

RESOURCE PROJECTS — LOCAL CONTENT

**878. Hon JON FORD to the Minister for Commerce:**

I refer the minister to the document entitled “Local Content Report: May 2011”, which he tabled in this place on 18 May 2011.

- (1) For any of the major resource project proponents identified in the report, has the minister been notified in advance of the project proponent’s intention to award fabrication or engineering contracts to overseas suppliers?
- (2) If yes —
  - (a) which proponents provided this advice;
  - (b) for which contracts was this advice provided;
  - (c) for each contract, what actions did the minister take to explore whether the work could be performed in Australia and to ensure work for local suppliers;
  - (d) for which contracts was the minister successful in preventing the work being awarded to overseas suppliers, with the work instead being awarded to Western Australian suppliers; and
  - (e) for which contracts was the minister unsuccessful in preventing the work being awarded to overseas suppliers?

**Hon SIMON O’BRIEN replied:**

I thank the honourable member for notice of his question.

- (1)–(2) The “Local Content Report: May 2011” contained details of many projects, some of which date back over decades. I find it hard to believe that the member would frame his question in the manner he has. However, if he requires specific information relating to a specific contract or proponent, he may like to frame a future question accordingly.

I also thank the member for raising this matter because it gives me an opportunity to update him and the house on how things work on local content matters under this government. The previous government might have been asleep at the wheel, to use a term that is popular with members opposite, but we are not. Since I became minister with responsibility for local industry participation in January this year, I have held many discussions with project proponents, supplier organisations and individual companies on issues of engineering or fabrication contracts, among others. I want the member to know that I have done that with the purpose of getting ahead of the game so that we deliver the outcomes that Western Australian industry needs. What we have not been doing is what the member’s question seems to predispose. Maybe this is what happened under the previous government, whereby it waited until the horse had bolted before it started doing something to try to retrieve the situation. The member asks me questions about when I get notified that someone has awarded a contract to somewhere overseas and what I am going to do about it. If that is the way the member would go about it, it is in stark contrast to what this government is doing and what I am doing as the responsible minister. I will give the member an example. Let us look at the Wheatstone project. It is a massive project. Quite some time ago, we set up a Wheatstone local content steering committee. That was done long ahead of the recent announcement that Wheatstone was formally going ahead. One of the purposes of a local content steering committee such as the Wheatstone committee is to identify the prospects for Western Australian and Australian contractors and to actively get notice out to them that opportunities are coming up in which they might like to participate. There are a number of examples of that happening. When I last looked—there are probably more now—423 contracts were already up on the ProjectConnect website for Wheatstone. At the time of the announcement of the go-ahead of the project, about 32 of those contracts had been awarded. One of the purposes of a local content committee is to alert local providers in advance to jobs that they potentially may be able to gain access to so that they can work up their proposals, they can make sure that they have prequalification, they have forewarning and they have the opportunity to form partnerships, or even consortia, with other proponents so that they can bid for work. In some cases that is successful, and in other cases it is not. There is a bit of a beat-up by some of the member’s colleagues. I would not apply this to the member, because I do not think Hon Jon Ford is a purveyor of untruths, nonsense or bulldust.

**Hon Ken Travers:** That’s not the word you used on the Howard Sattler show. The word you used was very rude.

**Hon Ljiljana Ravlich:** And you shouldn’t swear anyway in this place. It’s very unparliamentary.

**Hon SIMON O'BRIEN:** When have I sworn in this place?

**Hon Ljiljanna Ravlich:** That last word was very unparliamentary.

**Hon Ken Travers:** It was on radio. I was horrified and shocked.

**Hon SIMON O'BRIEN:** Hon Jon Ford is getting embarrassed by the inane interjections of some of his oh so twee colleagues! I have some concerns on his behalf for some of the people he might be influenced by.

**Hon Jon Ford:** I'm being embarrassed by the answer to this.

**Hon SIMON O'BRIEN:** I suspect that the member is, but it will be good medicine and he will come out of it at the end in a better frame of mind. I say this because I think the member is receptive to the truth, unlike some of the characters, such as the member for Cockburn, who are running around and peddling some nonsense south of the river. The truth is rather different. The member for Cockburn has, in his day, been a minister with responsibility in this area. I think we had better look at his record on this, and I will come back to this on another occasion. I know that Hon Jon Ford would not want to take his lead from anyone who is exposed as a phoney and a fraud, so we had better check out the member for Cockburn's bona fides before we allow Hon Jon Ford to take too much rope.

I will provide Parliament and the public with details of project performance on local content on a regular basis. Indeed, I already am. There is a media statement to come out with a whole lot of more really good news, and I will make sure that Hon Jon Ford gets one of the first copies.

In relation to suppliers who miss out on the sorts of contracts that they may aspire to, I have invited all suppliers to come forward with any examples whereby they believe they were not provided with full, fair and reasonable opportunity to participate from the project proponents. This is an agreement I have with the Australian Steel Institute, and we will investigate any such incidents that are brought to light. I will conclude on that point, but I hope Hon Jon Ford has learnt something about where Western Australian industry is being positioned so that it can participate. It is not about crying foul after the horse has bolted; it is about putting us in a better position to take advantage of the undoubted advantages that Western Australia now enjoys with its resource projects.