



Economics and Industry Standing Committee

Annual Report 2016-17

Report No. 1
August 2017

Legislative Assembly
Parliament of Western Australia

Committee Members- 39th Parliament

Chairman	Mr Ian Blayney, MLA Member for Geraldton
Deputy Chairman	Hon Fran Logan, MLA Member for Cockburn
Members	Mr Jan Norberger, MLA Member for Joondalup Mr Peter Tinley AM, MLA Member for Willagee Hon Terry Waldron, MLA Member for Wagin

Committee Staff

Principal Research Officer	Dr Loraine Abernethie, PhD
Research Officer	Mr Michael Burton, BEc, BA (Hons)

Committee Members- 40th Parliament

Chair	Ms Jessica Shaw, MLA Member for Swan Hills
Deputy Chair	Mr Sean L'Estrange, MLA Member for Churchlands
Members	Mr Yaz Mubarakai, MLA Member for Jandakot Mr Stephen Price, MLA Member for Forrestfield Hon Terry Redman, MLA Member for Warren-Blackwood

Committee Staff

Principal Research Officer	Dr David Worth, DipAeroEng, MBA, PhD
Research Officer	Mr Lachlan Gregory, BA (from 30 June 2017) Ms Franchesca Walker, BA (Hons), Dip (MPD) (until 19 May 2017)

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Presented by

Ms Jessica Shaw, MLA

Laid on the Table of the Legislative Assembly on 17 August 2017

Chair's Foreword

It is a considerable honour to have been appointed Chair of the Legislative Assembly's Economics and Industry Standing Committee for the 40th Parliament, and a pleasure to present its first Annual Report.

The 2016-17 year was an unusual one for the Parliament insofar as it was punctuated by a State General Election. This Report therefore covers the activities of both the 39th and 40th Parliaments' Economics and Industry Standing Committees.

I would like to recognise the work of the 39th Parliament's EISC members: Chair, Mr Ian Blayney MLA; Deputy Chair, Hon Fran Logan MLA and members Mr Jan Norberger MLA, Mr Peter Tinley AM MLA and Hon Terry Waldron MLA. Particular acknowledgement should also go to the Committee Secretariat of Dr Loraine Abernethie and Mr Michael Burton.

Amongst their achievements listed in this Report, the 39th Parliament's Committee presented report No. 9, *Growing WA through Innovation: The Western Australian Government's role in fostering innovation to expand and diversify the economy*, which identified a range of opportunities to broaden the State's economic base. This Report is a substantial contribution to public debate on how governments can support and encourage entrepreneurship and growth throughout the State.

The 40th Parliament's EISC was established on 17 May 2017 and has a remarkably broad range of portfolios within its remit.

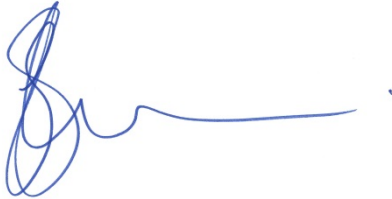
In our early deliberations, EISC members have all expressed a desire to meaningfully contribute to the Parliament's work in support of the industries and jobs of the future. I would like to thank Deputy Chair Mr Sean L'Estrange MLA and members Mr Yaz Mubarakai MLA, Mr Stephen Price MLA and Hon Terry Redman MLA for their constructive engagement on the development of the Committee's agenda. We have an interesting year ahead and look forward to the ongoing support of Principal Research Officer, Dr David Worth, and Research Officer, Mr Lachlan Gregory.

The Committee began its work by considering the effectiveness of protections afforded to subcontractors working on Government projects and received a briefing from the Department of Finance.

Recognising the importance of aviation to state development, the Committee then initiated its first inquiry, examining the impact that high airfares have on regional Western Australia. The Committee will consider the effects on communities, businesses and tourism; examine the factors contributing to high airfares; and make a series of recommendations on actions that the State Government and industry might take to

place downward pressure on prices. We have received a high number of submissions and had considerable interest in the Committee's hearings schedule, reflecting the level of community and industry concern regarding this issue.

There can be no doubt that Western Australia faces a range of significant economic challenges – it is vital that we turn our minds to the opportunities of the future and work to address impediments to growth. Parliamentary Committees perform important work in Westminster systems. They can encourage in-depth, considered inquiry into matters of public importance and promote constructive, bipartisan approaches to complex policy issues. In this spirit, I thank my colleagues for their collaborative engagement thus far and look forward to the coming year.

A handwritten signature in blue ink, consisting of a large, stylized initial 'J' followed by a long, horizontal stroke.

MS JESSICA SHAW, MLA
CHAIR

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Chapter 1

Committee's activities

A report on the activities of the Economics and Industry Standing Committee for the financial year 2016-17.

Introduction

The 2016-17 reporting period encompasses two parliamentary sessions. The 39th Parliament was prorogued and dissolved by the Governor on 30 January 2017. This dissolution terminated the Parliament and its committees. The Economics and Industry Standing Committee ('the Committee') of the 40th Parliament was established on 23 May 2017.

A summary of the activities of the Committee during the course of this reporting period – 1 July 2016 to 30 June 2017 – is included in Table 1.1.

Table 1.1: Summary of Committee activities, 1 July 2016 – 30 June 2017

Activity	Number
39th Parliament	
Reports tabled	3
Deliberative meetings	14
Hearings	6
Briefings	2
Witnesses appearing	13
40th Parliament	
Reports tabled	0
Deliberative meetings	4
Hearings	1
Briefings	1
Witnesses appearing	5

Portfolios

The portfolio areas of the Committee as determined by the Speaker of the Legislative Assembly for the 40th Parliament are:

- Agriculture and Food
- Asian Engagement
- Commerce and Industrial Relations
- Defence Issues

- Energy
- Fisheries
- Forestry
- Heritage
- Housing
- Innovation and ICT
- Lands
- Mines and Petroleum
- Planning
- Racing and Gaming
- Regional Development
- Science
- Small Business
- State Development, Jobs and Trade
- Tourism
- Transport
- Water

Public and closed hearings

Pursuant to Standing Order 264, the Committee has power to send for persons, papers and records. During the period 1 July 2016 to 30 June 2017, the Committee conducted six hearings and took evidence from 13 witnesses.

**Table 1.2 – Witnesses who provided evidence at public hearings of the Committee:
1 July 2016 – 30 June 2017**

Date	Name	Position	Organisation
39 th Parliament			
24 August 2016	Mr Matthew Brown	Executive Director	DomGas Alliance
	Mr Timothy Langmead	Director, External Relations	Fortescue Metals Group Ltd
7 September 2016	Mr Cameron Parrotte	Executive General Manager WA	Australian Energy Market Operator
	Ms Neetika Kapani	Acting Group Manager, Operations and Technology	
	Mr Joachim Tan	Senior Analyst, System Capacity WA	

**Table 1.3 – Witnesses who provided evidence at closed hearings of the Committee:
1 July 2016 – 30 June 2017**

Date	Name	Position	Organisation
39th Parliament			
7 September 2016	Mr Saul Kavonic	Analyst	Wood Mackenzie
21 September 2016	Ms Anne Driscoll	Director General	Department of Commerce
	Mr David Hillyard	Acting Commissioner for Consumer Protection	
	Ms Nita Sadler	State President	Retirees WA Inc
	Ms Margaret Thomas	Chief Executive Officer/Chief Finance Officer	
	Mr Shane Bradley	Property Manager	
40th Parliament			
21 June 2017	Mr Colin Murphy	Auditor General	Office of the Auditor General
	Ms Sandra Labuschagne	Assistant Auditor General - ISPA	

Briefings

The Committee received a number of briefings during 2016-17. Details of these briefings are contained in Table 1.4.

Table 1.4 – Witnesses who briefed the Committee, 1 July 2016 – 30 June 2017

Date	Name	Position	Organisation
39th Parliament			
12 October 2016	Hon Mike Nahan, MLA	Treasurer	Government of Western Australia
13 October 2016	Mr Bill Johnston, MLA	Shadow Minister for State Development; Energy; Mines and Petroleum; Ports	Australian Labor Party
40th Parliament			
28 June 2017	Mr Bill Sullivan	Acting Director General	Department of Finance
	Mr Mark Bryden	Director, Strategic Issues, Building Management and Works	
	Mr Graeme McLean	General Manager, Policy and Practice, Building Management and Works	

Conferences and visits

During the period 2016-17 in both the 39th and 40th Parliaments, the Committee did not attend any conferences.

The Committee of the 39th Parliament held a public forum on 17 August 2016 at Technology Park Bentley so that Members could speak to Report No. 9, *Growing WA through Innovation: The Western Australian Government's role in fostering innovation to expand and diversify the economy*. More importantly, it used the forum to explain the Report's findings and the practical nature of the recommendations, and provide an opportunity for those who had participated in the inquiry to ask questions and make comments on the Report.

On 16 November 2016 the Committee undertook a site visit to the headquarters of the Department of Agriculture and Food, Western Australia, in South Perth.

Investigative travel

During the period 2016-17 in both the 39th and 40th Parliaments, the Committee did not undertake any investigative travel.

Work in progress

On the 14 June 2017, the Committee advised the Parliament that it had resolved to inquire into and report on matters relating to airfare prices on regular public transport (RPT) air routes in regional Western Australia. In particular, the Committee will evaluate the:

- a. factors contributing to the current high cost of regional airfares;
- b. impacts that high-cost regional airfares have on regional centres - from a business, tourism and social perspective;
- c. impact of State Government regulatory processes on the cost and efficiency of regional air services;
- d. actions that the State and local government authorities can take to limit increases to airfares without undermining the commercial viability of RPT services;
- e. actions that airlines can take to limit increases to airfares without undermining the commercial viability of RPT services; and
- f. recent actions taken by other Australian governments to limit regional RPT airfare increases.

The Committee will report to the House by 28 November 2017.

Chapter 2

Financial statement

Expenditure of the Committee during the financial year.

Committee expenditure

The Committee does not have its own formal budget and is funded out of the budget of the Legislative Assembly. Approval for major expenditure is required on a case-by-case basis and is subject to the approval of the Speaker.

The Committee is required, in accordance with Standing Order 276, to detail expenditure for the financial year 1 July 2016 – 30 June 2017. The Legislative Assembly dissolved on 30 January 2017 prior to the State election; therefore two Committees operated during the 2016-17 financial year. The figures tendered below cover the full reporting period and therefore also include expenditure by the Committee of the 39th Parliament.

Table 2.1 – Expenditure items of the Committee, 1 July 2016 – 30 June 2017

Expenditure item	Total (\$)
Printing	295
Advertising	1,997
Taxis and couriers	208
Meeting costs	812
Staff and Member amenities	1,056
TOTAL	4,368

Notes:

- Figures rounded to nearest dollar.
- Excluded are salaries of Committee staff and the costs of shared administrative expenses, including lease costs for Committee accommodation.



**MS JESSICA SHAW, MLA
CHAIR**

Appendix One

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.