

ECONOMICS AND INDUSTRY STANDING COMMITTEE

Tenth Report — “Turning to India: Investing in our Future” — Tabling

MS J.J. SHAW (Swan Hills) [10.17 am]: I present for tabling the tenth report of the Economics and Industry Standing Committee, titled “Turning to India: Investing in our Future”, and the associated submissions.

[See papers [4013](#) and [4014](#).]

Ms J.J. SHAW: This report, “Turning to India: Investing in our Future”, has been tabled at a particularly challenging time. Nations continue to grapple with the fallout from the COVID-19 pandemic, an event that has interrupted trade flows, supply chains and the free movement of people and it continues to adversely affect population health and economic development around the globe. China has announced a range of restrictions on Australian exports, many of which are significant to the Western Australia economy. At a time when it is essential to keep our trading relationships strong, our state—the most trade oriented in the nation—finds itself affected by the strained relationship between Beijing and Canberra. There has never been a more important time to consider the steps that Western Australia can take to fortify its existing trade relationships and develop pathways to new markets. This inquiry was initiated at a time when Western Australia’s disproportionate reliance on a single partner and a handful of commodities was acknowledged but considered relatively uncontentious, obviously prior to the onset of the COVID-19 pandemic. Given the increased global awareness of the transformation and growth of India’s economy over recent years, the committee considered it worthwhile to examine whether our state was effectively pursuing economic opportunities in that market.

Western Australia was an early mover in recognising the export potential of the Indian market. In 1996, we were the first Australian state to open an office in India, establishing the government of Western Australia’s India office in Mumbai. Other states soon followed suit, dedicating significant resources and opening their own trade offices. Over time, other Australian states, particularly Victoria and New South Wales, have achieved far greater trade and investment engagement with India. Although the Australia–India economic relationship is seeing significant growth, with India now Australia’s fifth-largest partner, WA has not seen a commensurate increase in our bilateral trade flows with India.

India is widely recognised as one of the fastest growing economies in the world. By 2035, it is predicted to be the third largest national economy behind China and the United States. A rapidly developing India will need many goods and services that Western Australia can provide, including those from the education, mining, energy, agriculture and tourism sectors. This inquiry originally intended to examine how we might regain momentum in our trading relationship with India and broadly coincided with the release of two key state government policies: “Western Australia’s Asian Engagement Strategy 2019–2030: Our Future with Asia” and “Diversify WA: Strong Economy, Creating Jobs, Diverse Industries”. At the outbreak of the pandemic, the Economics and Industry Standing Committee questioned whether we should proceed with this inquiry. After all, with such uncertainty, lack of information and a limited ability to predict our neighbours’ responses to such an unprecedented global shock, what useful observations or recommendations could be made? Over the past eight months, however, it has become apparent that there has never been a more important time to consider where WA’s economic future could lie and the steps we can take to leverage the unique position we now find ourselves in.

On account of the McGowan government’s decisive action in response to the outbreak of COVID-19, WA is currently one of the safest and strongest jurisdictions in the world. We have thus far avoided the worst of the health and economic impacts that have so devastated other nations. Western Australia is extremely well positioned for recovery, and trade has never assumed a more important role in our statewide recovery conversation. It is now vital that WA seeks to diversify its trade base with new partners, in new markets and across new goods and services. Whilst significant efforts are focused on internal recovery, WA needs to also build new industries and markets, industries that will harness our innovation and existing capacities and chart new courses to new markets. India is one such destination for our joint endeavours, and amongst all of our potential trading partners, it should receive our prime focus.

A range of factors complicate the pathway to increased trade with India. India’s system of government is remarkably complex. The national government has a limited capacity to direct the economy and the policies of its 36 sub-national governments, all of which are significant economic actors in their own right. Indian markets are complex. They have difficult tariff regimes, particularly in agriculture, and they contain other regulatory and non-tariff barriers. Australians also generally lack an awareness of Indian business opportunities and do not understand India’s business culture well. India is also able to meet much of its own demand for Western Australia’s traditional major exports. Where we trade, WA often supplements an internal supply rather than being the main source for key commodities such as iron ore and LNG. A far wider variety of products and services are likely to underpin our future relationship, with demand for international education and tourism in particular likely to be significant. To be successful, Western Australia must apply a different, more nuanced, layered and proactive engagement strategy than we have

traditionally adopted for other commodities, products, services and markets. Evidence to this inquiry has demonstrated that state-level trade policy requires long-term planning and commitment, and should ideally enjoy broad-based political support. A nonpartisan approach to trade policy would enable successive administrations to take strategic and ambitious approaches to policy and program development and deliver stronger, long-term trading ties and relationships. This will be vital to success in India. The evidence also shows that collaboration with Australian national, state and territory governments is imperative. Both the Australian and Indian national governments have signalled their intent to enhance the bilateral relationship through the Varghese and Wadhwa reports respectively. We have recommended that our own initiatives complement nationwide efforts. No Australian state has the capacity to penetrate the Indian market alone. A combined effort is likely to yield better outcomes for all.

The state government's economic framework *Diversify WA* and Western Australia's Asian engagement strategy adopt a sectoral approach to economic development. The "Western Australia Investment and Trade Plan 2019–20" identifies priority subsectors in India that fall within Western Australia's six priority sectors. Our report considers the consistency and intersections between these documents and the opportunities and challenges in international education, tourism, mining and minerals, energy and agribusiness. We observe that the state government's commitment to India should be based on a well-resourced and long-term approach. Sustained, deep relationships between people, businesses and institutions matter in India. They need time and support to develop. We note the importance of adequately resourcing an in-country presence and support a review of the location of the Western Australian government office in India and the viability of establishing a second office. People-to-people links matter. This report finds that regular and sustained ministerial visits between our jurisdictions build high-level connections and facilitate trade and investment. Trade missions also provide opportunities to build international connections, foster business relationships and identify partnering and investment opportunities.

It is also important to identify local champions to promote WA and to increase cultural ties and India literacy in government and the business community. The large and growing Western Australian Indian diaspora is an underutilised resource and could greatly assist to strengthen our trading relationship, particularly when the capacity to travel is constrained in the COVID-19 environment. The diaspora's established ties are a vital link to India, providing a bridge when other methods to deepen relationships and obtain market intelligence are limited. There has never been a more important time to engage the Indian diaspora, to reinforce relationships between our nations, to maintain informal and formal pathways to market, to gain an understanding of opportunities for re-engagement and to gather market intelligence. Research and development relationships can and will also continue. It will be vital to tap into and develop the networks and partnerships between universities, research institutions and academic communities. Research teams are used to collaborating across borders and can reinforce international links.

Despite the large volume of suggestions made to the committee, the evidence gathered and the range of findings and recommendations contained in this report, one finding is inescapable: the COVID-19 pandemic has wrought significant damage to the global economy and creates unprecedented uncertainty. The pandemic struck in the very early stages of this inquiry, affecting our capacity to gather and interrogate much of the evidence presented. Hearings were delayed or cancelled, and programs of work associated with specific terms of reference were not undertaken. The committee was unable to travel and meet with many of the organisations and individuals who could have provided significant insight and expertise. Moreover, there were understandable and entirely legitimate constraints on the capacity of state and commonwealth agencies to engage, given their immediate and intense focus on the COVID response. This, again, has affected the committee's capacity to test a range of potential findings and recommendations we might otherwise have made. The COVID-19 pandemic is also ever-evolving. Whilst the committee gathered information on trade dynamics prior to the pandemic, the limited resources available to us rendered it impossible to reach firm conclusions on the impacts of COVID-19 on the bilateral relationship, or make detailed recommendations on appropriate policy responses. The pandemic and associated restrictions have undoubtedly had significant effects on the bilateral relationship. However, these effects have not been uniform and even within individual sectors, demand and supply dynamics vary between services and commodities.

The committee received evidence underscoring the need for the state to remain export focused and trade oriented. Throughout this report, the committee notes the importance of long-term, consistent and sustained engagement to foster opportunities and enhance the WA–India economic relationship. This is evermore important in the wake of the COVID-19 pandemic.

The Asian engagement strategy committed the state government to developing a 10-year economic outlook to assess priority Asian markets and identify trade and investment opportunities, key infrastructure developments, supply and value chain creation, and trade and investment barriers. Currently, it is virtually impossible to develop a 10-year outlook on regional trade dynamics, given the extraordinary impacts of COVID-19 and the general level of global uncertainty. Nonetheless, it remains important to adopt a long-term approach to building relationships and markets. India is not the type of market in which sporadic government-to-government, business-to-business, and people-to-people contact will result in high rates of growth. Instead, broadening and deepening the relationship

will rely on sustained and consistent engagement. It may be necessary for the state government to adopt a more focused program of activity.

“Western Australia’s Asian Engagement Strategy 2019–2030: Our Future with Asia” lists a number of nations for which market plans will be developed. Given the extraordinary strain that the COVID-19 response will place on the state’s resources, it may be appropriate for the government to prioritise markets. The content and complexion of the market plans will no doubt also evolve as the dynamics of the pandemic unfold. The committee believes the India market plan should clearly indicate India’s importance to WA; signal the state government’s long-term commitment to promoting trade; set out the state’s government’s vision for the relationship and strategic objectives; outline actions to achieve the vision; ensure a nuanced and tailored approach to the Indian market, reflecting WA’s competitive strengths and the unique trade dynamic of the WA–India economic relationship; and include measures of success and targets.

The COVID-19 pandemic has also highlighted the need for WA to alter its traditional approach to trade, essentially requiring that it now undertake an international charm offensive. We cannot rely on the approach that we adopted with Japan, Korea and China. Success in those markets was underpinned by their demand for, and our supply of, mineral and energy resources. Going forward, we cannot expect international trade partners to come to us with the same requirements. The growing interest in self-reliance and recognition of international supply chain weaknesses will likely cause other nations to look to invest much closer to home. To succeed, Western Australia needs to adjust its model. We need to elevate trade as a portfolio and proactively sell our goods and services to our trade partners, including India. We should position ourselves so that we are viewed internationally as a dependable partner in an increasingly challenging economic and geopolitical environment.

Prior to the COVID-19 pandemic, Diversify WA and the Asian engagement strategy signalled the state government’s intent to broaden the state’s economic base, markets and trading partners. In its response to the pandemic, the government has acknowledged the centrality of trade to its COVID-19 recovery plan. The path forward is uncertain, many factors affecting recovery will be beyond the state government’s control. However, recovery will require a sustained and elevated focus on trade. It is crucial that the state government continues to emphasise WA’s role in global supply lines and status as a dependable partner. It will require broad-based political consensus. As COVID-19’s impact on global and regional trade dynamics becomes clearer, Western Australia’s trade-related initiatives are more likely to meet with success if they enjoy broad-based political support. A long-term view is required. The WA–India economic relationship in particular will require consistent and sustained engagement. It will require the formation of strategic partnerships. Evidence to the inquiry suggested that the future prosperity of WA’s manufacturing sector in particular may hinge on our ability to integrate into international manufacturing supply lines and processes with trusted partners. A charm offensive is needed. WA cannot rely on its historical approach to trade relationships based on meeting our neighbours’ demand for minerals and energy. Our relationships with new partners will be conducted on different terms. We will need to work harder and smarter to attract new markets and opportunities.

This report makes 124 findings and 37 recommendations that we hope will contribute towards the public discussion on how to strengthen our trading relationship with India, despite the challenges presented by COVID-19. Given our safe, strong economy, we are presented with a fantastic opportunity to chart an ambitious course in trade policy. Success with India will be essential to achieving our broader economic goals.

On behalf of the committee, I would like to extend our sincere thanks to the many organisations and individuals who engaged so productively with us on this inquiry. We received 49 submissions and held 18 hearings with more than 35 witnesses and 15 deposition sessions. We appreciate the effort so many people went to, to provide us with the best possible information and assistance in very challenging circumstances.

I would also like to acknowledge the amazing support provided by the committee office staff—our principal research officer Suzanne Veletta and research officer Franchesca Walker. The inquiry presented a wide range of logistical challenges throughout COVID-19, all of which were met with absolute professionalism. Suffice to say, this is not the report the committee intended to table when we commenced this inquiry. The fact that we have managed to produce a report containing such a wealth of information is testament to the extraordinary lengths that Suzanne and Franchesca went to. Their assistance in getting us to the finish line before the fortieth Parliament rises has been truly remarkable.

Finally, and on a personal note, I would like to thank my colleagues on the committee. This will be the last report we produce together in the fortieth Parliament. It has been an absolute pleasure to work with each of you. Although the recent addition of David Honey to our committee has been very welcome and valuable, I want to express my sincere and particular gratitude to deputy chair Terry Redman and members Stephen Price and Yaz Mubarakai, all of whom have served on the committee for the duration of the fortieth Parliament. We have been remarkably collegiate and collaborative and I think we have produced a body of work that we can be genuinely proud of. We have approached significant and complex public policy issues with open minds and have managed to avoid the pitfalls of partisanship that so often unnecessarily afflict many aspects of political life. I have gained much through

the experience and I am grateful to have had the opportunity to learn from you all. Thank you for your friendship, comradery and support. It has been a genuine privilege to serve with you.

MR D.T. REDMAN (Warren–Blackwood) [10.35 am]: I would like to make some quick comments following on from the Chair of the Economics and Industry Standing Committee on the committee's final report for the fortieth Parliament. I loosely shared in a text this morning that the report is a nice doorstep—she is a hell of a piece of work considering that we were not able to travel! Nevertheless, I believe we have delivered a report that will massively value add to discussion in Western Australia on our engagement with India. The report has 124 findings and 37 recommendations. I am sure it will be good reading for those who have an interest in, and want to engage with, the very valuable discussion of where India fits in Western Australia's future.

At a very high level, the report provides a bit of an understanding of what India represents for Western Australia. A couple of pages early in the report give a quick snapshot of the Indian economy, population et cetera and the current engagement as far as trade with WA is concerned. India had a population of 1.37 billion in 2019. It will be the world's largest population by 2027. It is not insignificant. India has a \$3 trillion economy. It is presently the fifth-largest economy and is moving up the ranks. The report highlights that India has an aspirational middle class 12 times larger than the Australian population. As a market, it is substantial. If we do not get an understanding of how to better engage with India, we will be doing our state a disservice. This report is one of the pieces of the jigsaw that will help put that strategy together.

To give members an appreciation of where the current trade relationship with Western Australia sits, it is currently less than \$2 billion—\$1.7 billion or something like that. What does that mean in the scheme of our other trade relationships? We have a trade relationship with China that is worth just under \$100 billion. Of course, that is mainly minerals and petroleum. Our trade relationship with Japan is worth \$23 billion and with South Korea, \$10 billion. It is a fair way down the ranks before India gets in the mix. On those very raw numbers of the scale of the Indian economy, population growth and its needs over the next couple of decades, and with our existing relationship coming from a very, very low point, one can understand why India needs to be in the mix. We have—I say “we” because it is a genuine position we had in the previous government and that the current government has—a mantra of trying to diversify our economy. As the chair mentioned in her response, our strong engagement with China underpins one of the challenges we have in that Western Australia is so reliant on that market. Trying to diversify our economy is smart. The very high numbers mean approaching India makes a bit of sense. There is an opportunity for us.

This report is about how we can sharp point those opportunities and engage with the very unique aspects that India presents and where those opportunities sit. I have mentioned in this chamber before, and I think it is important to mention again, I had up until recently a view that India was just simply a second China and we should go and engage with it. It is not. It is massively different. Therefore, it needs a very bespoke strategy in response. We have to be very strategic in terms of how we engage, where we engage and that we make connections in order to develop the competitive opportunities that Western Australia has in engaging with India.

As the report has highlighted, a lot of the opportunities sit in things like education, tourism and a whole range of export service opportunities, particularly in the mining equipment, technology and services—described as METS—and petroleum equipment, technology services—PETS—as well as renewable energy, agricultural services and the broader research and development world. There are a number of opportunities. India is very different from China. This report gives us a sharp point of how we might better engage to achieve that outcome.

There is a really good quote on page 285 of the report from Ambassador Anil Wadhwa, which states —

[In India] you cannot really make headway until you are actually talking to the right people.

That is significant. The report gives an insight into enhancing networks, whether it is through business or government circles or through the Indian diaspora in Western Australia so that people can talk to the right people to make sure that opportunities can be developed. The chair made the point in her presentation that central to this is the relationship between people, businesses and institutions. Government can help facilitate those links and sharpen the point of that engagement. A big proportion of the recommendations go to enhancing the opportunities to get that engagement in the first instance in such a way that we can get business opportunities to come from it.

It is good having the member for Jandakot here, who is obviously engaged with the Indian diaspora here in Western Australia. One of the big learnings for me in the report was that I had not realised how strong that was or how much of an underutilised opportunity it was. The report found that the connections we already have here in Western Australia can be leveraged to get better outcomes. The member for Jandakot has been valuable in giving us those connections in the committee's deliberations so that it could come up with relevant recommendations so we can move forward.

I will not go into more detail beyond that other than to say that I have enjoyed this as our final report. I think that the Economics and Industry Standing Committee has done a wealth of work over the last four years. The public has certainly got value for money. This, of course, is the last report that we will produce in this Parliament. Like the

chair, I would like to thank my parliamentary colleagues, the member for Swan Hills; the most recent member of the committee, Dr David Honey, member for Cottesloe; the members for Jandakot and Forrestfield; and even the member for Churchlands still gets a mention in the report because he was there at the start. He has got his tail in on the last couple of reports, despite bailing early! As has been highlighted by the chair, fantastic work and effort was done by Suzanne Veletta and Franchesca Walker to deliver this report under very challenging circumstances in a COVID world that made it all the more difficult. They have contributed massively to support us in delivering something that will value add to the people of Western Australia. For those who want to engage in this space, this report is a good read and it has a lot of value.

I have really enjoyed the Economics and Industry Standing Committee over this term of Parliament. It works with my head in that economic space, so it is an easy fit for me. I do not know what will happen after the election. I have to get re-elected in the first instance. Hopefully, if the people of Warren–Blackwood support me, I will be back here, maybe as a minister—you never know—so I might not even have the opportunity to get on a committee! I am certainly looking forward to going to the election and asking our communities to vote for us once again and give us the support to come in here and try to be a productive member for the people of this great state.

MR S.J. PRICE (Forrestfield) [10.45 am]: It gives me pleasure to contribute to the tabling of this report of the Economics and Industry Standing Committee titled “Turning to India: Investing in Our Future”. As we have already heard, this inquiry has been quite challenging with the impact of COVID-19. The pandemic was declared very early on once we had started to undertake the hearings. India is a very interesting and challenging country. As we have heard, it is difficult at times to appreciate the size of the population in such a small place and the opportunities that are contained within it. Its population is currently nearly 1.4 billion and is predicted to be 1.6 billion in 2035 and 1.7 billion by 2050. It creates a lot of opportunities for countries around the world and also a lot of challenges for the Indian government to provide for its people. It is quite hard to appreciate those numbers; they are extraordinarily large. When we think that 300 million people do not have access to power, it is phenomenal how big an opportunity it is. Everyone says that India is an obvious opportunity to diversify our investment around different parts of the world. Everyone says we have to get into India and do this and that, but it is not easy to do that. What we heard from the evidence during the inquiry was that there are a number of key elements to it. We can certainly do better in the future. India has a challenging and complex government system. There is a Prime Minister and 36 individual states, essentially, that run their own race. It is a federation similar to ours, but the federal government does not have a huge amount of influence on the state governments and their economic policies, so we have to work specifically with the right people in the right areas, as we have heard.

Providing for those 1.5 billion people is a significant challenge for any government. That opens opportunities for other countries and for Australia and Western Australia in particular. It was very clear throughout the inquiry that a key element of that is the development of relationships. The Indian diaspora in Western Australia is close to 100 000, and we do not leverage our relationships with them enough. That certainly is a wasted opportunity. It was quite evident throughout the inquiry that there is a lot of opportunity and willingness from the diaspora to engage with us to help make those connections and develop those relationships in India. The flip side of that is we have to make sure that we have the right resources in India to take advantage of those relationships. It became quite evident to us—members who have had anything to do with the Indian diaspora locally will know this—that Indians appreciate personal relationships and rate them very highly, and that takes time to develop. The opportunity is there but we have to put in place the right processes and develop the right relationships over time to achieve the benefit that we are looking for to get the outcomes we want to achieve. A lot of work has to be done.

As was stated, India is an obvious choice for the diversification of our economy, but that comes with its challenges. Another of those challenges, of course, is that, historically, iron ore and LNG have been our major exports. They are the resources that other countries want and they come to us, whereas India does not need iron ore and LNG. India has its own iron ore and LNG so, as a trading partner, Western Australia has to look at what other services India requires that it can provide. We need to take a slightly different approach because, historically, big trading partners have been quite easy because they just want what we have. India represents a challenge in that regard. There are opportunities to export different services and goods to India, but, once again, we need to develop the relationships and opportunities through a commitment of time and resources, which has been identified and is a constant theme in the report. It will create opportunities for different services to be exported to major customers and trading partners in other parts of the world. As we have heard, international education and tourism are certainly two services that could be exported. The member for Warren–Blackwood spoke about the METS and the PETS—the mining equipment, technology and services and the petroleum equipment, technology services—and there are other opportunities, such as agricultural opportunities. There is a lot of opportunity, but we need to develop that opportunity and we need to develop the relationships to benefit from that opportunity.

I will conclude with a quote from the chair’s foreword, which she mentioned earlier. It sums up the outcome of the inquiry, and it goes like this —

It may be necessary for the State Government to adopt a more focused program of activity. The Asian Engagement Strategy lists a number of nations for which Market Plans will be developed.

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The India Market Plan should: clearly indicate India's importance to WA; signal the State Government's long-term commitment to promoting trade; set out the State Government's vision for the relationship and strategic objectives; outline actions to achieve the vision; ensure a nuanced and tailored approach to the Indian market, reflecting WA's competitive strengths and the unique trade dynamic of the WA–India economic relationship; and include measures of success and targets.

That sums up the report. That outlines a very clear path forward for what we need to do to enhance our relationship and trading relationship with India.

I finish by thanking the support provided by Suzanne Veletta and research officer Franchesca Walker; you guys have done a power of work. It has been very challenging and it was an extremely big effort to get this report finished, published and tabled prior to the conclusion of the fortieth Parliament. I also thank the committee members. To the chair, the member for Swan Hills: Jess, you have done an outstanding job. All the work that we have done during the fortieth Parliament has been incredibly interesting and certainly a lot of it will be reference documents for people in the future. It has been extremely productive, thorough and well done work. I thank the deputy chair, the member for Warren–Blackwood: Terry, cheers mate! You have done a great job as well. I thank Yaz Mubarakai, the member for Jandakot; Dr David Honey, the member for Cottesloe; and, of course, former member, Sean L'Estrange, the member for Churchlands, who was a very important part of the group before he decided to leave us.

Mr S.K. L'Estrange: I miss you, too, mate!

Mr S.J. PRICE: It has been an absolute privilege to be a part of the Economics and Industry Standing Committee during the fortieth Parliament. I look forward to most of us returning, hopefully, in the forty-first Parliament. If I do not happen to get there, I thank everyone. It has certainly been a privilege and I have enjoyed it very much.

DR D.J. HONEY (Cottesloe) [10.53 am]: I rise to make a brief contribution. My colleagues have done a very good job covering this debate. First of all, I will talk about the members of the committee. I understand the chair's—the member for Swan Hills—passion for politics, but my involvement on the committee has indicated that she has a greater future running a big think-tank somewhere with people with lots of energy! The member for Swan Hills has an impressive energy level and I thank her very much. I also refer to Yaz Mubarakai. The engagement with the local diaspora was critically important, and the member for Jandakot certainly contributed to that significantly in the committee's engagement with the Indian diaspora, which has been really important for this report. I recognise the other members of the committee; the member for Warren–Blackwood and the member for Forrestfield, who were great contributors. I also recognise Hon Sean L'Estrange; I should say the honourable member for Churchlands, who was on the committee before I became a member. He was there when this report was initiated. During debate on a previous report, I said that we simply could not do our job without the committee staff. The calibre of our staff is outstanding. Suzanne Veletta's focus and efforts were outstanding. I also thank Franchesca Walker. The focus and passion they put into this report was key to being able to deliver it.

I will dwell for a bit on some functional things. The impact of COVID-19 on this committee was clearly profound. The report makes many references to face-to-face communication but, unfortunately, outside of communicating with the immediate community and government agencies locally, we could not go to India, and that really took something away from our collective ability to understand the issues more deeply. The job that was done despite that was superb, but that mitigated us from getting into some of the nuances of the opportunities. For me it highlighted that we need better investment in equipment in our offices to cope with teleconferencing. There was barely a time when that process went smoothly. I am not being critical of any of the people who were involved. There was a good effort on everyone's part, but we spent a lot of time trying to get connections and reconnections. There were often poor connections and that made it very hard to hear people. Remote connection is a reality for us and this Parliament needs to invest in better communication facilities so that we can hold more seamless teleconferences and the like with people outside the state. Related to that is IT support. I have only praise for our staff but clearly they were under pressure trying to provide those services. Along with that, I recognise Hansard, especially because of those remote communications. Sometimes it was extremely difficult for Hansard to hear but, again, as they always do, they did an outstanding job and I am extremely grateful for what they put in to make this a successful exercise and for faithfully recording what was said.

I got two messages out of this committee inquiry. I will go over a bit of old ground, but the first message—it is one of the critical themes in the report—is that although we recognise the opportunities with India, they cannot be realised unless we maintain a strong long-term relationship. It is an investment that this state will have to make because the future opportunities are immense, but they will not happen unless we invest and invest and invest. It is one of those areas in which we will not get a quick reward; it will not involve someone standing there in 12 months with a fluoro vest and a hard hat. But if we do not make that investment, there are plenty of other people in the world

who are willing to make it. We are not unique in recognising this opportunity. There are plenty of other people in the world who want to avail themselves of this opportunity and plenty of other countries that have the resources and services that we have that can do this. We need to strongly send that message. As was indicated, in terms of international trade, typically there is very strong bipartisan support. We need to make sure that we make this investment. I will champion it; members will never hear me in this place criticise ministers for travelling overseas per se, but in particular travelling to India to establish those relationships and make investments in offices there. As part of that, we must recognise that as one state, it is perhaps hard for us to do that, so we must work, not competitively, but cooperatively with the other states. It is a big pie and we will not realise it if we simply try to go it alone. Again, that was one of the themes of the report—that is, we need to cooperate strongly with our sister states and the commonwealth government to make sure we maximise our net benefit.

The other message that has already been delivered is that India is not China. If we look at the history of our large-scale trading relationships around iron ore and natural gas, Western Australia was pivotal to the reconstruction of the Japanese economy after the Second World War. The iron ore exports from Western Australia and the coking coal exports from Queensland and New South Wales were critical to the reconstruction of the Japanese economy. That also happened with South Korea. We also had the relationship with Taiwan. China then came to us because it had exactly the same needs. What is patently clear in this report and from the presentations we received is that India does not need those large-scale commodities, and certainly not yet. For me, one of the really stark examples that came out of the evidence we received was that India will not buy natural gas for more than \$2 a gigajoule delivered. It is getting that price from Qatar, whose potential dwarfs Australia's natural gas potential. For the operations at the North West Shelf, LNG is probably \$4 or more per gigajoule free on board before the ship sails, so it will be some time before we are competitive in that space. We were told that that market will grow and there will be a need for it, but that was certainly a wake-up call for me in terms of the potential competitiveness of our LNG. Of course, India has its own iron ore and bauxite resources and will use them. It is going to be another opportunity and those opportunities will potentially grow into the future.

As all members have said, the Economics and Industry Standing Committee is a great committee to be on. Its inquiries are really interesting. This is obviously an area that I am passionate about. One of the reasons I came into Parliament was to see what we could do to create new industries, new businesses and new jobs. I think this committee has done some excellent work leading up to this. Certainly in this report, it has really laid out an excellent map for government on how to maximise our potential opportunities both now and into the future to improve trade with India.

MR Y. MUBARAKAI (Jandakot) [11.01 am]: I rise today to give a brief statement as a member of the Economics and Industry Standing Committee on the inquiry into Western Australia's economic relationship with the Republic of India. The report has a very fitting title, "Turning to India: Investing in Our Future". I want to share a comment from the chair, the member for Swan Hills, who said in the foreword to the report —

As the title of this report suggests, it is only by investing time, effort and appropriate resources into WA's economic and cultural relationship with India that WA will be in a position to realise the great potential of India for the future benefit of all Western Australians.

I must say that the member for Swan Hills has been an absolute inspiration, with her wisdom, expertise and knowledge as chair of this committee over the last four years, along with the deputy chair, Terry Redman, member for Warren-Blackwood; my good friend Stephen Price, member for Forrestfield; Dr David Honey, member for Cottesloe; and a fellow member who was with us for most of our inquiries, Sean L'Estrange, member for Churchlands. Our research officers, Suzanne Veletta, David Worth and, obviously, Franchesca, have been sensational in keeping up with us during these difficult times, especially as the inquiry progressed and we were hit with the COVID-19 pandemic. I would also like to thank the various participants and stakeholders for their keen interest in this inquiry and for making submissions and taking time to address this committee and its questions. Their input has been critical in providing background information, which allowed the committee to put together substantially integrated intel and information on not just our current relationship with India but also the prospect of what could potentially be a game changer in an emerging market by building future economic relationships between Western Australia and India.

Most members of this house know that I was born and brought up in India. I have the heritage and cultural expertise to understand the values and culture of that country. I understand the diversities and complexities of India, which other members referred to in their contributions. Collectively, the Indian people are very aspirational and they look forward to a new India as a result of new growth. During this time, I have been very privileged and honoured to share my experience of how I came to this country as a 21-year-old international student from India to further my education. I went to one of Western Australia's most prestigious universities, Edith Cowan University. I am a migrant who came as an international student to this beautiful state of Western Australia. I am truly blessed. My family and I have an extremely lucky life. I have to say that the quality education I got here was my attraction, as a migrant, to this state. I am proud to be able to make contributions to better not just my community and my people, but my state as well.

I have taken a keen interest in this inquiry regarding Western Australia's economic future, especially looking at India as an emerging market to basically value-add to our state's future. My background is that of a migrant who lives here and who understands the rules and responsibilities of a parliamentarian and what it means for our economy for us to lead post-COVID-19. I have to say that this inquiry has given us some very important and clear market signals for any successive government of this state to investigate. We need to fully understand the importance to trade of this state's geographic location near countries like India, Indonesia, Vietnam and many others that are in close proximity.

This inquiry has given us a 12-chapter report with about 124 findings and 37 very important recommendations. I will leave those for everyone to refer to later. I would like to share my views on what I feel was my undertaking during this inquiry. I again have to say that the collaborative, collective and bipartisan approach taken by my fellow committee members truly supported my journey through this inquiry. We looked at the background of Western Australia and compared it with India, since the early 1990s to now and where we intend to go post-2020. It was made very clear to the committee that India presents a promising future for Western Australia. These were not just random suggestions; economic pundits provided evidence to the committee. The intel and information that was coming from them quite clearly indicated Western Australia's past relationships with India, our current challenges and also how rapidly India is changing its international policies around bilateral international trade. That brings me to this point: it is very important that Western Australia understands that in economic bilateral relationships, it is almost as though the first one gets to choose the chair they sit on, whereas the one that comes in last is left standing. For Western Australia, it will be very important to look at the market signals and how we diversify our economy to respond to the growth countries that surround and are in close proximity to us.

I had to include in my speech the other similarities between Western Australia and India. We are both young states or countries with potential for growth. In the bilateral relationship, there is a distinct love for cricket. Everybody knows that I am a cricket tragic, but I am not very good at playing cricket. We also share a love for beer. The member for Mount Lawley pointed out to me when I was writing this speech: "Do you realise that both the Western Australian Swan Draught and the Indian Kingfisher beer have their native birds as their symbols?" I thought that was phenomenal, so I put it in my speech! I thank the member for Mount Lawley for his contribution.

Mr S.A. Millman: It is such a good report.

Mr Y. MUBARAKAI: It is. Culturally, Western Australia and India are both very engaged in terms of our understanding of each other. In terms of enhancing these relationships, it is important for us to look at how to work collaboratively. The most important aspect to come out of this inquiry was the importance of people-to-people relationships. That is the most critical stage of building new relationships. Recommendation 33 sums it up perfectly. I will not go into it, but it sort of covers it. That recommendation will be the perfect starting point to build those strong conduits and relationships for Western Australia and how it can look to this massive, huge market of 1.4 billion people and growing as an economy of consumption, trade and opportunities. There is a lot of collaborative work to be done. The departments in this state have done a great job in working on recovery plans and opportunities post-COVID, but they need to collaborate between themselves. I believe that the Department of Jobs, Tourism, Science and Innovation plays a very important role in how this will be orchestrated in the next 10 years. I quite optimistically believe that that is a very high possibility, providing government puts in the resources. Understand that a state of 2.5 million people literally has been supplying global needs for the last two and a half decades in Japan, South Korea and the United States, but if we look at the next two and a half decades, things will be very different. China is also a very important trading partner. It has showed us how to engage and understand the importance of relationships not just between government and government, but also university and university and among different sectors, with industry participation and from people to people. These are all important aspects for the future of this state's economic growth and adversity. Value-adding emerging markets is a smart way to go—a great way to go—because we are futureproofing Western Australia's economy for the next generations to come through. We know and have seen how technology keeps on evolving quickly and rapidly.

Just to sum up again, in 20 years, Western Australian governments have made 18 visits to India of which 12 were to Mumbai. Interestingly, in the last three years, this government has made seven visits, and that is astronomical to where we are and where we want to go. In conclusion, if it is not them, then who? If it is not now, then when?