

“LOCAL CONTENT REPORT” — TABLING

Statement by Minister for Commerce

HON SIMON O'BRIEN (South Metropolitan — Minister for Commerce) [3.03 pm]: I am pleased to table in Parliament the state government's second “Local Content Report”, dated November 2011, confirming that more than \$8 billion of publicly announced contracts have been awarded locally from July to mid-November 2011. In many projects, we are achieving 80 to 90 per cent local content. In just one week during November, the state's major iron ore producers awarded more than \$1 billion worth of contracts to WA-based companies. Great local success stories include a 10 000 tonne manufacturing contract from Chevron for Civmec Construction and Engineering Pty Ltd; two contracts totalling 9 500 tonnes for the Ausclad Group of Companies; a \$50 million general services contract to Ertech Pty Ltd for the Gorgon project; and a \$70 million contract to Decmil Australia to design and supply a work camp for the Wheatstone project. This report underlines the buoyant nature of resource development in Western Australia and confirms the state government's commitment to transparency in this area.

I have previously promised to provide Parliament and the people of Western Australia with regular updates on significant developments around the important issue of local industry participation in state-based mineral and energy projects. This report delivers on that promise. The report details developments in the resources industry including Chevron's decision to proceed with the \$29 billion Wheatstone project and announcements by major iron ore project proponents to significantly upgrade production capacity, and how these developments have benefited WA-based companies.

The report also shows that the state government has been extremely active in implementing the initiatives contained in the local industry participation framework announced in July in terms of both liaison with project proponents on local content issues and support to Western Australian-based manufacturing and service companies. There is now a general understanding and acceptance of the priority this government is placing on this issue. I will continue to work with the commonwealth government as it begins to acknowledge the implications of a more competitive local content market.

The November “Local Content Report” covers the release of the Western Australian government's local industry participation framework and its implementation; recent announcements in relation to project initiation and upgrades; trends in local contract awards; commonwealth government initiatives; and a summary of project sourcing reports received under state agreement acts. This document follows the first report presented to Parliament in May 2011.

[See paper 4122.]

Consideration of the statement made an order of the day for the next sitting, on motion by **Hon Ed Dermer**.