

INDUSTRY AND TECHNOLOGY DEVELOPMENT BILL

Second Reading

Resumed from 20 November 1997.

HON MARK NEVILL (Mining and Pastoral) [2.57 pm]: I would like to know who is managing the Notice Paper, because this Bill was on and then it was off and now it is on again. Between those changes I took the liberty of having a long lunch and this will be either one of the better or one of the worse speeches that I make.

Hon Max Evans: We will let you know later.

Hon Simon O'Brien: We will let you know as you go.

The PRESIDENT: It is no good asking me who is managing the Notice Paper, because I am yet to find out.

Hon Tom Stephens: The Bill will be adjourned after the second reading contributions of the honourable members to allow the Minister to respond subsequently.

Hon MARK NEVILL: It is good to know that I am to be allowed to finish my speech and I do think that if you, Mr President, were running the business of the House, we would all know what we were doing at times.

Hon E.J. Charlton: I think you have definitely had a long lunch.

Hon MARK NEVILL: The Opposition supports the Industry and Technology Development Bill. It was previously the Technology and Industry Development Bill, but I suppose in putting one's mark on a piece of legislation, one reverses those two words. Instead of getting TIDA, one gets ITDA. The acronym is probably not as easy to pronounce as it was originally. This piece of legislation was reviewed in 1994 by Price Waterhouse Urwick. I have only volume one of the report here. I am not sure where volume two is, but it is a very comprehensive review of the original Industry and Technology Development Act, which was brought in in 1983. It was one of the first pieces of legislation under the Burke Government, although it looks quite dated now when one reads through it. There are some fairly antiquated provisions which really show how the style of drafting has changed in the last 14 years.

The Act was reviewed in 1994. In 1995 the Deputy Premier, Hon Hendy Cowan, responded to the report and to the matters raised by the Auditor General in his November 1994 report on industry assistance programs which had come under some criticism from time to time. As recommended in the review, the Bill consolidates in one Act the legislation governing assistance and support to industry. The process covers a number of drafting and technical issues in the original Act and places the focus on and makes more flexible the enabling legislation.

The Acts repealed by the Bill today are the Technology and Industry Development Act, the Industry (Advances) Act, and the Inventions Act. In the Bill the powers and functions are shifted from the department to the Minister. The second reading speech states that those powers are to be increased. It reads -

When meeting the infrastructure needs of industry, the power to acquire and to dispose of property such as land is critical. The inclusion of this power in the Bill has been the subject of extended discussion and debate both as part of the review and during the drafting of the legislation.

When I read those comments I began to wonder what the extended discussions were. It appears to be clear that the power to acquire and dispose of real property already existed in the Act. Section 13(1) of the Act reads -

The Department has power to do, in Western Australia or elsewhere, all things necessary or convenient to be done for or in connection with the performance of its functions.

Section 12(b) states that the functions of the department are to make land and buildings available, among other things. I presume, if that is the case and it has the power to do all things necessary and convenient, it has power to acquire and dispose of land. That is spelt out in clause 7(2)(a) in which the Minister may for the purposes of performing any

function acquire, hold, manage, improve, develop and dispose of any real or personal property. It appears that a big deal is being made out of something very minor.

One of the main areas of attention in the Bill is the provision of financial support. The Bill makes it more accountable than previously was the case. Last night we debated regulations relating to the gold mining industry and whether gold mining companies may be eligible for royalty relief. This Bill allows for the provision of financial support to industry. I cannot understand why support should not be made available to the gold mining industry through this legislation. It would be much easier to get some assistance through this legislation rather than through the regulations as they were put through Parliament yesterday or through the foreshadowed regulations for royalty relief.

There does not appear to be any criteria for support. Yesterday we debated all sorts of prescriptions that would apply. Before anyone could get any royalty relief the cash flow was to be considered - a company would need to be going broke. The relief could not be long term, it would need to be repaid, so it could be for a short term only. In this legislation there is no such criteria for support. The aim of the exercise yesterday was to eliminate the capacity for support, whereas in this case it is fairly open to the Minister's judgment. Ultimately he must inform Parliament, which is a more flexible approach. The recommendations in the 1994 review by Price Waterhouse Urwick state -

The retention of the present system for holding and dealing in land in WA, but inclusion of a provision in the new Act for a mechanism to elevate discussions to Ministerial level if the departments involved are unable to reach agreement on a land use issue. The legislation will, therefore, give the Minister the power to deal in land in these circumstances.

That comment relates to clause 7(2)(a). That power was already in existence, but it is spelt out more clearly here. Another recommendation in the report was -

The inclusion in the new legislation of a broad, general definition of financial support which would cover any type of financial activity. The policy of the Government of the day would determine any restrictions.

That was not the case yesterday in relation to gold royalty relief. The report continues -

The legislation would also give the Minister the power to issue guidelines relating to the awarding of grants or loans to industry.

Clause 9 of the Bill contains a broad definition of financial support. It is important to read that clause -

For the purpose of furthering the objects of this Act, the Minister may provide financial support, in accordance with this Part, in the form of any, or a combination, of the following -

- (a) grants;
- (b) loans;
- (c) subsidies;
- (d) guarantees;
- (e) indemnities;
- (f) concessions on any tax, duty or charge due to the State;

That is particularly relevant. It continues -

- (g) any other direct or indirect financial support or assistance.

That clause represents a big shift in government policy in that it acknowledges that the Government has a significant role to play in assisting industry. That is very different from the strict market philosophy that has been expressed in recent years by many government members, particularly Hon Colin Barnett when Director of the Confederation of Industry and in his early years as a Minister of the Crown. Any suggestion of government contributions by way of loans, subsidies or grants was frowned on. That is an absolute about-face, particularly by Mr Barnett and others in the Government, including the Premier.

I think it is a healthy change. The purely dry approach that members of the Government have been espousing for about the past six or seven years, is unrealistic and out of date. One need only look at legislation such as the Iron and Steel (Mid West) Agreement Act to see that the Government had a healthy change of view. A change of view also occurred at the national level. Bob Mansfield, the former Managing Director of Telstra, Optus or both - they move around these days - is in charge of major projects in the Prime Minister's office. He is doing a very good job. He is examining how the Federal Government can get projects such as Gorgon and the An Feng Kingstream Steel project up and running. That is the way to go. Interventionism is more realistic as long as it is sound, and transparent.

There is no doubt in my mind that that is why the Japanese and the Singaporean economies have been so successful. The fact that some of the Japanese banks are having problems is not related to those governments running interventionist economies. Sir Charles Court was one of the great interventionists. The drift into this dry economic area where governments should not be involved in industry is not a very sensible way to go. It is a sure track to poverty.

The only caveat is that it be for sound reasons, and the public be aware of what is provided. Although I am making some critical comments about government policy in debate on this Bill, I make them in the context of the Government reversing its philosophical position. However, it is now on the right track.

Technology Park was a centrepiece of the Labor Party's legislation in 1983 and it is continued in this Bill. Bentley Technology Park, which was an initiative of the Burke Government, has been successful. In his second reading speech the Minister said -

Bentley Technology Park currently accommodates 70 companies employing 1 400 people with a combined turnover of \$170m a year.

It is very pleasing that Bentley Technology Park has gone ahead in that fashion. I hope other technology parks will be built in the future. This legislation will provide the vehicle for those to be established.

I have foreshadowed an amendment to clause 26 regarding tabling the annual report. Clause 26(2) requires the report of the Western Australian Technology and Industry Advisory Council to be laid before each House of Parliament within 21 sitting days after the Minister has received it. Twenty-one sitting days can be a very long time if there is a recess within that period. In Committee I will move an amendment that the report be tabled within three sitting days of 31 October in each year. Although I have not discussed it with the Greens and the Democrats, it is a straight forward amendment. If they and the Government can see fit to support that amendment it will ensure that the annual report of the advisory council is tabled in Parliament in November rather than possibly March or April, as could occur based on the present wording.

The Opposition compliments the Government on this Bill. It is a thorough and balanced piece of legislation. It draws together many loose ends and it clears up some of the concerns about industry support programs. This legislation is a good vehicle for developing industry and technology for the next decade or two.

HON J.A. SCOTT (South Metropolitan) [3.15 pm]: The Greens (WA) also support the Bill and congratulate the Government on putting together a very important piece of legislation. We all know in the modern age how important it is to have some control over the development of technology in terms of our trade balance and in protecting the intellectual property of government agencies or trading bodies. In the past those agencies have handed those developments to the private sector. It is good to see we will be able to continue building on the expertise developed in those departments into the future.

If I have any criticism about this Bill it concerns the length of time since I had my briefing. I cannot remember all the good things I liked about it. For instance, I liked the widening of the scope of the Bill. In his second reading speech the Minister said -

. . . an interpretation of "technology" which includes "the application of scientific knowledge and practical experience to economic activity, to humanity, and to the environment".

The widening of the interpretation is very important for both the physical and economic results. I congratulate the Government on that aspect. Another paragraph reads in part -

In line with the whole of government thrust to commercialise its intellectual property and to profit from the sale of services, where appropriate functions and powers are included in the Bill to ensure that this approach is introduced throughout the public sector.

Once again this is in line with the review recommendations. It is an important area. Too many public sector intellectual properties have been handed away for no reward. That will make a substantial difference to the bottom lines of the budgets at the end of the year. It will encourage innovation in those departments. I support that and the Bill in its entirety.

HON HELEN HODGSON (North Metropolitan) [3.20 pm]: This Bill has been some time in the making and it is perfectly proper that we spend some little time talking about it. Essentially it is intended to pick up on a report tabled in Parliament some years ago dealing with a review of the operations of the Technology and Industry Development Act. The report was prepared by Price Waterhouse Urwick of Perth and tabled in this House on 14 December. Members will see the report is a fairly substantial tome. It went through a number of the issues in the administration of that legislation.

It is very important that we have periodic reviews of this type of legislation because it is quite common to find circumstances change or the systems that we put in place are either no longer appropriate or contain weaknesses. Therefore, we must look for streamlined legislation that is clear for everybody involved in the industry. The report also focused on accountability mechanisms. That meant the Australian Democrats took a particularly strong interest in looking at the way in which it worked in practice, the flaws identified in the report and whether those issues had been picked up and developed by this Bill.

Three pieces of legislation govern the framework for the support and promotion of economic development in Western Australia. Of these, the key is the Technology and Industry Development Act. The Bill before us is looking at that Act, the Industry (Advances) Act and the Inventions Act. We are very encouraged to see the extent of the accountability mechanisms that have been included in this Bill that do not exist in the current legislation. We believe it is vitally important to have accountability and transparency in government dealings. In this sort of legislation where the Government is providing incentives to private industry, to ensure government objectives are met, it is vitally important that we can see clearly that the assistance is provided in an appropriate manner and that proper reports are provided to measure the effectiveness of the assistance. In fact, I could mention a number of outstanding examples of cases in the past decade where these sorts of principles have been breached and identified by royal commissions and the Commission on Government and so on; however, that would probably be considered a little unnecessary at this stage of the debate. This issue has been raised previously on many occasions.

The Commission on Government considered in some detail the appropriateness of government participation in private enterprise and the culture that developed in dealings between the private and the public sectors. It also looked at the question of making sure these dealings were open and accountable, and that the taxpayers of this State could see exactly what is really going on and how their funds are being used. Members of the public have a right to know how the Government is using their money. Disclosure of these sorts of arrangements should be mandatory unless good reason can be shown for maintaining secrecy. For this reason we strongly believe some clauses often seen in contracts which relate to commercial confidentiality can be abused. Commercial confidentiality has a place, but we are strongly opposed to these sorts of secrecy clauses if they are being used to ensure the public of this State does not know how the funds are being utilised and the outcome of the funding.

It is clear that in the recent past there has been a lot of scrutiny of financial assistance to industry, not just in the reports of the royal commissions and the Commission on Government, to which I have already referred. We also regularly see media interest taken when we hear that firms which appear to be financially sound suddenly receive grants. The public has a right to know what made that firm eligible for a grant and why the money is used in that respect when people can regularly see instances of shortages of public funds in other areas.

The electorate has become suspicious of government dealings with private business. Therefore, the greatest possible degree of transparency and accountability is needed. It is the obligation of this Parliament to ensure that happens. If a private company applies for funds from the public purse, it has an obligation to ensure the funds that are provided are used in an appropriate manner and that the public is advised of the outcomes of the funding. It is a two-way obligation: Government has an obligation not only to assist industry, but also to ensure the assistance is offered in the most appropriate manner; and in accepting this assistance, industry should be willing to accept that consequentially it will be subject to a great degree of public scrutiny. If companies are not prepared to accept that condition, they probably should not be applying for funding in the first place.

We have looked at the mechanisms incorporated in the legislation and, in particular, the exemption made available under the freedom of information legislation. We were very concerned about the freedom of information aspects and we found that although some exemptions are available, a matter will be exempt only if it is of a kind mentioned in section 29(3) of the Industry and Technology Development Bill. That is acceptable because it relates specifically to trade secrets and information that has commercial value. On that basis we can understand why freedom of information protection would be afforded to people who are applying for funding; therefore, we are willing to accept that is a valid reason for accepting freedom of information access in the legislation before us.

We also appreciate the need for some degree of flexibility to allow the Government to set the appropriate policy directions and to respond to the climate in the industry concerned. We must always recognise that in Western Australia we are not acting in a vacuum. Particularly on matters of industry policy, we regularly find that federal policy overlaps what we are doing in this State. It could be possible for the Western Australian strategies to set up some sort of tension as against the federal strategies that are being adopted. For those reasons, we think it is important that there be enough flexibility to allow those sorts of policy directions to change and to ensure the industry can be responsive to existing situations.

It will also allow for the possibility that every four years we will have a change in policy direction by virtue of a change of government. We need to ensure that our legislation is sufficiently flexible to allow for those sorts of alterations.

We analysed the review report to which I have referred and we looked closely at the recommendations and compared those with the proposals that are set out in this legislation. We found that, generally, those recommendations were followed fairly closely; and we commend the Minister and his advisers for ensuring that that happened. A public consultation period was also held, which gave industry the opportunity to have input to the framework to ensure that it suited its needs.

These changes seek to clarify from where the money for industry and technology development will come and to where it will be allowed to go. In fact it will set up a more defined audit trail. Agriculture Western Australia may like to listen to comments and recommendations in respect of keeping track of where things go and from where they come, because that is one of the fundamental mechanisms of accountability. It is essential that money be provided to industry where it needs it most, rather than be channelled into areas in which industry is already able to support itself. Therefore, it is appropriate that companies that apply for this assistance meet certain criteria, which, as I recall, will be set down in various ministerial guidelines.

Under part 3 of the Bill, the Minister will establish guidelines for the type of financial support that may be provided and how that financial support may be given. We are always a bit concerned when these sorts of measures are incorporated in subsidiary documentation rather than in the principal legislation. The requirement for flexibility becomes relevant in these circumstances, because areas such as industry research change on an ongoing basis, and it may be necessary to review the guidelines regularly. With the length of time it has taken to get this far with this Bill, it would be unfortunate if we took that long to deal with every change in direction of industry policy.

The first guideline sets out the levels at which support can be provided before documentation must be tabled in the Parliament. Reports about grants of assistance of \$200 000, or less, must be tabled in the Parliament annually after the end of the financial year, and reports about grants of assistance of greater than \$200 000 must be tabled in this Parliament as soon as practicable.

Hon Mark Nevill: It is not the guidelines but how you account for them.

Hon HELEN HODGSON: True, but those guidelines will at least mean that industry will know what is expected from it and that the provision of support is publicly clear and accountable, because rather than just see an article in *The West Australian* saying that a particular company has received assistance in the amount of \$200 000, the public will know that proper guidelines have been adhered to in determining the amount of support that was granted.

Hon Mark Nevill: Where are the guidelines?

Hon HELEN HODGSON: I understand that the guidelines have not yet been published. The Minister handling the Bill may clarify that when he responds.

It is also important that the financial support provides a measurable benefit to the State and to the people of Western Australia. The procedures and guidelines that the Minister will establish will play an important role. It is essential that the guidelines and the criteria for eligibility for assistance in each scheme be published, and that proper review and monitoring of the use of those public moneys take place. This is central to the concept of accountability.

The Act that this Bill will amend is the one that set up Technology Park at Bentley. Having had a former association with Curtin University of Technology, I have seen how Technology Park has grown and how it has gone beyond servicing purely the academic research area into ensuring that facilities are available for other forms of research and technology development. I commend the way in which that park has grown and I am pleased to see that those projects will continue. The report that was tabled spent some time considering Technology Park and the way in which it operated. It found that although a paper that was written in 1992 indicated that the development of the park might not have stimulated economic growth, by the time the report had been completed in 1994, the focus of the park had been broadened to include a wider cross section of research and development enterprises and that the park was at that stage almost full. Based on that information, it appears that it is worth our continuing to support these sorts of technology parks, because they help to develop a critical mass of people who work in a particular area and help to ensure that the necessary infrastructure is available and people have access to similar enterprises within close proximity to each other.

With those comments, we support this Bill, and I look forward to hearing the Minister's response.

HON KIM CHANCE (Agricultural) [3.36 pm]: I am delighted also to support the Industry and Technology Development Bill, for three reasons, which I am happy to enumerate. I have long held the view that the appallingly poor degree to which we have been able to value add our primary commodities in Australia generally, and, I am ashamed to say, in Western Australia in particular, has been due to our neglect of technology. When we compare the percentage of gross domestic product which this nation spends on research and development with what is spent by some of the most advanced countries on earth, it is easy to see why we have taken the easy route. Because

commodities are so abundant in Australia, it is just too easy for us to ignore value adding when processing our commodities. For example, it is just too easy to say that our job in processing wool ends when we put the wool into a bale after classing. Classing and baling are effectively the only value adding initiatives that are performed in our wool industry.

This matter has been an issue for me for a long time. In my first speech in this place, I referred to Biella, which is in the Tuscany region of northern Italy. That area uses just a tiny proportion of the Australian wool clip - I cannot guess now what percentage it is - but the end value result of the wool processed in Biella is almost equal to the value of the entire Australian wool clip.

It is an industry which employs in the Biella region, which is not much bigger than one of our smaller shire councils, 36 000 people in 12 000 factories. What have we been doing with the Australian wool clip over the past 200 years? We have been classing it, putting it in bales and shipping it out. One can say exactly the same thing of most of our mineral exports, although I must acknowledge that because we have cheap energy, we have done some processing in the aluminium industry, but so little. When we look at our own State, particularly the north west where we have that wonderful abundance of natural materials; the metals we need to manufacture high grade iron ore; the energy and the skills that exist in the Pilbara in particular, we ask ourselves why do we export this stuff at \$35 or \$46 per tonne and re-import it at several thousand dollars per tonne in the shape of motor vehicles, refrigerators, washing machines - whatever.

Why can we not go to the stage of making iron ore into block steel? We cannot do that, and that is one of the things which has driven my support for the An Feng-Kingstream proposal in the Geraldton area. Leaving that aside, we can all recognise our failure in the area of value adding, in part because the raw materials are so easy to come by, but in part also because we simply have not spent enough on technology. My interest in this debate is driven by the food technology area. We have circumstances in which commodities worth in certain markets upwards of \$200 per kilogram are dumped into the sea for want of a \$10 000 vacuum packing machine. In Albany, for example, salmon roe is dumped back into the sea as waste. Salmon roe sells in Japan for \$A200 per kilogram. What does one need to process salmon roe? A \$10 000 vacuum packer. We have not got to that stage.

Think of the pelagic fish that swim with the salmon in the same part of this State - the huge pilchard resource and the huge herring resource. When we want to buy salmon, pilchard or herring in a shop, even in Albany or in Fremantle or in Perth, the odds are the can of fish one picks up was packaged in Scandinavia, Canada, the United States or Mexico - anywhere but Australia. Is it too much to ask that we can actually operate a canning factory? We can catch 3 000 or 4 000 tonnes of pilchards a year off the west coast and the south coast of Western Australia, but we cannot manage to get it into a can. It is appalling. Our pilchard resource is mainly used as a lot feeding mix for the tuna farms of South Australia. What do we do when we want to buy a can of salmon? I had to do that the other day and the price was in terms of dollars and dollars per kilogram. For that lot feeding of pilchard we pour into those pens in South Australia we get between 40¢ and 80¢ per kilogram. That is also a criminal waste. I am sorry that some of our colleagues from the Greens (WA) are away on urgent business because this is a matter of vital concern to them. It is a waste of a resource which belongs not to the people currently exploiting the resource, not to any one of us in isolation, but to the future generations of Western Australians.

I felt so strongly about this issue that it became the major plank of the Australian Labor Party's primary industry and regional development platform in the last election. If I still have any say in it, it will remain a major plank of our policy going into the next election. When I announced that policy, it was not taken all that seriously by some members opposite who said they were already doing that, and I knew there was some money being invested in food technology, chiefly through Curtin University, but it amounted to about \$250 000 a year.

Sitting suspended from 3.45 to 4.00 pm

[Questions without notice taken.]

Hon KIM CHANCE: The waste of resources results from a number of factors, but principally the low level of research and development spending in Western Australia. If we were to improve that commitment to research and development, Western Australia's abundant primary resources could be better utilised.

I gave the example of the pilchard, salmon and herring resource on the west and south coast of the State, and those are only three of literally hundreds of commodities - and not entirely contained in the fishing industry - for which we have failed to implement value adding. As I said in respect of the wool industry, the Biella region of northern Italy has used our wool to make a product which could have generated massive profits for Western Australia. As long as we ignore research and development, we will continue to export this nation's opportunity for employment and profit. The application of broader technology is needed. My interest is principally in food and fibre technology.

All of us at some time in our careers, sometimes on more than one occasion, have come across struggling inventors.

I have particular affection for struggling inventors as one cannot help admiring their intelligence and courage. Over the past year I have been associated with one such person whose ultimate product, if successful, will change the way people live world wide. It is a remarkable piece of technology which he can operate on a batch basis, but not as a continuous process. I make no exaggeration in stating that it will change the way people live into the next millennium. This gentleman has poured nearly half a million dollars into the project. I do not think he has much more to pour. It is frustrating for me, and I sense his frustration and that of the inventor-engineer working with him on the project, that something of such promise and demonstrated capacity cannot be followed through.

We are all aware of great inventions in this country which have gone on to become great technologies. The invention may have been Australian, but the technology inevitably becomes German, British or American - anything but Australian. My great fear about the sale of Telstra is that it is the only corporation with sufficient size and technology to perform the technical development role in Australia. Unfortunately, we will lose that facility to mostly foreign investors and it will cease to be Australian.

I welcome the Bill. I hope it provides the capacity to sweep away some of the cobwebs which have tangled technology in the past. The Bill will simplify processes which are overly complex.

Also, I welcome the comments in the Minister's second reading speech regarding Technology Park. The establishment of that park at Curtin was one of the most significant achievements of the Labor Government in the 1980s. We read about how many people are in full time employment at Technology Park. It is not often that members opposite recognise a great achievement of the Labor Government. Sadly, although members recognise the achievement, they fail to recognise who put it in place. The Deputy Premier at the time, Hon Mal Bryce, was a key player in getting Technology Park off the ground. I support the Bill.

Debate adjourned, on motion by Hon Tom Stephens (Leader of the Opposition).

INDUSTRY AND TECHNOLOGY DEVELOPMENT BILL

Second Reading

Resumed from 9 April.

HON N.F. MOORE (Mining and Pastoral - Leader of the House) [4.38 pm]: I thank members who spoke for their support of the Bill. I was not in the Chamber for earlier debate, but I have read members' comments in *Hansard*.

As most members would be aware, the initial review of the legislation was reported to the Minister for Commerce and Trade in December 1994. Since that time, work has progressed to prepare the legislation to upgrade the Act under which the Department of Commerce and Trade operates, and through which it provides assistance to industry.

I now comment on contributions by a number of members. Hon Jim Scott stressed the functions of government in promoting the commercialisation of government intellectual property. The Government endorses his view. It is an important area to help government to benefit from the innovation and research within many government agencies. This was not always the case in the past. The member confirmed his support for the Bill, for which I thank him.

Hon Helen Hodgson expressed support for improved accountability provisions in the Bill, particularly those relating to providing financial assistance to industry. The Bill is designed to ensure that Parliament and taxpayers are informed about financial assistance to industry. An undertaking was given that notification of assistance up to \$200 000 will be tabled in Parliament on an annual basis, and notification of assistance over \$200 000 will be tabled as soon as possible after agreement is reached with the proponent.

It should be noted that this reporting arrangement will continue the accountability and reporting mechanisms that the Minister for Commerce and Trade introduced into the area of financial support to industry. A list of financial assistance to industry provided by the Department of Commerce and Trade was tabled in November 1996 and 1997. The Minister has for some time made parliamentary statements supported by detail about the assistance provided whenever that assistance has exceeded \$250 000. This cut-off point of \$250 000 has been reduced and future parliamentary statements will relate to assistance packages which exceed \$200 000, rather than \$250 000. These tabling arrangements will be embodied in a guideline to be published in accordance with part 3 of the Bill. Other

financial assistance guidelines provided by the department have been available for some time. This has been partly in anticipation of the requirements of the legislation. It has also been in response to the recommendations of a number of examinations of government support to industry, including investigations conducted by the Auditor General in the Public Accounts and Expenditure Review Committee, and the review of the current Technology and Industry Development Act which has resulted in the Bill before us.

These financial assistance guidelines are available on the department's web site. The site provides the name of each scheme, its objective, the criteria and eligibility for access to the scheme, the type of support available, the decision making process and the conditions and the obligations that apply to successful applicants. These guidelines also inform prospective applicants that the department is subject to the Freedom of Information Act and that information about the assistance provided to them will be tabled in Parliament. For their information, those members who spoke in the debate have been provided with a hard copy of these guidelines. If they have not, I am happy to make that available to them. I recommend that members and their business and industry constituents visit the Commerce and Trade web site for useful information not only about financial assistance, but also about other areas of industry support in which the department is active.

Hon Helen Hodgson spoke about the clauses in this Bill which provide some limited exemption from the Freedom of Information Act. This exemption is for industry-owned information which is a trade secret or is commercial in confidence. If proper assessments of applications for assistance are to be made, then the department will need access to information about the applicant which is a trade secret or is commercial in confidence. Applicants must have confidence that this information, which is critical to the success of their business, will remain confidential. Hence, the exemption provisions contained in this Act. I thank the member for her support of these provisions and assure her and other members that these exemptions are not intended to inhibit proper reporting and transparency about aspects of assistance that should be in the public arena. The name of the recipient, the purpose of the assistance, the criteria which must be met by the recipient and the extent of support provided will be public knowledge for the financial assistance to industry provided through this legislation.

Hon Kim Chance also spoke in support of the Bill. He is keen to promote activities which will help the State add value to its primary resources in Western Australia, rather than export these resources for another country to benefit from further processing. The promotion of downstream manufacture and value adding activities falls within the objects of the Bill and this is an aim all members will support.

Hon Mark Nevill also supported the Bill, making reference to the provisions in the Bill to deal in land. This was a provision which was subject to much debate, which he found confusing, as it is certainly in the original legislation. He is right on both counts. The power is in the existing legislation. The debate referred to was about whether the power should be retained in the new legislation and not added as something new. As Hon Mark Nevill rightly pointed out, the power is in the new legislation. It is a prerequisite to carrying out the functions of the Bill efficiently and effectively. The continuing development of Technology Park at Bentley is an example of this. However, the member made some other comments which I must point out are not strictly correct.

Hon Mark Nevill: What!

Hon N.F. MOORE: The member acknowledged that he had had a long lunch, so perhaps that was the reason he made his first error.

Hon Mark Nevill: It must have been.

Hon N.F. MOORE: Hon Mark Nevill suggested that this legislation will be useful in resolving issues relating to the goldmining industry and eligibility for royalty relief. This has been the subject of debate in the House and it is important to remind the member that royalty relief will be provided by the Minister for Mines under the guidelines that have been established for providing that relief, and not under this legislation. The member's comments suggested that it would be easier to get money or support through this legislation rather than royalty relief. The royalty relief provisions in relation to the gold industry will be sympathetically administered to ensure that goldmines remain open, rather than closing the mines.

The member also said that the Bill did not appear to have any criteria for financial support. On the contrary, the general philosophy in drafting this Bill has been to provide an overall framework within which the Government of the day can deliver its policies to meet the changing needs of industry and Government as flexibly as possible. However, significant effort has been made to ensure that this flexibility is not at the expense of accountability and transparency. The member was referring to part 3, clause 9, which lists six types of financial support - grants, loans, subsidies, guarantees, indemnities and concessions - and closes with a general statement covering any other direct or indirect financial support which may not have been envisaged when this Bill was drafted. The honourable member needs to continue reading clause 10, which proceeds to require guidelines - criteria, if the member prefers - which

must be developed before that financial assistance can be provided. Should assistance be proposed which is not in accord with the available guidelines, then clause 11 imposes significant additional approvals and sanctions which must be met. These guidelines have been developed and are available to clients from the Department of Commerce and Trade. As Hon Helen Hodgson pointed out, the specifics of these guidelines are not incorporated in the Bill because of the need for flexibility and speed of response to industry's needs. An example of the importance of this flexibility is the changes made recently to the export market support scheme offered by the department. These changes accommodate business needs resulting from the impact of the Asian economic crisis on Western Australian and potential exporters. Assistance under this scheme was previously restricted to participants in an industry mission or trade exhibition. This requirement has been relaxed to allow support for visits to existing agents or distributors in countries affected by the economic upheavals.

Hon Mark Nevill foreshadowed an amendment to clause 26 regarding the tabling of the annual report of the Western Australian Technology and Industry Advisory Council. The Government endorses the principle the member proposed. He seeks to ensure that the council's annual report is tabled for the scrutiny of the House in a timely way, and he is quite correct in identifying that the existing clause could possibly not have had that result. However, examination of the amendment the member proposed revealed that his amendment did not achieve the desired result either. One of the impacts of the changes he proposed was that the report could not be tabled any earlier than within three days of 31 October each year, which was not his intention.

Hon Mark Nevill: Any later?

Hon N.F. MOORE: Any earlier than within three days of 31 October each year. I foreshadow an amendment to the same clause which will achieve the desired result and that amendment is on the Notice Paper. The TIAC is required to provide the Minister with its report by 31 August in any year. Previously, no time line was set on this. The clause requires the Minister to table this report in both Houses within seven sitting days of receiving it. This ensures that the Minister has the opportunity to examine the report before tabling it and that the report will be provided to both Houses of Parliament without undue delay. I hope that members will support these changes during the Committee debate.

I thank the members for their support and commend the Bill to the House.

Question put and passed.

Bill read a second time.

Committee

The Chairman of Committees (Hon J.A. Cowdell) in the Chair; Hon N.F. Moore (Leader of the House) in charge of the Bill.

Clauses 1 to 21 put and passed.

Clause 22: Composition of Council -

Hon HELEN HODGSON: Subclause 1(b) provides for quite a wide variation in the number of members that can be appointed to the council; that is, no fewer than six, nor more than 18 other persons. Is there a reason for the potential variation being that large?

Hon N.F. MOORE: I will take a punt. It is designed to give maximum flexibility to the Minister to appoint people to the council, based upon the changing nature of industry in the areas in which this council will be involved. As industry's needs change and as the types of industries change in the Western Australian economy, it is important to have the flexibility to appoint additional people to the council without having to take members off the council. It is a question of making sure the maximum flexibility is available to the Minister to appoint people to meet the needs of industry across the board.

Hon HELEN HODGSON: I understand currently 14 members are on the board and, of those, one or two may not be available to assist the board. One may be interstate and others, for various reasons, may not be able to participate. What happens in that situation? How is their appointment to the board revoked?

Hon N.F. MOORE: The current membership is 11, plus the chief executive officer of the Department of Commerce and Trade. Is the member asking what will happen to revoke a membership?

Hon Helen Hodgson: I was provided with a list in November last year. I know one person on that list is no longer resident in Western Australia. Without reflecting on that person, I wonder whether there are procedures to remove that anomaly.

Hon N.F. MOORE: I will need to look through the Bill; however, there is a provision in the overall Act, as it will be, to enable the Minister to remove people from the membership of the council for various reasons. I hope the member will forgive me if I cannot find it immediately; however, I will come back to her as soon as I can find it. I understand that provision is in the Bill.

Clause put and passed.

Clauses 23 to 25 put and passed.

Clause 26: Annual report of Council -

Hon N.F. MOORE: I move -

Page 19, lines 1 to 9 - To delete the clause and substitute the following clause -

Annual report of the Council

26. (1) The Council must, as soon as practicable after 1 July, and in any event on or before 31 August, in each year, prepare and give to the Minister a report on its operations and proceedings for the previous financial year.

(2) The Minister is to cause the Council's report to be laid before each House of Parliament within 7 sitting days of the House after the Minister has received it.

(3) This section does not affect any duty of the accountable officer of the department under the *Financial Administration and Audit Act 1985* to prepare and submit an annual report containing information about the Council or the operation of that Act in relation to that annual report.

I have circulated an amendment to this clause which deals with the matters raised by Hon Mark Nevill during the second reading stage. It requires that the council as soon as possible after 1 July, and in any event before 31 August, prepare and give to the Minister a report. The Minister shall cause the council's report to be laid before each House of Parliament within seven sitting days after the Minister receives it. It will ensure the annual report of this council is brought to the attention of this Parliament as soon as practicable. This amendment will do what the member requires to be done.

Hon MARK NEVILL: I accept the amendment moved by the Leader of the House. It achieves the same purpose as my amendment intended. I take issue with the Minister that there was a problem with the amendment I suggested. I do not have the original Bill with me; however, the intention of the amendment I proposed was that the report be tabled within three sitting days of 31 October of each year. It could be tabled earlier, but not later. The Minister's amendment says basically that it shall be laid before each House within seven sitting days after the Minister has received it, and the Minister can receive it as late as 31 August. The seventh sitting day would fall within the third sitting week after 31 August. We normally sit in August or September. I expect the Minister's amendment will result in the annual report more often than not being tabled in September or perhaps October. The original clause in the Bill could have had the annual report being tabled in March or April if the 21 sitting days were interrupted by the summer break.

I believe both amendments have the same effect. I defer to the Minister's amendment because I know amendments drafted without the advice of parliamentary counsel can often cause problems. I do not believe there are any problems with the amendment I proposed, as suggested by the Minister. Nevertheless I will support his, and not move mine.

Amendment put and passed.

Clause, as amended, put and passed.

Clauses 27 to 34 put and passed.

Schedule 1 -

Hon N.F. MOORE: Earlier Hon Helen Hodgson raised the resignation, removal and so on of members of the council. That is contained in schedule 1.

Schedule put and passed.

Schedule 2 put and passed.

Title put and passed.

Bill reported, with an amendment.