

ECONOMICS AND INDUSTRY STANDING COMMITTEE

Seventh Report — “Growing WA through Innovation: The Western Australian Government’s role in fostering innovation to expand and diversify the economy” — Tabling

MR I.C. BLAYNEY (Geraldton) [10.24 am]: I present for tabling the seventh report of the Economics and Industry Standing Committee, entitled “Growing WA through Innovation: The Western Australian Government’s role in fostering innovation to expand and diversify the economy”.

[See papers 4313 and 4314.]

Mr I.C. BLAYNEY: Firstly, can I acknowledge the hard work and professionalism of our committee staff, Dr Loraine Abernethie and Mr Michael Burton. I would also like to say how much I have enjoyed working on this committee with the deputy chair, the member for Cockburn, Hon Fran Logan; our most recent committee member, Hon Terry Waldron, member for Wagin; Mr Jan Norberger, member for Joondalup; and Mr Peter Tinley, AM, member for Willagee.

The French philosopher Voltaire, who lived from 1694 to 1778, said that our wretched species is so made that those who walk on the well-trodden path always throw stones at those showing a new road. Looking into innovation and why it happens in some places to the degree it does and not in others has been a fascinating journey. At times studying it felt like trying to catch smoke in my hands. It has once again reminded me of one of the joys of being a member of Parliament—the ability to make contact with all kinds of people who generally sit at the top in their chosen field and to be given some of their precious time to simply ask some questions. I would thank the many witnesses who appeared before our committee, people in many businesses who found time to show us around their workplaces and explain what they do: the chief scientists and heads of departments who found time to meet with us in South Australia, Victoria, New South Wales and Queensland.

Personally, I would thank the people who met with me at the advanced materials centre at the University of Warwick near Coventry in the United Kingdom and at the Royal Agricultural University at Cirencester. I spent three days visiting research places of interest in Israel, and I would like to thank Mr John Cluer of the Australia–Israel Chamber of Commerce in Perth, his colleague Mr Paul Israel from their office in Israel, and Calanit Sabaz, who accompanied me on all my visits.

Israel, in many ways, leads the world in innovation. The unique properties of that country to a large degree drive this. It is a very small country with few natural resources and it needs to maintain a large military force and has virtually no trade with its neighbours. That means its companies have to take a global outlook from the beginning. The recent arrival of Jews from Russia after the collapse of the Soviet Union lifted the population by 20 per cent—a group that is highly science educated and values the education of their children.

Western Australia contrasts almost totally. We have a vast land, many resources, only a few people and an open trading relationship with our neighbours with whom we have stable and friendly relationships. We have a culture that certainly does not value education as highly as some others. We have an economy that is focused on producing huge amounts of minerals at the lowest cost and a farming sector that is inherently conservative, maybe more conservative than many others because of the infertility of our soils and the relatively low amounts of rain we have in most years.

Australia has the worst record of commercialising research in the OECD; hence, I think we can learn a lot from Israel. We need to work to broaden the state economy, stabilise the state economy, and provide steady, well-paid employment.

The committee looked for obvious gaps and simply addressed issues; hence, the report is light in some areas. We were not looking in depth at specific industries. We have referred in some cases to obvious potential areas we see as growth in Western Australia worthy of more committee time, probably in the next term, such as the development of our medical research sector and renewable energy, but also maybe the future structure and funding of agricultural research, the development of a bigger food industry in the state and sources of funding for innovation. But to a number of issues that we see as holding Western Australia back, I think we identify workable solutions.

I will briefly comment on agricultural research, which is obviously an area of interest to me. The sector in Western Australia has suffered over the last couple of years. Addressing the issue would restore much of our research capacity quite quickly.

I visited a number of agricultural institutions in Israel—the agricultural faculty at the Hebrew University of Jerusalem and the Volcani Centre of the department of agriculture. A couple of things struck me, but one in particular stays with me. At both institutions, we had to pass through an inspection of our car by a guard armed with an automatic weapon. The security in Israel underlines the importance and value ascribed to agriculture and agricultural research in that country. It is also worth pointing out that the Hebrew University has the only agricultural faculty in the country. Remember that Israel has about eight million people and is a world leader in

many forms of agricultural research. Western Australia has 2.6 million people, but has three universities working in agriculture—the University of Western Australia, Curtin University and Murdoch University. The amount of money that is wasted in administrative duplication and the lack of scale are obvious. The committee has not given a recommendation on this issue because I obtained that information via private travel, but I think it would be a subject worthy of study by a future committee. Personally, I think it is time that one university in Western Australia is given the job to work in agriculture, and the rest are left to pursue other fields.

Likewise, I visited arguably the best farm management college in the world—the Royal Agricultural University in the United Kingdom. It is also the oldest one in the English-speaking world. It was interesting to look at its courses, which are quite similar —

The ACTING SPEAKER (Mr N.W. Morton): Sorry, member. There are a number of conversations that are making it difficult for me to hear the member and I am sure that if it is making it hard for me, it is impacting on Hansard. If members could just take the conversations outside, it would be appreciated. Sorry, member.

Mr I.C. BLAYNEY: Thank you, Mr Acting Speaker. The Royal Agricultural University is working in a number of areas that are similar to what the Muresk Institute —

The ACTING SPEAKER: Sorry. Members! Thank you.

Mr I.C. BLAYNEY: — was heading into in the 1990s. The lesson here is that small, specialised campuses like Muresk and the Western Australian School of Mines at Kalgoorlie need to be masters of their own destiny and not become forgotten, neglected corners of larger institutions. These two institutions are regional and we should focus on building them up. A university can be a very valuable institution in a regional city, and it is another opportunity lost in Western Australia that the decision has never been taken to build a big educational institution in one of our regional cities. I note recent positive articles about the School of Mines in the *Kalgoorlie Miner*. I also commend Curtin University for its recent investment in the institution and the generally positive comments made by the Mayor of the City of Kalgoorlie–Boulder and former member of this place, John Bowler. I also express my support for the Geraldton Universities Centre model, which has numbers approaching 300 students this year.

I will go through a number of areas that we identified as problems in Western Australia, and possible solutions. PhD students in WA and Australia work in a system that builds promotion from papers being published in the most prestigious publications. There is no incentive to engage with industry and work with it. The iPREPWA program, which is currently in its infancy, addresses this, and we recommend increased funding for the program. Further afield, the UK's Catapult Programme shows that universities can focus on research with industry. The University of Warwick actually gets more income from industry than it does from government.

The report addresses the question of funding in the innovation space, which is more limited in Western Australia than in other states, and it is already lower in Australia than any other places. I will address a number of issues here. Firstly, the government needs to legislate for venture capital limited partnerships in WA. This is a necessary, simple and fundamental change that needs to be brought in as a priority. We need to build the number of funders in the research-to-product pipeline including angel investors, venture capital and private equity. People in Western Australia have the ability to fund new projects, but they are focused, in the main, on the resources sector. We need to encourage development of the platform for this sector or, to use the jargon, develop the ecosystem. A first step could be for the Western Australian government to sponsor an annual venture capital conference in Perth, a bit like the Diggers and Dealers Mining Forum, but for this sector. A further role for the government is to help create the infrastructure needed for these people. Perth is starting to acquire the necessary infrastructure. For anybody who is interested, it is worth having a look at Spacecubed in the CBD, which is in a building in front of the Parmelia Hilton Hotel.

The ability to expand the availability of land, office and industrial spaces near universities is another critical piece of infrastructure; it is called clustering. A good map in our report outlines the potential growth and connectivity between the medical area around Sir Charles Gairdner Hospital and UWA. I think that Western Australia can expand significantly in the area of medical research and technology, and this precinct has the potential to expand to be the centre of a strong, world-class centre for this type of research. Likewise, there is still some room for expansion around Curtin University and the development of more university–industry linkages. Specifically, Technology Park Bentley needs a review. I think it and the university have significant potential for growth. The Western Australian Chief Scientist, Professor Klincken, says that it simply needs a bit of revitalisation and notes, for example, that the technology park at Cambridge University in the UK was dormant for quite a long time, but it now leads the world. Furthermore, Curtin University could benefit greatly from having a hotel to serve its visitors, and I think there is great merit in the knowledge arc of light rail connecting Curtin University to UWA. The report suggests that Western Australia establishes a Minister of Science and Innovation, and I would suggest the right place for the headquarters of that department be at Technology Park Bentley.

Finally, the committee makes a recommendation that the Western Australian government joins the state governments of Victoria and New South Wales in forming an industrial R&D cooperation agreement with Israel. My feeling during my visit there recently was that the country is very keen to cooperate with Australia. This would give us access to their world-beating financing systems, and allow us to use their expertise to develop our network here. There are a number of joint funding models. Confucius said that real knowledge is to know the extent of one's ignorance. We can change the situation in Western Australia. We can do this well, and I sense the government and the opposition's mood is being keen to get on with it, so let's do it.

MR F.M. LOGAN (Cockburn) [10.36 am]: I rise to add a few words to the debate on the Economics and Industry Standing Committee's report, "Growing WA through Innovation". I, too, would like to thank the committee support staff, Dr Loraine Abernethie and Mr Michael Burton, who provided not only superior and fantastic research skills, but also fantastic advice to the committee. I would also like to thank my fellow committee members: of course, the member for Geraldton, who runs a fairly tight ship on the committee and basically keeps us in order and keeps the committee moving along; the member for Joondalup; the member for Willagee; and the member for Wagin, who is behind me. The member for Willagee particularly needs to have a tight leash kept on him and thank goodness the committee chair could track the member down, because most of us cannot. I would like to give a bit —

Mr W.J. Johnston: Who left the report on the plane?

Mr F.M. LOGAN: That is rough, member for Cannington!

I would like to give the house a bit of an overview of the difficulties we had with this report because innovation and all the buzzwords around the concept of an innovative economy are tricky to pin down; basically, the concepts are tricky to pin down. Digging down to identify what innovation is, how can it help to diversify the Western Australian economy, and what role the Western Australian government has in promoting innovation and diversifying the Western Australian economy are very, very difficult. It is like wrestling blancmange because it is as —

Mr P. Papalia interjected.

Mr F.M. LOGAN: It is like wrestling blancmange, member for Warnbro, because you think you have hold of it, but it just squeezes out between your fingers.

Several members interjected.

The ACTING SPEAKER: Members.

Mr F.M. LOGAN: I must admit that I have never wrestled blancmange. In terms of this committee —

Several members interjected.

The ACTING SPEAKER: Members.

Mr F.M. LOGAN: In terms of this committee's inquiries, I imagine it would have been like that. There are many, many articles and recommendations from learned people all around the world on how to diversify the economy and what innovation means.

However, a lot of that is wrapped up in jargon and in concepts and theories, as opposed to practical outcomes. One of the things that the committee wanted to ensure is that the report came down with practical recommendations and suggestions about what a Western Australian government, of either political persuasion, could do to encourage innovation in our economy and help, through that innovation, to diversify the economy. Therefore, that was the driving force behind the committee's inquiry and report.

I do not want to go over the whole of the committee report, but I would like to refer to three particular items. I refer readers of the report to recommendation 1, which is as follows —

The Western Australian Government improves its data collection by drawing on the various available sources to better inform decision-making for industry support and investment.

This is an issue that has afflicted not only the economy of Western Australia and the economies of many states in Australia, but many economies around the world. During our visit to Victoria, we talked to the Victorian public service, and we came across an interesting example of what the Victorian government is doing about this issue. The report states —

While knowing that 71,100 people were employed in the manufacturing sector in the February 2016 quarter, for example, is useful, it is important to recognise that the manufacturing sector is made up of a broad array of industry subdivisions, such as food production, chemical processing, metal fabrication and shipbuilding. The currently available data makes it effectively impossible to identify which areas within the manufacturing sector in WA are areas of strength in terms of employment and productivity per worker.

That is saying that, basically, we do not know our own economy. We do not know where everybody works. We do not know all the businesses that are out there. We do not know what they do. We assume that government departments would know that. We assume that the Australian Bureau of Statistics would know that. The ABS does know that to a certain extent, because it identifies particular sectors. However, it does not go deeper than that. The Victorian government has been going through the process of trying to create jobs and diversify its economy, given the collapse of car manufacturing in Australia and the loss of probably 100 000 jobs in that state. During that process, the Victorian government found that it does not understand its own economy, and it is now mapping its economy and its business sector to identify those businesses which, with some government support and encouragement, can grow and create new jobs. That is a great project, and it is one that this state should follow, or certainly take steps to follow, and that is part of that recommendation in our report.

The committee made another practical recommendation, which has already been referred to by the member for Geraldton. That relates to the Limited Partnerships Act. The tax treatment of flow-through shares is not recognised in Western Australia for small companies that are involved in venture capital investment. The report states that incorporated limited partnerships can be registered under the commonwealth Venture Capital Act instead of the Corporations Act, and that entitles them to flow-through tax treatment, meaning that the taxation responsibilities flow through to investors instead of falling upon the partnership itself. Western Australia is the only state not to have amended its regulation of limited partnerships since the Venture Capital Act was proclaimed in 2002. Should Western Australia be able to amend the Venture Capital Act to bring it in line with the commonwealth provisions, it would enable investors in venture capital companies to at least get some return up-front rather than have to wait for whatever they have invested in to develop at some time in the future. That would encourage people to put money into venture capital investments. That is a great thing. It is a very simple thing. We should have done it many years ago. However, we have not done that. That is another practical recommendation that has come out of our inquiry.

There are many other recommendations in the report, but I draw the attention of the house in particular to recommendation 3. Programs to encourage innovation are in place around the country—in South Australia, Victoria, New South Wales and Queensland. They are getting on top of this issue much faster than we are in this state. Those states, like Western Australia, need to diversify their economies. South Australia and Victoria have lost their car industries, and, along with that, hundreds of thousands of jobs. Those states therefore need to move quickly to try to create new jobs for those people. Queensland is facing the same situation as we are facing in Western Australia with the downturn in the mining sector and is losing thousands of jobs. The Queensland government, like the Western Australian government, is going through the process of identifying ways in which to diversify its economy. However, I give this warning to the house—those states are way, way, way ahead of us in what they are doing with the amount of money they are applying to their programs and the successes they are getting out of the investments they are making to diversify their economies. That should be a wake-up call for our state.

MR J. NORBERGER (Joondalup — Parliamentary Secretary) [10.46 am]: I rise to offer some further thoughts on this morning's tabling of the seventh report of the Economics and Industry Standing Committee, entitled "Growing WA through Innovation". This has been a thoroughly enjoyable, and I believe timely, inquiry into a subject that has had a resurgence of popularity of late. I say that because innovation in and of itself is not a new concept. Entrepreneurs, progressive businesses and researchers have long created value through new products, processes or applications for existing technologies. In recent times, however, the subject of innovation has received considerable renewed attention, which is not a bad thing. With the Western Australian economy transitioning from recent highs in resource sector construction activity to a more long-term and steady production phase, it is indeed an opportune time for highly skilled and creative individuals to innovate and create value that will benefit not only them but the economy as a whole.

Australia has a strong track record of research and innovation, consistently ranking highly in the Global Innovation Index for overall innovation. However, in the same index, Australia has tended to perform relatively poorly in commercialisation. In essence, this shows that Australians are creative problem solvers and researchers but not fantastic at converting such new ideas into commercial products and services.

Given the renewed national focus on supporting innovation, combined with the transitioning economy we find ourselves in, the committee undertook this inquiry with a view to determining the appropriate role for the state government within this space. It is generally accepted that the federal government has been the traditional funding source for research and development, and, through company taxes and tax write-offs, has more levers with which to incentivise certain business investments and choices. However, that is not to say that state governments do not have an important role to play in supporting innovation within our local economy.

From the outset, it was the committee's desire to produce a report that provided specific and pragmatic recommendations as opposed to motherhood statements and generalisations. I believe we have achieved that outcome. Although the committee chose to focus on opportunities within the mining and energy, agriculture, and advanced manufacturing industries, the majority of findings and recommendations are applicable to the broader

Western Australian economy. The notion of an innovation ecosystem is explored, including the important influence of culture and other drivers, with collaboration between the main participants—research institutes such as universities, industry and government—being a key consideration.

Any inquiry into the commercialisation of innovative ideas would be incomplete without an in-depth discussion of funding mechanisms for businesses throughout their life cycle, but in particular during their early stages of formation and growth. The report takes a closer look at the role played by angel investors, venture capital and private equity. Within the section on funding innovation we also find the only recommendation involving legislative change, namely —

The Western Australia Government, as a priority, completes the review of the *Limited Partnerships Act 1909* and introduces legislation to amend the Act to allow the formation of venture capital limited partnerships in Western Australia.

This recommendation is critical to ensure that WA is offering the same kind of taxation benefits to venture capitalist investors as is available in other states.

Another key recommendation within the report involves the expanded funding of the successful iPREP WA program which integrates PhD students into the workforce for specific industry-determined projects aimed at finding solutions to existing problems or opportunities. This program is a tangible embodiment of the understanding that better collaboration between universities and industry is a necessity if we are to better benefit from innovation in our state. The program is also an important reminder that innovation occurs at all levels of the economy and involves much more than promoting new start-ups. Medium-sized and larger companies must also innovate and become more productive if we are to maintain our standard of living through fostering knowledge-rich, high-wage employment, and the iPREP WA program is a powerful tool in achieving this outcome.

The government also has an important role to play in offering leadership and keeping the current momentum around innovation going. The appointment of a Minister for Innovation and a corresponding parliamentary secretary shows that this leadership role is being taken seriously, but more can be done. Leadership on this issue also needs to be bipartisan and I think that the public and industry can take comfort in knowing that this report, produced by a committee with two Liberal members, two Labor members and a National member, has been arrived at in consensus and good faith.

As always, the work of the committee would simply not have been possible without the fantastic efforts of the secretariat. The committee has been lucky to have the assistance of Dr Loraine Abernethie and Mr Michael Burton. I thank both of them very much. I would also like to thank my fellow committee members, Chair Ian Blayney, Deputy Chair Hon Fran Logan, Peter Tinley and Hon “Tuck” Waldron.

I am proud of the outcome of this inquiry and hold out great hope for the possibilities that our innovative thinkers and entrepreneurs can bring to fruition in the near future. I believe that our recommendations to government are pragmatic, achievable and realistic, and I hope that they will be given due consideration for implementation.

MR P.C. TINLEY (Willagee) [10.52 am]: I will make a brief comment today about the tabling of the Economics and Industry Standing Committee’s seventh report, “Growing WA through Innovation”. Of course, I ought to start in the first instance by thanking the committee staff, Loraine Abernethie and Michael Burton, for their enduring effort and enduring patience with the committee. Coordinating these things and bringing to a single point of thought all the musings and deliberations of the committee is no easy effort. I would imagine, without verballing the secretariat and support to the committee, that the actual collection of the information and data and writing of the report is probably the easiest duty; I say the harder duty is actually dealing with the members. On behalf of the committee, and on behalf of myself—maybe myself more than other members of the committee—I add my thanks for their enduring support and wish them well once this Parliament dissolves.

I think the innovation report is a very good addition, but I also would make my remarks in relation to its lineage, if you like—where this report sits in the efforts of previous parts of the Parliament, parts of the government and parts of the Western Australian community to diversify our economy. There is no more sobering read than the corresponding 1994 report done by the Select Committee on Science and Technology, with many esteemed members from Parliament on that committee contributing to it. When we read the recommendations and background in that report and consider what has happened since 1994, it is quite sad that this report should repeat much of what has already been said. We consulted widely and I was very happy with the breadth of the consultation, both within Western Australia and other jurisdictions. It is very interesting to see what other states are doing because, let us face it, we are part of a competitive Federation and we are in competition with other states for the purposes of attracting the best amount of resources from the federal sphere and making ourselves a destination internationally for research and development, and investment in this area.

In many ways this report should mark a point in our evolution as an economy in Western Australia and it highlights the need for diversification. I have been on my feet, as have many other members in this place, talking about the fundamental shift globally—certainly within the commodity sector from which Western Australia particularly derives most of its revenue and benefit—in the markets in which we play. A diversified economy is fundamentally important to ensure that we are continually relevant to our region—particularly South-East Asia and right through to West Asia more generally—as we talk about different commodities and industry sectors. It is not good enough anymore to be a commodity supplier. We have already seen with Brazilian iron ore producers that the differential advantage we had with our proximity to the southern Chinese markets has been diminished and it will continue to be diminished as cost savings are found to overcome the hump of distance between Brazil’s production and its growing markets. Of course, the advent of disruptive technologies on steel production in the future cannot be ignored. I have said in this place that there is the looming prospect of carbon fibre, which is growing in usage and its influence over traditional products like steel, as its price reduces from \$US120 a pound 10 years ago to about \$US12 a pound today. If carbon fibre continues on its downward trend on its cost base—I am not suggesting that it will—and gets to around \$US5 a pound, it will become competitive to be used in many products currently catered to by the steel market. Some people believe that carbon fibre could impact on as much as 50 per cent of global steel production. It does not really matter how much it does impact, the fact is that and other disruptive technologies will continue to take pieces out of the markets from which Western Australia derives much of its employment and revenue. Now, more than ever, the riskiest undertaking is to have public accounts underpinned by the vagaries of commodities such as iron ore.

This report, as other members have said, has been particularly intent on producing an outcome that is practical and implementable. The word “innovation” is particularly useless in many different ways, because it is used so broadly as to dilute its meaning. In fact, innovation happens every day. If a sustainable business in any sense, from the corner deli to the largest corporation, is not incrementally innovating its business, business models and approaches to markets, it will not be around for long. Continuous improvement is the other name of the minimum level of innovation required—you either innovate or die. The committee resolved to understand that innovation is what it is not. The chairman’s foreword makes a good stab at a useful definition of what innovation is. As I said, that is incremental change. Then there is step change—those things that by market or by regulation change the nature of how businesses are conducted and how they operate in their markets. The final or third level of innovation is disruptive change. We have seen disruptive change most recently with the advent of Uber, for example. It is usually technologically based, but it can be regulatory based as well in its impact on particular enterprises.

What this report is not saying is that we need a Silicon Valley or a skilled manufacturing sector in an area in which we do not have any competitive advantage—it is not saying any of those things. My point is that a report like this is particularly useful across all political parties, because it can make a contribution to policy development. The best form of bipartisanship is when all parties work hard to ensure that they are innovative in the policies that they bring to bear on their election platforms. In doing that, they will ensure that they are in a competitive race with each other, which will further ensure that we are innovating our economy and that it is a genuinely diversified economy that needs multiple types of skill to develop and maximise opportunity.

National investment is a fundamentally important part. National investment in Australia on research and development has been in decline. We are ranked fifteenth in the Organisation for Economic Co-operation and Development as a percentage of gross domestic product with 40 per cent of GDP. We are marginally better than Slovakia and Spain. We are third last in the OECD rankings for research and development by government, but we are middling when that is combined with business investment in research and development. It is fundamentally important to understand that public and private investment in research and development must operate in a complementary fashion, and where private capital is timid, public capital should be brave. Although the incentive schemes operated by the government should always be reviewed, they should always be something that we consider seriously as a way of framing the market and leading private capital to opportunities. Of course, in saying that, Western Australia and the Western Australian government must be the lobby firm that picks the many pockets represented at the federal level, which is where the major resources are available for the benefit of Western Australia’s diversified economy.

MR T.K. WALDRON (Wagin) [11.01 am]: It has been a real pleasure serving on the Economics and Industry Standing Committee. I have learnt a great deal during the inquiry, and I enjoy the company of all those involved. With the slowing of the mining industry, which has had a flow-on effect in the state, I feel that the committee’s report “Growing WA through Innovation: the Western Australian Government’s role in fostering innovation to expand and diversify the economy” has been presented at an extremely appropriate time. There is no doubt that innovation always has been and always will be important to the advancement and growth of our state and the greater benefit of all Western Australians. This is a thorough report that offers positive and well-thought through recommendations. My committee colleagues have covered it well this morning; however, I would like to make further observations.

It is important that the state government takes a strong lead in this area. However, in taking that strong lead, it should not interfere with or overlap the work that is taking place in the private sector. I am quite buoyed that the state government recently announced an investment of \$20 million in the innovation area. The announcement of a Minister for Innovation and a Parliamentary Secretary to the Minister for Innovation is a terrific step. This is a good start, but that leadership will need to continue.

During its deliberations, the committee visited many sites in Western Australia and the eastern states and met with many extremely interesting and informative groups and individuals. I am extremely impressed with the focus put on innovation in Queensland, particularly by its Advance Queensland program, which was formerly called Smart State. The program has delivered strongly for their state over the past decade or so. I am not saying that we should adopt this program outright, but I think we can learn a lot from it. The Queensland government, together with its universities and industry, put a real focus on innovation, and that has led to great outcomes. I was particularly impressed with the way they focused on investing in people. The program tries to attract and keep not only talented people who have left the state, but also key people from outside the state. Along with the program, target investment in specific infrastructure really put an emphasis on innovation and commercial development, which has greatly advantaged that state.

I was also very impressed with the set-up and operation of the Commonwealth Scientific and Industrial Research Organisation at Monash University in Melbourne. The practical opportunities it presents to local innovators and the support it provides is extremely impressive. Its location at the university brings many advantages and opportunities. Having mentioned those examples, I want to stress that although programs, buildings, equipment and everything that goes with them are important, it is the quality, skills and dedication of the people involved that make things happen. Attracting and maintaining key people is pivotal.

I want to emphasise the importance of ongoing innovation in agriculture in Western Australia. We have had a great record in this area over the years. I am confident that that will continue, but once again we need leadership from our state government, industry and universities. The state government's Seizing the Opportunity Agriculture policy is providing some terrific initiatives in this area. In particular, the beef industry research program in the north and the sheep industry research centre in Katanning, along with the original research centre that has been in Katanning for some time, are great examples of this. These centres and programs are doing terrific work. I am confident that many benefits will flow from those programs to the industry. I see firsthand the work that is being done in Katanning. Some of the stuff they are doing is extremely encouraging.

It was very interesting when we had a meeting with former Deputy Premier Mr Mal Bryce. He raised lots of interesting things; indeed, his knowledge is quite outstanding. He raised specific points about agriculture research and innovation because he and a former member of Parliament, Hon Hendy Cowan, had a high-level agriculture person visiting from overseas who wanted direction in the area of innovation, technology and research in agriculture. Obviously, the Department of Agriculture is the way to go, but they felt strongly that it was hard to direct that person to the one place or centre that focuses on innovation, technology and research in agriculture. Through our agriculture department, we need to look at having a shopfront-type situation to work with innovation and research that is being done in country WA. That is something that should be taken note of.

Mr Bryce also played a big role in the establishment of Technology Park. He had great insight into innovation and provided some terrific information, as did Chief Scientist, Professor Peter Klinken, whose enthusiasm and knowledge was quite infectious. I certainly feel that there are further opportunities at Technology Park. In fact, I think we should have a close look at Technology Park to ensure we are getting the best value out of its facilities and outcomes. It is a terrific facility that does some great things. However, we could further activate the precinct—the chairman referred to this as well—and look to new possible opportunities.

One of the key themes raised during the committee inquiry by many different organisations and individuals was the need for better collaboration, particularly between our universities and industry. There is no doubt that this is an ongoing issue. However, over the course of the inquiry, it became pretty apparent to me that there is a terrific will out there to collaborate more and to collaborate better. However, we will need to continue to provide incentive by different means to ensure that this collaboration takes place. Once again, I think the state government can play a role here.

During the inquiry, we were made aware of a number of industry awards that encourage and reward Western Australian innovators. I encourage these award programs, because they put a strong focus on innovation, provide incentive to innovators and quite often they open up opportunities for those who get involved. I congratulate the state Minister for Innovation for his planned July summit, which will assist in informing the state government of the best way to utilise the \$20 million that has been allocated to boost innovation in WA. Again, this will put a strong focus on innovation.

Noting that I came late to the committee membership and was not involved in the committee's previous inquiries, it was obvious to me that the inquiry into floating liquefied natural gas allowed my committee colleagues to gain great knowledge and an excellent understanding of and insight into innovation, particularly in the gas and associated mining industries. I think that that greatly benefited our inquiry.

Before I finish, I would like to thank the many organisations and individuals who gave evidence and those who met with and hosted us at many different site visits. It certainly helped us all greatly. We have a lot of amazing people out there who are so talented and doing terrific things. I congratulate them and I found them inspiring. I would like to congratulate and thank our principal research officer, Dr Loraine Abernethie. What a lady! So intelligent, hardworking, talented and helpful —

Mr P.B. Watson: You old smoothie, Tuck!

Mr T.K. WALDRON: Member for Albany, she could explain complex things and even make me understand them; that is how good she was! I thank Loraine for that, and for trying to keep us on task, which she did mostly. I also sincerely thank research officer Michael Burton—a smart, talented and efficient young man who also did a great job. I also thank Michael for his safe driving and his excellent and informative chats while we were over east. I thank our chair, the member for Geraldton, for his leadership and guidance and his excellent understanding of the subject, plus his commonsense, which I greatly admire. He had great support, of course, from our excellent deputy chair, the member for Cockburn, whose knowledge of so many industries is outstanding. He also provided terrific leadership and his advice and guidance was greatly appreciated. I also thank other our two committee members, the members for Joondalup and Willagee. Both of them have terrific knowledge and experience. They brought excellent information to the committee and contributed strongly to the inquiry. I would like to apologise to all of my committee colleagues for the fines that they incurred on our eastern states trip, but they deserved them!

I would like to finish by saying that I am proud of the report. I look forward to the benefits flowing from it to all Western Australians. We are doing some fantastic things in this state right now. I emphasise again that we have so many smart, intelligent and talented people that I just hope this report can assist them and our state in ensuring further opportunities for the benefit of our state and our country.

SOUTH HEDLAND HOUSING PROJECTS — AUDIT

Standing Orders Suspension — Motion

MR F.M. LOGAN (Cockburn) [11.11 am] — without notice: I move —

That standing orders be suspended so far as to enable the following motion to be moved forthwith —

That the Treasurer commission an immediate audit of South Hedland housing projects, including the management of and financial arrangements surrounding Osprey Village.

I have spoken to the Leader of the House about the suspension motion before the house and suggested that a suspension be limited to 15 minutes for either side. I believe that that is approved and I will look to the government to confirm that.

Standing Orders Suspension — Amendment to Motion

MRS L.M. HARVEY (Scarborough — Deputy Premier) [11.12 am]: The Leader of the House has agreed to a suspension of standing orders subject to the debate being limited to 15 minutes for government members and 15 minutes for non-government members. The government, in the spirit of being generous and cooperative, as we have demonstrated in the past, without further ado will move the suspension of standing orders so that we can move through this process and get on with government business once it is finalised. I move —

To insert after “forthwith” —

, subject to the debate being limited to 15 minutes for government members and 15 minutes for non-government members

Amendment put and passed.

Standing Orders Suspension — Motion, as Amended

The ACTING SPEAKER: Members, as this is a motion without notice to suspend standing orders, it will need the support of an absolute majority for it to proceed. If I hear a dissentient voice, I will be required to divide the Assembly.

Question put and passed with an absolute majority.

Motion

MR F.M. LOGAN (Cockburn) [11.15 am]: I move —

That the Treasurer commission an immediate audit of South Hedland housing projects, including the management of and financial arrangements surrounding Osprey Village.

It is a pity it took that long Madam Acting Speaker, but thank you very much indeed for your patience. I bring this matter to the house as a suspension of standing orders because of the information the opposition received in answer to question without notice 644—C692—asked in the Legislative Council last night about the investments made by the government in South Hedland. Members of the house would be more than well aware that I have