- (iv) the scale and type of public and private infrastructure investment into vanadium mining at Windimurra;
- (v) operations of the mine and plant since establishment;
- (vi) the conditions leading to mine and plant closure;
- (vii) the arrangements by Xstrata Alloys for the decommissioning of the mine and dismantling and sale of the plant;
- (viii) statutory or policy reform to protect the State's mineral resources and their development potential; and
- (ix) any other matters considered relevant by the Committee.

## CHAPTER 2 FINANCIAL STATEMENT

The Economics and Industry Standing Committee does not have its own formal budget and is funded out of the budget of the Legislative Assembly. Approval for all 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 2003/2004 (in accordance with Standing Order 276) is detailed in the table below.

<b>Expenditure Item</b>	<b>\$</b>
Advertising	4600
Conference Expenditure NCPWEC <sup>1</sup>	8100
Conference Fees	2300
Printing	3800
Protocol	3500
Travel	35000
Witness Expenses	600
<b>TOTAL</b>	<b>57900</b>

Notes:

- Figures rounded off to nearest \$100.
- Salaries of committee staff are not included.
- Costs of shared administrative expenses, including lease costs for committee accommodation, not included.

<sup>1</sup> The Committee incurred costs in hosting the conference. Previous expenditure reported in the Committee's 2002-2003 annual report.