

# Hon Kate Doust MLC

Member for South Metropolitan Region

Deputy Leader of the Opposition in the Legislative Council

Shadow Minister for Industrial Relations; Commerce; Small Business; Trade; Electoral Affairs



8 October 2014

Hon Simon O'Brien MLC  
Chairman  
Standing Committee on Environment and Public Affairs  
GPO Box A11  
Perth WA 6837

Dear Simon

## **Petition No 57 – Gorgon Project**

Thank you for the invitation to provide a submission in support of the above mentioned petition.

Local content is a significant issue for both business and employees in Western Australia. Over the past few years Western Australia has been the beneficiary of a large number of both on and offshore mining/oil/gas projects that should be generating manufacturing and supply work for Western Australia industry and employment.

Whilst this has been true in many examples, there is a growing concern that in some areas the commitments made by companies to our government under state agreement acts in relation to preference for local suppliers and employees is not happening, that provisions of the agreement are not being complied with nor any mechanism present in the agreement to enforce compliance. This issue has been highlighted by the Gorgon Project petition.

Under the Gorgon State Agreement the Gorgon Joint Venture (Chevron, ExxonMobil and Shell) is required to use local labour, suppliers, professional services, as far as it is reasonable and economically practicable to do so, and provide local suppliers fair and reasonable opportunity to tender or quote during design and the tendering and letting of contracts. In addition, the Gorgon Joint Venture is required to give preference to local suppliers where price, quality, delivery and service are equal or better than can be obtained elsewhere.

The request from the petitioners is simply ask the committee to investigate whether or not Chevron is actually complying with the requirements of clause 15 of the Gorgon Gas Processing and Infrastructure Project Agreement 2003 (Schedule 1 of *Barrow Island Act 2003*) and delivering on its commitment that it made to the Western Australian Government.

The petitioners are of the view that this is not happening. This view is supported by other stakeholders such as the Australian Steel Institute. I have attached a copy of correspondence that I have received relating to the petition for the information of the committee.

Given the recent public debate about local content and the increase and change in rules governing in the employment of 457 workers in our state an inquiry of this nature would be timely. If the Government is going to enter into an agreement of this type then the public has a right to expect the

other party to comply fully with the intent of that agreement. There may be some opportunities flowing from an enquiry with regards to improving the language, compliance and outcomes of the State Agreements.

Whilst the petition has been supported by a number of key trade unions and their members who work in the mining resources sector, their concerns are echoed by industry representatives and the broader West Australian public as indicated by the volume of signatures (4790) on this petition.

I am happy to support this petition which simply asks that Chevron be challenged as to whether they have complied with section 15 of the agreement or not. This needs a response to ensure that our local manufacturing supply and employment opportunities prosper and that when agreements are made they adhered to them.

I look forward to your response.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kate Doust', written in a cursive style.

**Hon Kate Doust MLC**

Att: Australian Steel Institute correspondence