

Appendix I — Conduct of the inquiry

The House of Representatives Standing Committee on Industry, Science and Technology commenced an inquiry into Australian industry participation in major projects during the 37th Parliament. The Committee decided to take a case study approach to the inquiry, commencing with the North West Shelf gas project. The terms of reference for that inquiry and membership of the Committee are listed at the beginning of the report.

At the dissolution of the House of Representatives in 1996, the Committee had not completed its inquiry.

After the commencement of the new Parliament, the Minister for Industry, Science and Tourism, the Hon John Moore, wrote to the Committee Chair, the Hon Bruce Reid, requesting the Committee to reactivate the inquiry with revised terms of reference. These terms of reference are listed at page iii.

Advertisement of the inquiries

The inquiry was advertised nationally in major metropolitan newspapers on Saturday, 17 June and Monday, 19 June 1995. The Committee wrote to relevant Federal Ministers and to State and Territory Governments. In addition, 90 potential stakeholders, including trade and industry associations, received invitations to make submissions to the inquiry.

After the inquiry was reactivated in 1996, those who had made submissions to the previous inquiry were invited to make further submissions.

Evidence to the inquiries

The Committee received 59 submissions, all of which were authorised for publication. These submissions are listed in appendix II.

The Committee received 52 exhibits to the inquiry, some of which were provided as attachments to written submissions. Except for one of the exhibits, which was accepted in confidence, the exhibits are listed in appendix III.

In 1995 and 1997, the Committee took evidence at public hearings in Perth, and inspected Woodside facilities at Karratha and the North Rankin A platform. The Committee also took evidence at public hearings in Canberra in 1997. The Committee called 42 witnesses to give evidence at public hearings and 277 pages of evidence were recorded by Hansard. Details of the hearings and witnesses appearing are in appendix IV.

The Committee was also briefed privately by the Secretary to the Department of Industry, Science and Tourism.

The transcripts of evidence taken at public hearings and copies of all written submissions will be made available for inspection at the Committee Office of the House of Representatives and at the National Library of Australia.

Appendix II — List of submissions

Submission No.	Person or organisation	Received
1	Mr L S Boelckey, United Pumps Australia	29/06/95
2	Mr E W Saunders, Australian Glycols Development Pty Ltd	12/07/95
3	Mr J B Gray, Project Development Consultants	17/07/95
3.01	Mr J B Gray, Project Development Consultants	02/12/96
4	Mr V Basharen, Marine & Heavy Engineering Group	27/07/95
5	Mr Roland Mueller, Frontline Engineering Pty Ltd	28/07/95
6	Mr John McColl, Stelform Engineering	28/07/95
7	Mr J C Lenzo, Chamber of Commerce & Industry of WA	28/07/95
7.01	Mr J Birman, Chamber of Commerce & Industry of WA	21/01/97
8	Mr M J Kyle	28/07/95
9	Mr J M Craker, Davy John Brown Pty Ltd	31/07/95
10	Mr Stephen Urquhart, Australian Institute of Steel Construction	31/07/95
10.01	Mr Stephen Urquhart, Australian Institute of Steel Construction	24/11/95
11	The Hon Hedy Cowan MLA, Minister for Commerce & Trade; Regional Development; Small Business WA	02/08/95
12	Mr Graham Dawson, Dawson Group Holdings Pty Ltd	03/08/95
13	Mr Robin Taylor Evans, Deakin Engineering Pty Ltd	02/08/95
14	Mr W H Simmonds, CelsiusTech	04/08/95
15	Dr John White, Transfield Defence Systems Pty Ltd	04/08/95
16	Mr K R Hulley, Western Mining Corporation Ltd	07/08/95
17	Mr Ian Woodward, Australian Gas Association	07/08/95
18	Dr John Webster, Institution of Engineers Australia	07/08/95
18.01	Dr John Webster, Institution of Engineers Australia	16/01/97
19	Mr James Harris, United Construction Pty Ltd	09/08/95
20	Mr Alex Gosman, Australian Electrical & Electronic Manufacturers' Association Ltd	16/08/95
21	Dr Evan Jones, University of Sydney	21/08/95
21.01	Dr Evan Jones, University of Sydney	27/11/96

Submission No.	Person or organisation	Received
21.02	Dr Evan Jones, University of Sydney	08/07/97
21.03	Dr Evan Jones, University of Sydney	17/10/97
22	Mr Dick Wells, Australian Petroleum Exploration Association Ltd	28/08/95
22.01	Mr Peter Cochrane, Australian Petroleum Production & Exploration Association Ltd	16/12/96
22.02	Mr Barry Jones, Australian Petroleum Production & Exploration Association Ltd	03/04/97
22.03	Mr Barry Jones, Australian Petroleum Production & Exploration Association Ltd	07/07/97
23	Mr Chris Cronin, Woodside Offshore Petroleum Pty Ltd	05/09/95
23.01	Mr John Akehurst, Woodside Offshore Petroleum Pty Ltd	20/11/95
23.02	Mr Geoff Wedgewood, Woodside Offshore Petroleum Pty Ltd	07/04/97
24	Mr Barry Goldstiver, Hunter Economic Development Corporation	05/09/95
25	Mr Geoff Crittenden, Association of Consulting Engineers Australia	04/09/95
26	Mr Richard Dowe, Heavy Engineering Manufacturers' Association	31/08/95
26.01	Mr Richard Dowe, Heavy Engineering Manufacturers' Association	27/01/97
27	Mr Chris Neil, ISONET Limited	06/09/95
27.01	Mr Chris Neil, ISONET Limited	09/07/97
28	Mr Richard Dowe, Australian International Projects Group Limited	07/09/95
29	Mr Tony Hely, Department of Foreign Affairs & Trade	13/10/95
29.01	Ms Pamela Fayle, Department of Foreign Affairs & Trade	07/03/97
30	Mr Jock Ferguson, Australian Manufacturing Workers' Union	25/09/95
31	Ms Judith Thompson, BHP Iron Ore	03/10/95
32	Mr R A Higgins, Department of Primary Industries & Energy	16/11/95
32.01	Mr David Barnes, Department of Primary Industries & Energy	26/02/97
32.02	Mr John Kjar, Department of Primary Industries & Energy	14/07/97

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Submission No.	Person or organisation	Received
32.03	Mr Rob Jenkins, Department of Primary Industries & Energy	20/06/97
32.04	Mr John Kjar, Department of Primary Industries & Energy	05/09/97
33	Mr R G Suttie, Department of Resources Development WA	16/1/97
33.01	Mr R G Suttie, Department of Resources Development WA	24/01/97
33.02	Mr R G Suttie, Department of Resources Development WA	10/03/97
33.03	Mr R G Suttie, Department of Resources Development WA	09/07/97
34	Mr Jock Ferguson, Australian Manufacturing Workers Union of WA & Mr Tony Cooke, Trades and Labour Council of WA	30/01/97
35	Mr Bruce Sutherland, Department of Commerce & Trade WA	30/01/97
36	Mr Alex Gosman, AUSTENERGY	19/12/96
37	Mr Russell Higgins, Department of Industry, Science & Tourism	26/06/97
37.01	Ms Hellen Georgopoulos, Department of Industry, Science & Tourism	15/07/97

Appendix III — List of exhibits

Exhibit No	Title/ Document	Related to Sub
1	United Pumps Australia: <i>Brochure</i>	1
2	MTIA: <i>Submission to EPAC task force study on private sector involvement in public infrastructure</i> February 1995	
3	Davy John Brown Pty Ltd: <i>Information brochure</i>	9
4	Davy John Brown Pty Ltd: <i>News release</i> May 1995	9
5	Davy John Brown Pty Ltd: <i>Brochure on Nonferrous Division</i>	9
6	MTIA: <i>Comments on interim report by EPAC private infrastructure task force</i> August 1995	
7	Institution of Engineers, Australia: <i>Re-engineering competitiveness, technology development and human resource requirements - information paper</i> May 1995	18
8	Transfield Shipbuilding Pty Ltd: <i>Opportunities and challenges</i> December 1994	15
9	Griffiths, the Hon A & Button, Sen the Hon J: <i>Government Response to the report 'The North West Shelf: a sea of lost opportunities?'</i> Sept 1990	22
10	Clements, K W & Greig, R A: <i>Modelling large resource development projects in an open economy: The case of Australia's North West Shelf gas project</i> 1994	22
11	Australian Petroleum Exploration Association Limited: <i>Review of potential future petroleum developments & project details & current status report</i> March 1995	22
12	Dench McClean Associates: <i>A study of the supply of goods and services to meet the scientific & technological requirements of petroleum developments projects</i> November 1993	22
13	Oil & Gas Consultative Group: <i>Papers presented at 1991 and 1993 local content seminars</i> 22 November 1995	22
14	White, Dr J: <i>Australia's future: By whose design?</i> 9 April 1995	26
15	Marine & Heavy Engineering Group: <i>Major projects' statement</i>	26
16	Working Party on Australian Industry Involvement in Major Projects: <i>Report to the Australian Industry and Technology Council</i> 1991	26
17	WA Government: <i>Australian industry participation in major mining</i>	26

Exhibit No	Title/ Document	Related to Sub
	<i>& energy projects WA policy framework</i> December 1992	
18	WA Government: <i>Proposed policy on local content</i>	26
19	Association of Consulting Engineers Australia: <i>Submission to the EPAC task force on private sector involvement in public infrastructure</i> 13 February 1995	25
20	Association of Consulting Engineers Australia: <i>Submission to the Industry Commission inquiry into contracting out</i> 15 March 1995	25
21	Association of Consulting Engineers Australia: <i>Qualification based selection for the procurement of engineering & management services</i>	25
22	Association of Consulting Engineers Australia: <i>1995 ACEA awards submissions</i> 1995	25
23	Association of Consulting Engineers Australia: <i>CEDA project on 'APEC and Australian business'</i>	25
24	Dept of Foreign Affairs & Trade: <i>Foreign Affairs & Trade Business Directory</i>	29
25	Australian Manufacturing Workers Union: <i>Australia in Transition</i>	30
26	Chamber of Commerce & Industry WA: <i>Resource and Energy Projects Service (REPS)</i> 4 October 1995	
27	Chamber of Commerce & Industry WA: <i>Resource Development Services Directory 1995</i> 1994	
28	<i>Ord River Hydro Energy Project Agreement Act 1994</i>	
29	<i>Iron Ore (Mount Goldsworthy) Agreement Act 1964</i>	
30	BHP Iron Ore: <i>Copies of overhead projections re HBI project</i>	31
31	United Construction Ltd: <i>Alliance & partnering compared and contrasted</i>	19
32	Australian Petroleum Production & Exploration Association: <i>Local industry participation in the petroleum development process - APPEA policy & code of practice</i>	22.01
33	Australian Bureau of Agricultural and Resource Economics: <i>Net economic benefits from Australia's oil and gas resources</i> 4 June 1996	22.01
34	Wells, Dick, Executive Director, Australian Petroleum Production & Exploration Association: <i>Letter to the Hon John Moore, Minister for Industry, Science & Tourism, dated 30.9.96</i>	22.01
35	Australian Petroleum Production & Exploration Association: <i>Review of potential future petroleum developments - project details and</i>	22.01

Exhibit No	Title/ Document	Related to Sub
	<i>current status</i> March 1996	
36	Sashegyi, Bill, Director ISONET: <u>Maximising opportunities for Australian industry</u> <i>Supply</i> magazine (undated) pages 12 - 13	22.01
37	Australian Manufacturing Workers Union: <i>Australia in transition</i>	34
38	Department of Commerce & Trade: <i>Jervoise Bay infrastructure planning study - masterplan layout</i> 1997	35
39	WA Government: <i>Local content - brochure</i>	35
40	Department of Commerce & Trade: <i>Jervoise Bay infrastructure masterplan</i> 1996	7
41	Halpern Glick Maunsell: <i>Jervoise Bay infrastructure planning study</i> February 1997	35
42	Institution of Engineers, Australia: <i>Engineering the transition to competitive utilities</i> February 1996	
43	CEGELEC: <i>Oil-Gas - Exploiting every field of productivity</i>	36
44	CEGELEC: <i>Annual Report 1995</i>	36
45	GEC ALSTHOM: <i>Capabilities profile</i>	36
46	CEGELEC: <i>Duplex DP control system</i>	36
47	CEGELEC: <i>Australia profile</i>	36
48	United Construction Group Ltd: <i>Building partnerships with industry</i>	23
49	Department of Industry, Science and Tourism: <i>Background paper for major projects inquiry</i> 3 March 1997	
50	Australian Petroleum Production & Exploration Association Ltd: <i>Review of potential future petroleum developments</i> April 1997	22
51	Confidential	
52	AusIndustry: <i>Folder - Information pamphlets on the role and functions of AusIndustry.</i>	37

Appendix IV — Witnesses at public hearings

Perth, Friday 6 October 1995

Australian Institute of Steel Construction

Mr Stephen Urquhart, State Manager WA

Mr Linus O'Brien, Member

Chamber of Commerce & Industry of Western Australia

Mr Anthony DeBarro, Director, ISOWA

Mr William Sashegyi, Manager, Industry & Energy Development

Dawson Group

Mr Graham Dawson, Chairman

Department of Commerce & Trade WA

Mr Quentin Harrington, Director, Executive Support

Department of Resources Development WA

Mr Geoffrey Suttie, Director, Policy & Advisory Services

Individual

Mr Michael Kyle

Institution of Engineers Australia

Dr Robert Mair, National President

Mr Andrew Yuncken, President, Western Australia Division

Dr Brian Hewitt, Member

United Construction

Mr Dennis O'Neill, Managing Director

Woodside Offshore Petroleum Pty Ltd

Mr John Akehurst, Executive General Manager

Mr Christopher Cronin, Manager, Human Resources & Public Affairs

Mr Robert King, Consultant

Perth, Thursday 30 January 1997

Australian Manufacturing Workers Union

Mr Jock Ferguson, Assistant State Secretary

Chamber of Commerce & Industry of Western Australia

Mr Jon Birman, Deputy Director of Operations

Mr William Sashegyi, Manager Industry & Energy Development

Department of Commerce & Trade WA

Mr Russell Dumas, Infrastructure Manager

Department of Resources Development WA

Mr Geoffrey Suttie, Director, Policy & Advisory Services

Trades & Labour Council

Mr Tony Cooke, Secretary

United Construction

Mr James Harris, General Manager, Commercial & Business Development

Woodside Offshore Petroleum

Mr Dave Agostini, General Manager, North West Shelf Operations

Mr Geoffrey Wedgwood, Manager, Corporate Affairs

Canberra Monday 3 March 1997

Australian Electrical & Electronic Manufacturers Association

Mr Stephen Wolkowicz, Chairman, Austenergy

Mr Alex Gosman, Executive Director

Australian Petroleum Production & Exploration Association

Mr Barry Jones, Executive Director

Mr Noel Mullen, Assistant Director, Commercial

Mr Frank McKeon, Member tariff committee

Department of Industry, Science & Tourism

Ms Beverley Clarke, First Assistant Secretary

Mr Daryl Back, Director, Wood & Paper Industry Section

Department of Primary Industries & Energy

Mr David Barnes, Assistant Secretary, Exploration & Development Branch

Dr Alison Turner, Executive Director, Resources & Energy Group

Mr John Kjar, Director, Development Section

Ms Jeanne Lang, Senior Officer, Exploration & Development Branch

Mr William Layer, Acting Manager, Petroleum Taxation & Analysis Section

Heavy Engineering Manufacturers Association

Mr Richard Dowe, Executive Director

Institution of Engineers Australia

Mr Peter Walker, Associate Director, Education

Dr Allan Johnson, Councillor

Ms Lynne Reeder, Senior Policy Analyst

ISONET Limited

Mr David McLachlan, Chairman

Mr Christopher Neil, Executive Director

Appendix V — Summary of conclusions and recommendations of the 1989 report, *The North West Shelf: A sea of lost opportunities*, and of the Government response to the report

Summary of conclusions and recommendations in the 1989 report	Government response to the 1989 report
Concern at the lack of interest shown by the Department of Primary Industries and Energy to the broader significance of Australian industry participation in resource development projects	
Extension of NLG type oversight to all major resource projects	Not agreed
<p>R1: Arrangements be put in place to compel consultation between the Commonwealth Industry and Primary Industries Departments on Australian industry participation in offshore oil and gas projects</p> <p>Fair and equal access for Australian industry participation in offshore oil and gas projects should be ensured by government</p>	A significant level of consultation already occurs. Nevertheless officers will pursue means of ensuring Australian industry has full and fair opportunities to participate in resource development
R2: The Industry and Primary Industries Ministers be co-signatories to the approval of all offshore oil and gas production licences	Not necessary
R3: The development of a set of criteria for assessing the net benefit to Australia of offshore oil and gas development projects which would be employed in the preparation of an economic impact statement for all major offshore oil and gas development projects	Project proponents should make the judgment as to whether a project should proceed. Economic viability should be the main criterion
Better understanding of the oil and gas industry and coordination by Commonwealth departments necessary	

Summary of conclusions and recommendations in the 1989 report	Government response to the 1989 report
R4: An agreed national methodology for the assessment of qualitative aspects of local participation along with quantity be developed and disseminated	Not agreed. Government not disposed to adopt a more interventionist or monitoring role
R5: All specifications and standards be in accordance with Australian specifications and standards where these exist	Government will expect any special requirements to be fully detailed, with specifications based on internationally recognised standards
R6: The Minister for Employment, Education and Training review the operation of negotiated agreements as they apply to professional engineering and technical staff with a view to developing assessment criteria for skills transfer and training	General criteria already exist. Criteria specifically relating to skills transfer for engineering and technical staff in resource industries might be developed
R7: All potential suppliers selected to bid for tenders be given an equal and adequate period in which to tender and the period for tender be adjusted if tender specifications are altered	Supported
R8: Applicants for development licences for offshore oil and gas fields agree to use the services of the ISO	Not agreed. Procurement strategy should remain companies' responsibility
R9: Petroleum production licensees undertake to ensure that project timescales do not discriminate against the participation of Australian industry	Government will expect licensees to do this
R10: A comprehensive development plan be published following the granting of all petroleum production licences	Supported to the extent that the plan is only a general description
R11: Quality management in engineering be encouraged	Supported
R12: Customs duties be waived where specified materials required for fabrication work are not available in Australia; and, if local manufacturers claim to make an equivalent, this must be demonstrated to comply with the particular design specifications	Recommendation to be considered in the context of an Industry Commission report into commercial tariff concession by-laws systems

Summary of conclusions and recommendations in the 1989 report	Government response to the 1989 report
R13: The Minister for Industrial Relations consult with the relevant parties to determine a basis for the negotiation of site agreements for construction of all major projects	Government will help if requested by parties involved but generally considers this the responsibility of principal contractors and other parties
R14: A survey of infrastructure required to assist local industry participation in major projects be undertaken	To be undertaken as resources permit, having regard to other priorities
R15: Agreement be reached on the standardisation of transport regulations for inter-state movement of heavy loads by road	Some standardisation has occurred but permits should still be obtained at the state/ territory level because of local knowledge of roads
R16: A study be undertaken comparing local industry and technology participation capability during Phase III of the NWS Project to Phases I and II	To be undertaken as resources permit, having regard to other priorities
R17: A survey of market opportunities in the offshore oil and gas industry be undertaken and updated annually	Government will examine the most appropriate means to inform industry of likely resource developments but considers identifying market opportunities a task for the private sector