

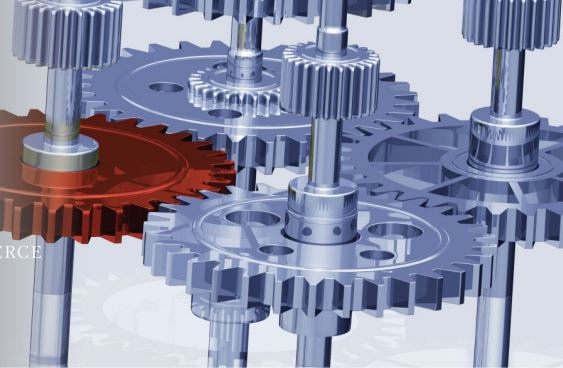
Forum Focus: Manufacturing

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Knowledge Influence Support

CHAMBER OF COMMERCE
AND INDUSTRY
WESTERN AUSTRALIA



Chairman's Message *from Cameron Schuster, Sustainability Manager – Wesfarmers Limited*

The previous edition of Forum Focus: Manufacturing reported on the appointment of the former Queensland Premier the Hon. Peter Beattie as the Federal Government's Resources Sector Supplier Envoy. Mr Beattie had his first visit in his new role to Western Australia from 22 – 25 November 2011.

CCI played a central role in connecting Mr Beattie with the WA business community on the issue of local content. In many ways, Mr Beattie's visit marked the culmination of the efforts of the Manufacturing Forum throughout 2011 in advising CCI on local content. As local content has been a priority for the Forum over the last 12 months, it is pleasing that both WA and Federal Governments have begun to accord greater attention to the issue.

Throughout 2012, the Manufacturing Forum will be monitoring the steps that both Governments will be taking to allow local suppliers full, fair and reasonable opportunity to secure work on major projects.

Next year also will be critical for CCI as it will mark the 12 month countdown to the next WA State Election being held in March 2013. The CCI's 2012-13 Pre-Budget Submission sets to focus the attention of the WA Government on the key issues facing the WA business community. The next 12 months are a critical opportunity for WA to commit to critical reforms that will underpin the State's prosperity and growth into the future.

This Forum Focus also includes articles on the carbon tax and the CCI Workforce Participation Forum.

Finally, this will be my last Forum Focus as Chair of the CCI Manufacturing Forum. I have decided to stand down from the position after being in the role for nearly two years. I am pleased to advise that Mr Andy Byk, Chief Executive Officer of MAK Industrial Water Solutions, will be stepping into the role in 2012. I wish to take this opportunity to thank members of the CCI Manufacturing Forum for their support throughout my tenure.

May you and all of your staff have a Safe and Merry Christmas and Prosperous 2012.

New CCI Manufacturing Forum Chair

At its final meeting for 2011, the CCI Manufacturing Forum endorsed Mr Andy Byk, Chief Executive Officer of MAK Industrial Water Solutions as its Chair for 2012.

Andy is a mechanical engineer with an MBA and is a graduate of the Harvard Business School Advanced Management Program. Andy has been CEO of MAK Industrial Water Solutions since 2009 and overseeing its growth to a position where it now has offices across Australia and is responsible

for the water systems on many of the major resource projects currently in progress in Australia.

CCI wishes to acknowledge the contribution of the outgoing Forum Chair, Mr Cameron Schuster of Wesfarmers Ltd who had advised that he would not be continuing in the role. Cameron has been of great service and advice to CCI as Forum Chair for nearly the last two years.

Hon Peter Beattie visit to WA

The Federal Government's Resources Sector Supplier Envoy and former Queensland Premier, the Hon. Peter Beattie visited Perth from November 22 to 25. It was Mr Beattie's first visit to WA in his new role as Resources Sector Supplier Envoy.

Appointed by the Federal Government in August, Mr Beattie's new role is part of the Federal Government's *Buy Australian at Home and Abroad* initiative that aims to assist local suppliers' link with the delivery of product to Australian projects.

CCI was proud to host a visit by Mr Beattie at its Hay Street Office on November 24. Mr Beattie received a briefing from Industry Capability Network WA as well as Project Connect that are both housed at CCI.

The highlight of Mr Beattie's visit was the CCI hosted Forum that was attended by more than 70 CCI members representing a cross section of suppliers, proponents and consultants involved in the WA resources sector. The Forum was addressed by local manufacturer Mr Andy Byk of MAK Industrial Water Solutions and Mr Murray Fearn, Manager of the *Buy Australian at Home and Abroad* initiative.

In his address, Mr Beattie said he wanted to assist Australian suppliers to have greater engagement with overseas procurement officers as well as encouraging joint bids by Australian suppliers on major projects. In a discussion time that went for more than hour, Forum attendees advised Mr Beattie of their concerns ranging from the high cost of doing business in WA, the complexity of tendering processes and the impact of free trade agreements.

Fast Fact: The attendance at the CCI Forum was the highest there has been for all the industry consultations Mr Beattie has held across Australia.

Coinciding with Mr Beattie's visit was the first ever meeting of the Resources Sector Supplier Advisory Forum that was held in Perth on November 25. The Advisory Forum, chaired by Mr Beattie, is to advise the Federal Government on Australian industry participation in the resources sector. The Advisory Forum is comprised of 25 representatives of resource companies, industry associations, unions, academia and suppliers. Six of the representatives are based in WA.

CCI has received very positive feedback from Mr Beattie and the Department of Innovation, Industry, Science and

Research on the input of CCI members into Mr Beattie's visit. CCI shall continue to be in contact with Mr Beattie to ensure that its members opinions are included as part of his recommendations to the Federal Government on local content.

2012-13 Pre-Budget Submission to the WA Government

In recent weeks, CCI submitted its 2012-13 Pre-Budget Submission to the WA Government.

With the 2012-13 Budget the last before the election, CCI has called upon the Government to deliver its promised reform agenda, which has stalled in recent times.

The Government should use the 2012-13 Budget to deliver a reform agenda that can be implemented immediately to ease the cost of doing business in the State, to help those businesses outside of the resources sector to navigate through the current conditions.

[Click here for CCI's 2012-13 Pre-Budget Submission to the WA Government.](#)

Fast Fact: CCI's submission sets out a non-negotiable list of nine priorities, which the business community expects to see in the upcoming budget.

Measures to extend Australian Industry Participation

On November 22, the Commonwealth Government released its *Measures to extend Australian Industry Participation* consultation paper for public comment.

The paper proposes changes to extend access for Australian businesses to supply major projects and make procurement processes for those projects more transparent.

The Australian Industry Participation (AIP) Framework was signed by Commonwealth, State and Territory Governments in 2001 to encourage a national approach to maximising opportunities for Australian industry to participate in major investment projects. The objective of the AIP Framework is to allow Australian businesses to have full, fair and reasonable opportunity to secure work on major public and private projects in Australia.

The paper made a number of recommendations relating to the AIP. One of the most prominent was the proposal that any recipient of a Commonwealth Government grant worth more than \$20m would need to develop an AIP Plan. The same principle would apply for any Commonwealth project worth more than \$20m or any State or Territory Government project that receives \$20m of Commonwealth funding.

The paper also proposes publishing AIP Plans more widely and suggests a number of websites to do this including through the Industry Capability Network.

Of interest to CCI members is the proposed changes to the Enhanced Project By-Law Scheme (EPBS) that allows tariff concessions to the project proponent. Project proponents would be required to list the details of opportunities for Australian industry to participate in major projects on a public website for large EPBS projects (greater than \$2 billion).

Fast Fact: The Consultation Paper is the first review of the Australian Industry Participation Framework in a decade.

CCI Workforce Participation Forum 2011 – Utilising the Untapped Workforce

Featuring a number of Western Australian business leaders, including an address by Richard Goyder, Wesfarmers Limited, the *CCI Workforce Participation Forum* was held on Friday 4 November, 2011.

The Forum provided attendees with an insight into some strategies to increase workforce participation in order to address the skills and labour shortage facing Western Australia. There is a large section of the community that employers, with some flexibility and appropriate procedures, can greater engage to fill some of the predicted shortages.

Speakers included Tony Noonan from Doorn-Djil Yoordaing Mining and Construction, Dr Penny Flett from Brightwater Care Group, Zoe Weir of Freehills, Damir Kucan from Burswood and Sue Robertson of Edge Employment Solutions.

The speakers presented participants with insight on the reality of engaging, managing and retaining a wide range of under-represented groups, including Aboriginal people, mature age employees, women in the workforce and people with disabilities.

The Forum was attended by a diverse range of participants who were appreciative of the calibre of speakers and the practical solutions they provided, particularly the knowledge of support services available for employers.

1.7 million Australians over the age of 18 years wanted to contribute more to the labour force, according a recent report issued by the Australian Bureau of Statistics (ABS).

Carbon Tax update

The Federal Government's Clean Energy Future package passed the Senate on 8 November 2011 and will become operational on 1 July, 2012. The package has wide ranging implications for CCI members. A relatively small number will be direct participants in the scheme. Others will be captured through changes in the fuel tax system. However, the majority of businesses will see an impact on their energy bills.

CCI is now focusing its efforts on helping members in the WA business community, particularly small and medium sized employers, to understand the impact on their businesses and prepare for the impact of the tax.

Fast Fact: Only around 500 individual facilities will be liable to pay the carbon tax, of which around 75 operate solely within Western Australia, 45 across multiple states.

For further information on the carbon tax please contact Drew Pearman, senior policy adviser - Resources, Energy and Environment, on 08 9365 7720, or email drew.pearman@cciwa.com

2012 CCI Advocacy Agenda

Each year, the CCI Advocacy team, in consultation with members, determines the policy priorities for the year ahead.

Having consulted with members, the CCI Advocacy Team has identified the following list of priority issues for 2011:

- Productivity – examining ways to lift Australia's flagging productivity;
- Participation – the issue of labour shortages remains a priority for WA employers. This series will examine what changes are needed to increase the participation levels among certain groups, including older people, Indigenous Australians, migrants, women and people with a disability; and
- 2013 State Election Plan - setting out the issues of importance to business in the lead up to the March 2013 State Election. It will be similar to the previous state Strategies for Growth document.

These papers will be in addition to the advocacy work already being undertaken by the team. CCI Senior Policy officers will be consulting with members throughout 2012 in the development of these flagship papers.

Fast Fact: In 2011, CCI released policy papers on Local Content, Industrial Relation Reform, Preventative Health Measures, the Cost of doing business in WA, and Tax Reform.