



**LEGISLATIVE ASSEMBLY OF THE AUSTRALIAN CAPITAL
TERRITORY**

**REPORT ON
2003 NATIONAL CONFERENCE OF PUBLIC WORKS AND
ENVIRONMENT COMMITTEES**

***‘THE SUSTAINABILITY OF REGIONAL DEVELOPMENT-
ADDRESSING THE TRIPLE BOTTOM LINE’***

**ATTENDANCE BY STANDING COMMITTEE ON PLANNING
AND ENVIRONMENT**

Report No. 22

**Vicki Dunne MLA
Chair
8 August 2003**

REPORT FROM THE STANDING COMMITTEE ON PLANNING AND ENVIRONMENT

ATTENDANCE AT NATIONAL CONFERENCE OF PUBLIC WORKS AND ENVIRONMENT COMMITTEES (NPWEC 2003), PERTH AND KARRATHA 29 June 2003 – 3 July 2003

Introduction

1. The Economics and Industry Standing Committee of the Western Australian Government hosted the 2003 National Conference of Public Works and Environment Committees, a meeting of all relevant Australian and New Zealand Parliamentary Committees.
2. The Conference ran from Sunday 29 June 2003 to Thursday 3 July 2003 with the theme ***“The Sustainability of Regional Development - Addressing the Triple Bottom Line.”***
3. The conference program included speakers from academia, industry and government. Sessions discussed the triple bottom line of economics, environment and society in relation to infrastructure development, regional development, tourism and eco-tourism and indigenous issues.
4. The Members and Committee Secretary of the Standing Committee on Planning and Environment attended the conference that commenced with delegates assembling in Perth on Sunday 29 June 2003 for a pre-conference function hosted by the Chamber of Minerals and Energy of Western Australia.
5. On Monday 30 June the Conference, held in the Western Australian Legislative Assembly Chamber, was opened by the Western Australian Government Minister for Planning and Infrastructure, the Hon Alannah MacTiernan MLA. This was followed by a series of presentations throughout the day.
6. On Tuesday 1 July 2003, delegates joined a dedicated flight to Karratha, overflying various points of significance including selected mine sites, Barrow Island, Liquid Petroleum Gas (LPG) facility, Northwest Shelf developments and other infrastructure projects. The flight included commentary from a variety of mining industry and environment experts.
7. On Tuesday afternoon, conference papers were presented at the West Pilbara College of TAFE Seminar Centre in Karratha. Woodside Energy Ltd and Hamersley Iron hosted a function in Dampier later that day.
8. On Wednesday 2 July a field trip provided delegates with the opportunity to examine local environmental issues and points of regional development including the Woodside LPG processing site, Hamersley Iron, and Dampier port facilities, as well the petroglyphs (rock art) of the Burrup Peninsula.
9. The conference concluded on Thursday 3 July with papers in the morning at the West Pilbara College of TAFE Seminar Centre in Karratha.

The Conference and Relevance for the ACT

10. The theme of this conference was *'The Sustainability of Regional Development, the Triple Bottom Line'*. The Committee observed that all of the State Governments are assiduously pursuing strategies and agenda that will:

- a. abate greenhouse emissions;
- b. protect the environment; and
- c. promote regional development and cooperation, sustainable development and the environment.

11. The following is a summary of the subject matter covered:

- The Path to Sustainability
- Australia and its Regions and Regional Governance
- Regional Sustainability
- Sustainable Resource Development
- WA State Sustainability Strategy and Regional Development
- Industry presentations on Sustainability from BP; GORGON; Rio Tinto and Hamersley Iron; Woodside Energy; BHP Billiton; Pilbara Development Commission
- Sustainable approach to energy enterprise
- Regional Development and Indigenous Governance
- Horizontal Equalization and the Sustainability of Regional Development.

12. The issue of the distribution of Commonwealth funds to the States and Territories, Local Government grants, and the role of Commonwealth Grants Commission, were also fairly comprehensively covered and debated. The exchange with our State colleagues was invaluable, and also served to demonstrate the lack of understanding in the States by both politicians and their bureaucracies about the 'statehood' of the ACT, its funding arrangements, and its limitations on revenue raising from its own sources.

13. The Members of the Standing Committee on Planning and Environment were surprised at the extent to which the funding arrangements for the ACT and its narrow revenue-raising base were so poorly known about or understood by many of the delegates who attended the Conference. This convinced the Committee that the ACT needs to do more in the national arena to make better known and understood:

- a. its actual situation in terms of self- government;
- b. the limitations for revenue raising of the ACT compared to all other States and Territories;
- c. that 'Canberra' is not the Commonwealth Government (even though it is the seat of Commonwealth Government);
- d. 'Canberra' is actually the self governed Territory known as the Australian Capital Territory, also having municipal and well as State functions; and
- e. the extent to which the ACT services the surrounding NSW region, and the costs inherent in doing so.

14. The presentation by Dr Chris Berry, Manager of the Western Australian Local Government Grants Commission, on *'Horizontal Equalisation and the Sustainability of Regional Development'*, raised a number of points of interest to the ACT, especially as the ACT provides both State and Local Government Services. Dr Berry used the following graphs in his presentation to illustrate a need for the Commonwealth Grants Commission to make a paradigm shift in its funding

arrangements from assessing activities of governments on an average of what States do, to estimating what level of service might be appropriate, even where it can be demonstrated that a level of service is below public expectations, professional guidelines or UN standards. It is useful to note that the ACT does not get a mention in the first graph, and warrants only a ‘not applicable’ in the second graph.

State Net Fiscal Subsidies 2000-01

	\$ m	\$ per capita
N S W	3,741	576
V ic	2,367	493
Q ld	-3,422	-951
W A	3,187	1,680
S A	-2,538	-1,692
T a s	-1,621	-3,448
N T	-1,714	-8,724
A u s t	0	0

Minimum Grant Councils 2002-03

	Minimum Grant Councils	% Population
NSW	21	24%
VIC	7	12%
QLD	11	61%
WA	26	67%
SA	14	43%
TAS	2	19%
NT	0	0%
ACT	NA	-
Australia	81	34%

15. Although the ACT does not formally have a separate ‘local governing body’, the Committee nevertheless felt that a relevant area within ACT Government should conduct some research. Such research might focus on how the ACT can improve funding for its capacity as a local governing body, to provide its residents with an equitable level of services, in a similar way as Dr Chris Berry asserts other States receive funding through *Local Government (Financial Assistance) Act 1995*. With this in mind, and the recent *Inquiry into Revenue Raising in the ACT* undertaken by the Public Accounts Committee, the Committee Members questioned the extent to which the basis for the Horizontal Fiscal Equalisation arrangements actually ensure that the ACT, in its local governing body function within the ‘State’, is able to function, by reasonable effort, at a standard not lower than the average standard of other local governing bodies other States. The Committee Members feel it important that other Members of the Assembly be reminded of:
- the anomalies of ACT funding arrangements compared to other States and Territories; and
 - the misunderstandings in the States that the ACT is more than well funded by the Commonwealth Government, just because we are ‘Canberra’.

16. The concerns of the Committee Members were raised during discussions on Commonwealth distribution of grants to States and vertical fiscal imbalance and horizontal fiscal equalisation (HFE). Western Australia put the view, that, as it is one of Australia's most prospective regions, current HFE principles should be changed, because the large transfer of resources out of Western Australia is inhibiting national development. The Western Australians believe that revenue generated from their development is leading to a decline in the WA funding share of Commonwealth Grants, especially so as the mining, gas and minerals industries generate higher tax contributions from company tax. The Western Australians argue that while the revenue generated by the State provides significant benefits to the State, there are high costs of development and on-going costs, which the Commonwealth Grants Commissions does not recognise when it redistributes the returns to the States. In addition, it argues that other States benefit without investment or risk.

17. The Conference was directly relevant to the Inquiry into Renewable Energy and Sustainability current being undertaken by this Committee, and provided very substantive subject matter and contacts that have already been of benefit to the Committee as it prepares a series of reports for tabling in the Assembly. The Committee is aiming to table its first report, part of a series of reports, in early September 2003, with a second report planned for tabling before the end of 2003.

18. For example, the Committee Secretary was able to establish the beginnings of a good working relationship with the Secretary of the NSW Legislative Assembly Standing Committee on Public Works, currently undertaking an Inquiry into Energy Consumption in Residential Buildings. Since most greenhouse emissions and energy usage in the ACT is centred on our residential sector, the Committee will be able to draw on the evidence and findings of this NSW Committee.

The Conference Program and Delegates

19. Attachment 1 to this Report details the Conference Delegates, Conference Guests and Speakers and as well as the membership and staff of the Western Australian Economics and Industry Standing Committee. Attachment 2 to the Report provides details of the Conference Program.

A Public Works Committee for the ACT Legislative Assembly

20. Because this conference is attended by Public Works Committees from the States and Territories, the Committee Members observed that the ACT does not have its own dedicated Public Works Committee to scrutinise or approve the public works programs of the ACT. The Committee further observed that such matters appear to receive little attention in the Budget and Estimates Committee processes, because the details are included within departmental statements, rather than there being a separate Capital/Public Works Program that consolidates all major and minor public works. The Committee Members recognise that the future sustainability of the ACT is dependent on its ability to raise revenue, and set prioritised expenditure programs for a sustainable living city. The Committee therefore believes that the next Assembly should give serious consideration to the establishment of a Public Works Committee to play an integral role in the approval of capital/public works expenditure for the ACT. The Committee believes that this would not only facilitate wise use of the ACT's scarce resources and plan for its liabilities, but also provide a strategic overview of the development and maintenance of infrastructure for the ACT.

Conclusion

21. The Committee believes that the main messages from this Conference appear to have been that:

- future sustainability within Australia lies in State and Territories making a quantum leap in moving from a focus on rigid State boundaries as the basis for development, to regional development areas and extensive regional cooperation and coordination;
- distribution of Commonwealth grants to the States and Territories needs review to ensure equity across regions to provide adequate services for the population as well as recognising the investment and risk required to implement residential, commercial, and industrial infrastructures that produce revenue but do not harm the environment;
- there is a need for leadership, partnership and collaboration in place of competition between States and Territories; and
- Sustainable development is a national priority for governments and the corporate sector, requiring an integration of environmental, social and economic aspects into decision-making processes, and the implementation of effective environmental systems.



Vicki Dunne MLA
Chair
8 August 2003

Attachment 1

NATIONAL CONFERENCE OF PUBLIC WORKS AND ENVIRONMENT COMMITTEES 2003 Western Australia 29 June – 3 July 2003

CONFERENCE DELEGATES

Western Australia – Economics and Industry Standing Committee

Mr Tony McRae, MLA, Chairperson
Hon John Day, MLA, Deputy Chairperson
Mr John Bowler, MLA
Mr Bernie Masters, MLA
Mr Mick Murray, MLA
Dr Ray Wills, Principal Research Officer
Ms Liz Kerr, Research Officer
Ms Jovita Hogan, Research Officer

Western Australia

Hon Bruce Donaldson, MLC
Mr Terry Waldron, MLA

Australian Capital Territory – Standing Committee on Planning and Environment

Ms Vicki Dunne, MLA, Chair
Mr John Hargreaves, MLA, Deputy Chair
Ms Helen Cross, MLA
Ms Roslyn Dundas, MLA
Ms Linda Atkinson, Committee Secretary

Commonwealth – House of Representatives Standing Committee on Environment & Heritage

Mr Bruce Billson, MP, Chair
Mr Phillip Barresi, MP
Dr Anna Dacre, Principal Research Officer

Commonwealth – Joint Standing Committee on Public Works

Mr Brendan O'Connor, MP, Deputy Chair
Senator Richard Colbeck
Ms Vivienne Courto, Inquiry Secretary

Commonwealth – Senate Environment, Communications, Information Technology and the Arts Legislation Committee

Senator Alan Eggleston, Chair

New South Wales – Standing Committee on Public Works

Ms Marie Andrews, MP
Mr Ian Slack-Smith, MP
Ms Carolynne James, Project Officer

Queensland – Public Works Committee

Mr Don Livingstone, MP, Chairman
Hon Kev Lingard, MP, Deputy Chairman
Mr Rob McBride, Research Director

South Australia – Economic and Finance Committee

Ms Gay Thomson, MP, Presiding Member
Mrs Kylie Fickling, Research Officer

South Australia – Environment, Resources and Development Committee

Ms Lyn Breuer, MP, Presiding Member
Ms Heather Hill, Research Officer

South Australia – Public Works Committee

Hon Vini Ciccarello, MP
Hon Ivan Venning, MP
Mr Keith Barrie, Secretary
Dr Paul Lobban, Research Officer

Tasmania – Joint Standing Committee on Environment, Resources and Development

Hon Doug Parkinson, MLC, Chair
Hon Sue Smith, MLC
Mrs Sue McLeod, Clerk of Committees

Tasmania – Public Works Committee

Hon Paul Harriss, MLC, Chairman
Hon Greg Hall, MLC
Ms Kathryn Hay, MHA
Hon Sue Napier, MHA
Mr Shane Donnelly, Secretary

Victoria – Environment & Natural Resource Committee

Hon Andrea Coote, MLC, Deputy Chair
Hon Damien Drum, MLC
Ms Jo Duncan, MP
Hon Wendy Lovell, MLC
Mr George Seitz, MP
Dr Caroline Williams, Executive Officer

New Zealand

New Zealand - Local Government and Environment Select Committee

Mr Shane Ardern, MP
Dr Ashraf Choudhary, MP
Ms Catherine Parkin, Office of the Clerk, New Zealand Parliament

CONFERENCE SPEAKERS AND GUESTS

Hon Alannah MacTiernan, MLA, Western Australian Minister for Planning and Infrastructure
Hon Judy Edwards, MLA, Western Australian Minister for the Environment and Heritage
Associate Professor Ronnie Harding, Institute of Environmental Studies, University of New South Wales
Acting Professor Neil Drew, Director, Institute for Regional Development, The University of Western Australia
Ms Erica Smyth, Chair, Pilbara Development Commission
Ms Cheryl Gwilliam, Head, Western Australian Department of Local Govt and Regional Development
Dr Bruce Hobbs, Chief Scientist, WA, and Executive Director, Office of Science & Innovation (Western Australia)
Professor Peter Newman, Director, Sustainability Unit, Murdoch University, and Western Australian Department of Premier and Cabinet
Mr Tim Shanahan, CEO, Chamber of Minerals and Energy of Western Australia
Mrs Kathleen Lucas, Managing Director, BP Kwinana Refinery
Mr Wayne Trumble, Executive General Manager, Power Generation, Griffin Coal
Mr Russell Lagdon, Health Environment and Safety Manager for the Gorgon Development, Chevrontexaco
Mr Peter Yu, Bushtel Australia and Lingiari Foundation (Kimberley District of WA)
Dr Gabrielle Morrissey, Director of Sexology, Curtin University of Technology (Dinner Speaker)
Dr David Smith, Managing Director, Hamersley Iron
Mr Larry Kickett, Woodside Energy
Mr Louie Warren, BHP Billiton
Mr Chris Berry, Western Australian Department of Local Government and Regional Development
Mr Bruce Larson, General Manager, External Affairs, Rio Tinto WA
Mr Ian Taylor, Chair, Regional Development Council, Western Australia
Dr Andrea Gaynor, School of History, University of Western Australia
Mr Steven Yule, Western Australian Department of Local Government & Regional Development

NCPWEC 2003 29 June – 3 July 2003: Program Overview

Short Background to the Pilbara Region

Situated in the North West of Western Australia, the Pilbara is a mineral rich region of spectacular scenery with land surfaces thought to be around 2.8 billion years old.

Some of the Pilbara's most popular natural attractions are the Karijini and Millstream/Chichester National Parks and the Dampier Archipelago. The region is also well known for its heritage assets and especially for Aboriginal rock art, of which there are spectacular examples throughout the Pilbara. Archaeological evidence shows that the Pilbara has been occupied for at least 30,000 years. More than thirty distinct socio-linguistic groups lived in the region, utilising and managing the natural resources according to their law. Aboriginal culture, including its intricate social organisation and strong spiritual relationship with the land, is still strong today.

European ships visited the Pilbara coastline as early as 1618, but visitors like William Dampier reported an inhospitable coastline with a lack of water.

European settlement began in the 1860s, when pastoralists established sheep stations on the De Gray River.

The early settlers began collecting pearl shell along the coastline. This developed into a thriving industry centred on the port of Cossack. However, the Pilbara pearling industry was short lived and relocated to Broome in 1884. A gold rush substantially increased the region's population and saw the establishment of towns at Marble Bar and Nullagine.

In the 1960s two dramatic events occurred which were to change the Pilbara forever. The first of these was the removal of Commonwealth restrictions on the export of iron ore in 1960 in response to a growth in world demand, particularly in Japan.

The Pilbara had long been known to contain immense deposits, and a boom began which was to see the establishment of nine new towns in the region by 1970. Almost over night the Pilbara's population increased tenfold.

The second significant event was the introduction of the pastoral award in 1968. As pastoralists could not afford to pay full wages to the station workers, this led to a massive movement of Aboriginal people from the inland stations to the coastal towns.

In the 1960s and 1970s, discoveries of oil and natural gas off the northwest shelf were also made, and in the 70's and 80's the development of these resources expanded the region's economy and population enormously.

The Pilbara is one of the most vital and dynamic wealth producing regions in Australia, responsible for the production of goods and services worth more than \$16 billion per annum. The mining and petroleum industries continue to be the predominant earners for the region, with a total value of production of \$15.3 billion per annum, which accounts for more than 55% of Western Australia's total mineral and energy production.

Currently the region has investments of \$3.75 billion committed to the development of resource and processing opportunities with a further 13 projects valued at more than \$12 billion under consideration. More than 95 percent of Australia's iron ore exports come from the Pilbara.

The Pilbara's oil and gas industry is the region's largest export industry earning almost \$10 billion per annum and employing over 1,000 people. The major oil and gas project in the Pilbara is the \$12 billion North West Shelf Joint Venture. The project is located on the Burrup Peninsula and currently has a production capacity of over 7.5 Mt/a of LNG. In 2001, the region produced \$4.2 billion of crude oil, \$2.9 billion of LNG, \$1.7 billion of condensate, \$600 million of natural gas and over \$400 million of LPG products.

Western Australia supplies over 90 percent of Australian salt exports to Asia, Africa and the Middle East
 The Port of Dampier is one of Australia's largest tonnage ports with exports of iron ore, salt, LNG, LPG & condensate totalling 82 million tpa (tonnes per annum). The value of exports is in excess of \$A 5 billion.

For further information about the Pilbara, visit the website of the Pilbara Development Commission at <http://www.pdc.wa.gov.au/>

Date	Activity	Comment
Sun 29 Jun	Delegates assemble in Perth	
5pm – 7pm	Chamber of Minerals and Energy function	Kings Park Function Centre
Mon 30 Jun		
8.55 am – 5.00pm	Conference starts - Papers in Perth	WA Government Legislative Assembly Chamber
Evening - 6.30 PM	Conference Dinner	Parliamentary Dining Room
Tue 1 Jul		
am	Fly to Karratha	
pm	Papers in Karratha	
Evening - 6.00 PM	Dr David Smith Managing Director Hamersley Iron	Norwest /Hamersley Iron
Wed 2 Jul		
8.30 am	Field trip – Hamersley Iron, Dampier Port, Woodside Energy Gas (LPG) Plant	
pm	Field trip - Rock Art /Port Facilities	
Thu 3 Jul		
9.20 am	Papers in Karratha - Discussion and Plenary	Finish 12 pm- to airport
1 pm – 5.10pm	Fly to Perth from Karratha	

NCPWEC 2003 - Day 1 Monday Program of Speakers

Time	Subject	Speaker
8.55 - 9.00	Chairperson, Economics and Industry Standing Committee	Mr Tony McRae MLA
9.00-9.10	Aboriginal Products Promotions	Mr Richard Walley
9.10 - 9.30	Minister for Planning and Infrastructure, Western Australia	Hon Alannah MacTiernan
9.30 - 10.30	<i>‘Setting the Scene-The Path To Sustainability’</i>	Associate Professor Ronnie Harding Institute of Environmental Studies, UNSW
	<i>‘Australia and Its Regions: People and Place’</i>	Associate Professor Neil Drew Director, Institute for Regional Development, UWA
11.00 - 12.30	<i>‘Regional Sustainability on a Grand Scale- A New Challenge’</i>	Ms Cheryl Gwilliam WA Department of Local Government and Regional Development
	<i>‘Sustainability Resource Development’</i>	Dr Bruce Hobbs Chief Scientist, WA, and Executive Director Office of Science and Innovation
	<i>‘State Sustainability Strategy-beyond the Triple Bottom Line-WA State Sustainability and Regional Development’</i>	Professor Peter Newman, Director Sustainability Policy Unit, WA Department of Premier & Cabinet; Professor of City Policy, Institute for Sustainability and Technology Policy Murdoch University

NCPWEC 2003 - Day 1 Monday Program of Speakers

1.30 - 3.00	<i>'Sustainability of Regional Development-Extending the Bottom Line in the Resources Industry'</i>	Mr Tim Shanahan, Chief Executive Chamber of Minerals and Energy of Western Australia
	<i>'Sustainability and BP in Kwinana and the World'</i>	Ms Kathleen Lucas Managing Director BP Kwinana Refinery
	<i>'South West Power Project- A Griffin Energy-Mitsui & Company Proposal'</i>	Mr Wayne Trumble General Manager, EMG Power Generation, Devereaux Holdings, Griffin Coal
3.30 – 4.30	<i>'Environmental, Social and Economic Review of the Gorgon Gas Development on Barrow Island'</i>	Mr Mark Watson Gorgon Australian Gas Development, Chevrontexaco
	<i>'Regional Development and Indigenous Governance'</i>	Mr Peter Yu, Bushtel, Lingiari Foundation (Kimberley District of WA)
4.30- 5.00	Mr Tony McRae MLA	Chairperson, Economics and Industry Standing Committee
6.30 - 11.00	Dr Gabrielle Morrissey	Director of Sexology, Curtin University

Day 2 Tuesday (PM Karratha)

Time	Subject	Speaker
9.30 - 10.00	<i>Buses to Perth Airport</i>	
11.00 – 2.30	<i>Flight to Karratha, and West Pilbara College of TAFE</i>	
2.30 - 3.30	<i>'Committed to Sustainable Development'</i>	Mr Bruce Larson, General Manager External Affairs, Rio Tinto WA
	<i>'The Purpose and Objective of Woodside's Approach'</i>	Mr Larry Kickett, Woodside Energy
3.35 - 4.45	<i>'A Cultural Storehouse in the Middle of Nowhere'</i>	Mr Louie Warren & Teddy Allen -BHP Billiton Iron Ore
	<i>'The Chicken or the Egg'</i>	Ms Erica Smyth, Chair, Pilbara Development Commission Infrastructure Planning
6.30 - 10.00	Hammersley Iron	Dr David Smith Managing Director, Hammersley Iron

Day 3 Wednesday Karratha

Time	Subject	Speaker
8.30 - 4.00	<i>Field Trip</i>	
6.30 - 10.00	Environmental Planning and State and Territory Cooperation	Hon Dr Judy Edwards Minister for the Environment, Western Australia

Day 4 Thursday AM Karratha

Time	Subject	Speaker
9.30 - 10.00	<i>'Horizontal Equalization and the Sustainability of Regional Development'</i>	Dr Chris Berry, Manager, WA Dept of Local Government and Regional Development Local Government Grants Commission
10.00 - 11.00	Panel Discussion	Associate Professor Ronnie Harding Associate Professor Neil Drew Dr Chris Berry (DLGRD)
11.00 - 12.00	Plenary Session	Chairs of Committees Reports Summing Up –Dr Ray Wills
12.00	<i>Depart for Perth</i>	