[COUNCIL - Thursday, 31 March 2005] p111c-118a

Hon Louise Pratt; Hon Ljiljanna Ravlich; President; Hon Ray Halligan

## STATE-BASED LABOUR RELATIONS REGULATORY FRAMEWORK

Motion

# HON LOUISE PRATT (East Metropolitan) [11.05 am]: I move -

That this house calls on the federal government to acknowledge the right of the state of Western Australia to maintain our state-based labour relations regulatory framework, including -

- (a) the right of Western Australia to enact and enforce its own statutes dealing with industrial relations for the betterment of Western Australian workers, employers and the general community;
- (b) the historical role and scope of the Western Australian Industrial Relations Commission; and
- (c) labour relations policies which offer an alternative from commonwealth regimes.

All members know that as a result of the federal election, a change in the balance of power of the Senate will come into effect shortly. This has raised new concerns regarding the federal government's pursuit of its industrial relations agenda. We are not taking these concerns lightly. The federal government has plans to use its senate majority to make radical change to the existing federal system of industrial relations, and to take over ground from the states in an attack on states' rights, despite the fact very successful IR systems operate in various states around Australia. The federal government has been looking to make changes such as abolishing work-related allowances, bonus payments and higher pay rates for various weekend work and for more difficult or skilled work. The changes could include abolishing things like jury service leave and differential rates of pay for public holidays, and possibly even the abolishment of conditions like parental leave from federal awards. These are the kinds of matters about which the Australian Council of Trade Unions is very concerned.

We have had a successful industrial relations system in Australia for 100 years that has, to the main degree, kept our workplaces decent, fair and safe. The federal attack on our industrial relations system will leave workers worse off. We may well be looking at an American-style workplace system in which the minimum wage could be as low as \$5.15 an hour. Under our system, for example, even Australian workers who are not members of a union enjoy protections under our federal award system. Therefore, they receive the benefit of their awards being negotiated in collaboration with other employees who do similar work. An assessment is made by the Industrial Relations Commission of the kind of work people do. The system that the federal government wants to implement - a system visited by the previous Liberal state government - requires individual workers to negotiate with their employers. Almost two million Australian workers rely directly on awards for determining their conditions, and millions of other workers on enterprise agreements, contracts or other informal arrangements rely indirectly on awards; that is, even for people not covered by an award, the award system creates a balance by establishing a benchmark in the industrial marketplace. The federal government's plan will mean that many conditions guaranteed to workers through their award will have to be negotiated in every workplace by individual employees. We saw that system under the previous Liberal state government. Labor governments have a strong record of amending such legislation and taking the system back to a fair and decent level playing field.

We expect that the federal government in July 2005 will remove the power of the independent Western Australian Industrial Relations Commission to set fair and decent wages and conditions. I have real concerns about what this will mean for the standard of life for low-paid Australian families. What will it mean at a state level? The federal government has concerns about our state-based industrial relations system. Those concerns are unfounded because, for example, 70 per cent of industrial disputes take place under the federal industrial relations system, and fewer than half of this state's workers are covered by the federal system. The current federal argument is that the unions have too much power, the system does not have the flexibility it needs, which creates instability, and the federal government does not like the way the states are running the system. However, in 2004, almost 70 per cent of all reported industrial disputes related to the federal system, and fewer than half of our state's workers are covered by that system. If the federal government goes down this path, it will create more national industrial unrest.

This is a good result for Western Australia. It shows that the creation of a fairer playing field within the industrial relations system has not led to, as doomsayers have said, increased unemployment and conflict or reduced productivity. It has done quite the opposite. This state had record low unemployment figures in 2004, with seven consecutive months below five per cent. Compare that with the Court government in its first term, which had 25 per cent more days lost per thousand workers to industrial unrest than the Gallop government, and we have had the highest productivity of any state for the past three years.

The federal government's approach does not bode well for Western Australians because we have enjoyed record low unemployment rates and a strong growth rate whereas the federal jurisdiction is well known for its long, drawn out industrial disputes. It is little wonder that unions and employees of small business are beginning to

[COUNCIL - Thursday, 31 March 2005] p111c-118a

Hon Louise Pratt; Hon Ljiljanna Ravlich; President; Hon Ray Halligan

express their concerns. If the federal government gets its way, it is expected that federal awards will be gutted and the rights of unions to access their members in the workplace will be slashed along with WA workers having less redress for unfair dismissal. The Prime Minister is seeking to inflict his troubled federal industrial relations system on the states, which is appalling. According to official government statistics, during its first term in office, the WA Liberal government lost on average 33 per cent more working days per thousand workers to industrial action than those lost during the entire period of the Gallop Labor government. WA has had the highest productivity of all states for the past three years. Will workers in this state welcome John Howard's imposition of a second-rate federal system? I believe it threatens our growing economy and investment potential because it is a system that has been associated with a high level of industrial unrest. It is also representative of an increasingly centralist approach taken by the federal government in a range of policy areas including industrial relations, tax, health, education, law reform and water, just to name a few.

The Howard government has set out to gain ambitious control over the states' responsibilities, and I find this quite ironic. Historically, we have considered that the Liberals and the Howard government would be pro the rights of the states and conservative in their view about these things. However, that is not revealing itself to be the case. We first got a sniff of this agenda in an industrial context in 2003 with the national code of practice for the building and construction industry and its associated funding conditions. More recently, as part of this centralist agenda, there is a renewed push by the commonwealth to implement what is called a unitary system that seeks to eliminate the state system as far as constitutionally possible. The Howard government is seeking to push the boundaries of state versus federal rights on these issues, despite the fact that we have a very reliable and well-working system in WA. The view of the Howard government does not sit comfortably with the concept of a federation of states or with our views about political rights within Australia. Western Australia has a functional system, and I find it quite ironic that perhaps the most radically centralist policy agenda is being advocated by a political party that has a strong tradition of maintaining the rights of the states. A number of commentators have reflected on this and said that they cannot believe that this is the case. The Institute of Public Affairs argues that more choice, more freedom and more liberty enables greater diversity, democracy, stability and supervision of government, because decision makers are closer to those subject to the decisions. Organisations like the Institute of Public Affairs do not support this increasingly centralist approach to government in Australia. Richard Court, the former Premier of WA, recently talked with Liam Bartlett on the ABC's morning program about the debate on goods and services tax revenue in relation to mining royalties and the like. He expressed concern about the increasingly centralist approach of Canberra. During the last state election, Colin Barnett argued against the diminution of the state government's legislative powers in respect of industrial relations. He specifically said that these powers should be retained by the states. It was argued that a Barnett government would have set back the Howard government's centralist push. I hope that that is a continuing Liberal Party philosophy. Surely, members opposite would like to get their hands on this state's industrial relations laws at a state level by winning government and arguing that with the people of Western Australia rather than letting John Howard do it for them. State Labor Premiers have spoken out strongly against this centralist agenda on the GST and a range of other issues.

It appears that the unitary industrial relations system has not attracted unanimous opposition from the states because Victoria has expressed some support for it. However, that is a reflection of our need to have intelligent solutions to some of our national industrial issues. These issues should not be resolved under a politically driven agenda. The groundswell of public opinion is growing against what is increasingly being perceived as a hostile takeover of states' responsibilities by the commonwealth across the policy spectrum, and industrial relations is just one of these areas. The federal Constitution gives the federal government power to legislate for just conciliation and arbitration to secure the prevention and settlement of industrial disputes extending beyond the limits of any one state. However, the plans announced by the Howard government certainly go beyond that. It is inconceivable that those who put together our Constitution would have envisaged this so-called corporations power extending to this degree.

The Western Australian industrial relations system has been in existence for more than 100 years. It has served the workers well, the economy well and the state well. It is not time to go changing the system. Given Howard's forthcoming assault on the national system of longstanding protections for working people and armed with full control of federal Parliament, the continuance of the current state government affords the best means of protecting our state industrial relations framework. I believe that one reason for the major increase in the Labor Party's primary vote at the last state election was that electors knew that no member would hold the balance of power in the Senate any more. The electors appreciated at some level the importance of state awards and the independence of the Western Australian Industrial Relations Commission. Working people in Western Australia will not take this issue lying down. In coming months a great deal of community and union activism will be associated with this issue because it is regarded as an attack on people's decent living standards and wages. I hope that it does not have a disruptive effect on the state's economy; however, that is on John Howard's head.

[COUNCIL - Thursday, 31 March 2005] p111c-118a

Hon Louise Pratt; Hon Ljiljanna Ravlich; President; Hon Ray Halligan

**HON LJILJANNA RAVLICH (East Metropolitan - Minister for Education and Training)** [11.21 am]: It gives me great delight to second this motion by Hon Louise Pratt, which states -

That this house calls on the federal government to acknowledge the right of the state of Western Australia to maintain our state-based labour relations regulatory framework, including -

the right of Western Australia to enact and enforce its own statutes dealing with industrial relations for the betterment of Western Australian workers, employers and the general community;

the historical role and scope of the Western Australian Industrial Relations Commission; and labour relations policies which offer an alternative from commonwealth regimes.

In my time in this place, which is coming close to eight years, I have witnessed a creep by the federal government into areas of what have historically been clearly identified as responsibilities and jurisdictions of the states. I am particularly concerned about the desire of the commonwealth government to move yet again into another area in which states have clearly defined rights and responsibilities in industrial relations, the management of relations between employers and employees through their respective organisations and, of course, with the involvement of state governments.

I put on record that I have major misgivings about the federal government's involvement in this area. Its record of involvement in other areas is principally the reason I have such concerns. The simple fact is that Canberra is a long way from Western Australia and I have reservations about the federal government's ability to legislate in the interests of Western Australian businesses, Western Australian workers and the Western Australian community as a whole.

Mr President, I put this question to you: when has the federal government looked after Western Australia? I must say that right from the word go - from Federation - it is fairly clear that the federal government has put Western Australia way down the back in its thinking. This state has never been a major priority of the federal government and my concern is that it will continue in some ways to remain a low priority. It is beholden on each and every state to defend its position and its constitutional rights.

When people went to the poll at the last federal election, I do not think anyone anticipated the disastrous outcome. I say disastrous outcome because power is a great tool if it is used in a positive and constructive way. However, power when used in an unconstructive and negative way can be a very dangerous tool. I believe we have moved into an era in which the federal government, having gained control of the House of Representatives and in due course will gain control of the Senate, will be in a position of power. My fear is that rather than using that power in a positive way, it will use it in a destructive way. It is no secret that the conservatives strongly support the concept of a deregulated labour market. It is no secret that the conservatives want to gain control of certain key industry sectors because they recognise that by doing so they can have a significant influence over the levels of economic activity. It is no accident that the federal government, in the establishment of the Cole royal commission, for example, was absolutely desperate to find wrongdoing by key players, particularly employee organisations, so that it could gain greater control of the building and construction industry.

Obviously the first impact of a deregulated labour market would probably be a driving down of wages. This state has a high level of economic growth. All the states are doing fairly well in their levels of economic activity. Much of that has been fuelled by very good economic conditions and, obviously, good projected economic forecasts of the level of aggregate demand nationally for Australian goods and services in the international marketplace.

It is of concern, obviously, to major employers that the cost of wages, which is a significant cost in any production process, is possibly higher than they would like it to be. Having said that, however, the return in profit to employers is exceptionally higher than they would have anticipated. We need look only at the share market prices of major industrial and resource companies to see that the corporate sector is doing very well as a result of economic activity and growth. However, that does not mean that the corporate end of town does not continue to try to achieve greater profit margins at the expense of higher wages. One aspect that has complicated this situation is the fact that the federal government did nothing about training in its last couple of terms in office, and wages have been driven up because the cost of trained labour in the labour market has increased. One pure and simple way of releasing the pressure valve on the cost of trained labour would be to deregulate the labour market and leave it to supply and demand forces to drive down the cost of labour. That would be much easier to achieve without the spectrum of workers' rights and entitlements that forms a component of a wage package. However, for my money I think we live in a fairly just society and I believe that everybody has the right to a good standard of living. That largely comes from the old and very important notion of a fair day's pay for a fair day's work. The economy would be severely disadvantaged if, for example, we allowed wages to be driven down. That would affect aggregate consumption. In other words, there would be less money, which

[COUNCIL - Thursday, 31 March 2005] p111c-118a

Hon Louise Pratt; Hon Ljiljanna Ravlich; President; Hon Ray Halligan

would result in people spending less. That would adversely affect investment and government spending and would probably also impact negatively on exports and imports. Consequently, it is in no-one's interest for the labour market to be totally deregulated. I for one will fight very hard to oppose any proposal by the federal government to introduce what I believe will be a regulatory framework of draconian labour relations regulations. I will very strongly support the rights of the states to maintain their own labour relations regulatory frameworks.

In preparation for this presentation, I noticed that section 51(xxxv) of the federal Constitution gives the federal government power to legislate conciliation and arbitration to secure the prevention and settlement of industrial disputes extending beyond the limits of any one state. It is inconceivable that the founding fathers of the Constitution envisaged that the corporations power could or would be used by the commonwealth to take over the states' industrial relations jurisdiction when dealing with disputes limited to -

**Hon George Cash**: The High Court made the first big deviation in the engineers case. I agree with much of what you are saying, though not all of it.

Hon LJILJANNA RAVLICH: Would the member support my sentiments about -

Hon George Cash: You don't seem to understand this is very much a question of states' rights versus the centralists.

Hon LJILJANNA RAVLICH: Absolutely.

**Hon George Cash**: I will be interested to see whether you apply that to education and other things.

Hon LJILJANNA RAVLICH: I am very much in support of states' rights.

Hon George Cash: Good, you have had a change.

Hon LJILJANNA RAVLICH: I have never been a centralist.

Hon George Cash: You have disguised it pretty well if you have not been.

Hon LJILJANNA RAVLICH: It goes against my nature. The member should know me better than to infer that I am a centralist.

The federal Constitution and the Western Australian industrial relations system have existed for more than 100 years, as was outlined by my learned colleague Hon Louise Pratt. The state's IR system has been modified over time to take into account changing economic and social conditions and was further amended by the 2002 industrial relations reform bill to restore fairness and promote productivity within the state's IR system. Contrary to the claims made by some people, this has not led to increased unemployment or increased conflict and it has not reduced productivity; it has led to contrary outcomes.

Western Australia and the other states and territories have state-controlled industrial relations systems. Western Australia is going through a major period of economic growth. Therefore, it must be concluded - it is what I have concluded - that if it ain't broke, don't fix it. The state's IR system is demonstrating its success. I could understand why the federal government would want to go down this path if we had low levels of growth and economic activity. However, the fact is that there is no legitimate reason that the federal government should want to tamper with a system that is working better than well - it is working brilliantly. The economic indicators show that it is working brilliantly. Contrary to the claims made about reduced productivity, the state produced record low unemployment figures in 2004. Unemployment has remained at below five per cent for seven consecutive months, and economic growth was recorded at above seven per cent in 2004. In its first term of office, the Court government had lost 25 more days per thousand workers than did the Gallop government. Also, Western Australia has recorded the highest productivity of all the states in the past three years. It would have to be said that that is a positive record. Nothing in those figures convinces me that there is anything for Western Australia to gain from the federal government's proposal. Rather, Western Australia has everything to lose and nothing to gain.

The federal government's attempt to take over the industrial relations jurisdiction from the states is part of its general attack on states' rights, which extends to the current issue regarding the goods and services tax. The federal government's general attack on states' rights extends to federal funding for universities being conditional upon universities adopting a particular IR ideology; it extends to federal funding for construction projects being dependent upon the states complying with the IR ideology of the national building code; and it extends also to the proposed creation of federally funded TAFE colleges complying with a particular IR ideology.

Since being elected to Parliament, I have made the point about how I have witnessed the federal government moving into areas that are the responsibility of the states. Increasingly, the federal government has introduced uniform legislation and it has threatened to withhold competition payments from the states if they do not do X, Y

[COUNCIL - Thursday, 31 March 2005] p111c-118a

Hon Louise Pratt; Hon Ljiljanna Ravlich; President; Hon Ray Halligan

and Z. I have already referred to the GST. Frankly, it is clear that Western Australia has no reason whatsoever to trust the federal government on this issue.

I have indicated why I think the federal government is trying so hard to deregulate the labour market. I am a cynic and go so far as to say that the federal government probably has considerable budgetary issues. I am surprised that a figure has never been put on the cost of Australia's involvement in the Iraq war. My theory is that the federal government wants greater control over a range of areas so that it can have a bigger impact on the states' spending and budgetary considerations, thereby gaining greater economic and political power to achieve its policy outcomes. I am very cynical about the federal government and what is motivating it to go down this path. I am not the only one who is cynical. Once again, my learned friend Hon Louise Pratt mentioned the position of Richard Court. I never thought that I would be in this place and would agree with anything that anybody from the Liberal Party said.

Hon Norman Moore: Don't try to suggest that he was supporting your industrial relations system.

Hon LJILJANNA RAVLICH: I am making this speech.

Hon Norman Moore: But do not try to imply that he supports your industrial relations system, because he doesn't.

**Hon LJILJANNA RAVLICH**: I know that he does not. I know that is a major point of difference between us. The point I am making is that there is one area on which he and I really click and are at one. I never thought that I would be at one with anybody from the Liberal Party, but I am at one with the former Premier on this issue. He appeared on 720 ABC Perth morning radio with Mr Liam Bartlett on 17 March. The question of state rights was put to the former Premier, who said -

Yes, Liam, I made a very conscious decision when I left politics back in 2001 to stay out of the public limelight . . .

I was invited by this group, a non-party political group, to speak about the position where I saw the federation today. I've always felt strongly about it. And it was an opportunity to me to explain what I see the major concerns are. And perhaps I can summarise it and . . . it's interesting to look at the history of our federation, but people . . . the states agonised for 10 years negotiating back in the 1890s how they would bring all the separate states together to form the Commonwealth of Australia.

And John Forrest was our premier at the time.

We know that. He continued -

His concern throughout those negotiations was that Western Australia would be financially worse off because we were a very large state, small population. And that was his main concern at the time. Well the first 30 years of the federation, that's exactly what happened.

The former Premier should have known from his own experience that it is still happening. He continued -

You know, Western Australia was very much disadvantaged financially. And the Western Australia people got so angry about it that in 1933 there was a secession vote.

I am sure that many members on the other side of the chamber also support state rights. The simple fact is that if any change were made to the current arrangements, both sides of the chamber would eventually be disadvantaged, but at different times. At the end of the day we might argue that if a conservative federal government were in office, the state conservatives might feel a little happier because they share the same ideology. However, the reverse would occur and their ideology would obviously be very different if a federal Labor government were in power.

**Hon George Cash**: It is interesting that the latest edition of the *Institute of Public Affairs Review*, which probably arrived on your desk today, contains an article headed "A Constitution That Deserves Better Mates". It argues that when the Howard government runs its race, having centralised most things or having attempted to, the Labor Party will then pick it up and say that it is exactly what it wants to do and will continue the centralisation process, which is a huge problem for us.

Hon LJILJANNA RAVLICH: I don't support centralisation.

**Hon George Cash**: I know you don't. If the Howard government is doing it now, what does that say for when Labor comes into office in due course? The states will be in an even worse position.

Hon LJILJANNA RAVLICH: I cannot comment on what will happen down the track.

**Hon George Cash**: I am just saying that that is the view of Professor Greg Craven.

Hon LJILJANNA RAVLICH: He is entitled to that view.

[COUNCIL - Thursday, 31 March 2005] p111c-118a

Hon Louise Pratt; Hon Ljiljanna Ravlich; President; Hon Ray Halligan

Hon George Cash: Yes, and I think it's a very sound view.

**Hon LJILJANNA RAVLICH**: I will make some further comments on this issue. The commonwealth government has demonstrated an increasingly centralist approach in recent years across a range of areas. That approach is targeted at the expense of the state's traditional areas of responsibility, and is almost unprecedented in terms of the history of the commonwealth. We can all speculate, but from the state's point of view I guess that we want to ask why this is happening, why it is happening now, and what is driving it.

**Hon Norman Moore**: You don't understand that. That is the biggest flaw in your argument to date. You don't understand why it's happening.

**Hon LJILJANNA RAVLICH**: If the Leader of the Opposition can put himself in the shoes of the Prime Minister and the federal government and can explain to me why they want to take over the states' areas of responsibility, which clearly demonstrates -

Hon Norman Moore: For the same reason that Mr Latham wanted to.

**Hon LJILJANNA RAVLICH**: The Leader of the Opposition will get a chance to get on his feet. He can then put forward his argument.

**Hon Norman Moore**: I just can't work out why you can't work out what goes through the mind of the Prime Minister. It doesn't matter which side of the Parliament the Prime Minister is on.

**Hon LJILJANNA RAVLICH**: I do not know what goes through the mind of the Prime Minister. I am not as close to the Prime Minister as is the honourable member. I do not think that I am so important that I can put myself into the mind of the Prime Minister. Quite frankly, I do not know that I want to go there!

Hon Kim Chance: It's a dark place.

**Hon LJILJANNA RAVLICH**: It would be a very dark place; it would be very scary. I can think of heaps of people whose minds I would like to get into. I would sometimes like to get into the mind of the Leader of the Opposition, because I want to know how he came to be the shadow regional development minister when I never saw him in the three and a half months that I held that portfolio. I would like to get into his mind to find out how he ticks.

**Hon Norman Moore**: It was embarrassing to see a minister behaving in my electorate in the way in which you did, so I did not go anywhere near you.

**Hon LJILJANNA RAVLICH**: Hon Norman Moore knew I was there virtually every day for three and a half months! I would love to get into the mind of the honourable member.

Hon Norman Moore interjected.

The PRESIDENT: Order! Members, I think we are being diverted from the motion at hand.

Hon Norman Moore: The Prime Minister doesn't like your industrial relations policies.

Hon LJILJANNA RAVLICH: Of course he does not.

Hon Norman Moore: That's the point.

Hon LJILJANNA RAVLICH: However, the Prime Minister is a very unfair person.

Hon Norman Moore: He wants to fix it up.

**Hon LJILJANNA RAVLICH**: Yes, well, fix it up. I wait with keen interest for the Leader of the House - sorry, the Leader of the Opposition -

Hon Norman Moore: That was a Freudian slip; I just seem to be.

**Hon LJILJANNA RAVLICH**: He may not be here! That is a bit of a simplistic argument. After the Prime Minister "fixes it up", what will he fix next? If it ain't broke, don't fix it.

**Hon Norman Moore**: You demonstrate something that I am surprised about; that is, you demonstrate a serious lack of understanding about the industrial relations system in Western Australia at the present time. You don't have the faintest clue; you don't know what you're talking about.

Hon LJILJANNA RAVLICH: I have a very good understanding of the industrial relations system in Western Australia. It so happens that the Leader of the Opposition does not share that understanding, because he and I are ideologically opposed. I do not have any problem with that. I am proud to hold the view that I hold on the industrial relations system in Western Australia. The view of the Leader of the Opposition is that people should be chopped down, that they should not be given any rights, that they should be forced into an unsafe working

[COUNCIL - Thursday, 31 March 2005] p111c-118a

Hon Louise Pratt; Hon Ljiljanna Ravlich; President; Hon Ray Halligan

environment, and that they should be worked for twice the time and half the pay. His system would lead to a very unjust society. It would lead to a society in which we would all be the poorer.

Hon Norman Moore interjected.

The PRESIDENT: Order! Thank you, minister.

Hon LJILJANNA RAVLICH: Thank you, Mr President. This renewed centralist agenda was first raised in May 2003 in the context of a national code of practice for the building and construction industry and its associated funding conditions. The centralist agenda subsequently expanded into other policy areas, such as those mentioned before. The commonwealth's looming senate majority has added further momentum to this agenda. I mentioned the building industry and, in passing, the very unfair Cole royal commission into the building and construction industry, initiated by the federal government, supposedly in the interests of everybody, at a cost of about \$40 million. It was unfair, because it was looking for major wrongdoing -

Hon Norman Moore: It found it, too.

**Hon LJILJANNA RAVLICH**: It did not find anything. It was the biggest waste of \$40 million imaginable; the commonwealth government may as well have flushed the money away. It found nothing, much to the disappointment of Hon Norman Moore. When he gets a stupid idea into his head he cannot get rid of it. He has no capacity for getting rid of stupid ideas. That is why he is still in opposition.

**Hon Norman Moore**: You are a real worry, you know. Since you have become a minister, you have just become stupid; basically silly.

**Hon LJILJANNA RAVLICH**: Because I get to talk? Okay. Quite clearly the Leader of the Opposition is getting very agitated.

**Hon Norman Moore**: You talk about the Cole royal commission costing \$40 million. How much did your police royal commission cost?

Hon LJILJANNA RAVLICH: The honourable member will get his chance to speak.

By way of conclusion, irrespective of whether the Leader of the Opposition and I agree on the content of our speeches, I am pleased to note that at least we agree on the policy position that the rights of states should be protected in these areas. There is no doubt in my mind that the federal government taking over Western Australia's industrial relations functions would be a very regressive step. It has the potential to adversely impact on the state's future growth and its standing in international markets. A system that would undoubtedly end up being unfair and disadvantaging workers would lead to industrial disputation. It would be problematic, and bring into question Australia's ability as a nation to maintain supply of goods, services and expertise to international markets. We cannot afford to take that risk, given that each of the states has an industrial relations system that works. Not only are those systems working, but they have been significant contributors to an unprecedented level of economic growth and investment, and Australia's standing in the international marketplace. Australia has a great standing internationally. We have seen the opening up of the Chinese market, with its significant demand for resources, particularly petroleum and gas. That has been a great opportunity for Western Australia to increase its production and supply into that market. I believe that there are other emerging markets. India is a potential new market for Australian producers across a range of sectors, and one that Australia should watch with great interest. Russia, with its large population, is also a potentially huge market. Many of these emerging economies have the potential to provide very significant markets for Australia. It is our responsibility to get a foothold in those markets and, once we have obtained that foothold, to maintain our supply of goods and services into those markets. Our ability to do that is dependent in part on the requirement to have a good and fair industrial relations system that works. That is exactly what Western Australia has - a system that works. Western Australia does not want to risk a system that works and to inherit a system that does not work. I fully support the motion before the house.

**HON RAY HALLIGAN (North Metropolitan)** [11.57 am]: It is interesting to hear the arguments being put forward by the mover and the seconder of the motion. I do not know whether I am being pedantic, but the motion itself makes me very sceptical about the government and its intent. The motion reads, in part -

That this house calls on the federal government to acknowledge the right of the state of Western Australia to maintain our state-based labour relations regulatory framework,

I would have thought that the motion should read "its" - meaning the state of Western Australia - instead of "our". I am wondering whether, by using the word "our", the government is showing that it truly believes that the legislation that it brought into this house to change the coalition's labour relations legislation is the only one that can possibly be considered. I bring that matter to the attention of the house because the third part of the motion talks about labour relations policies that offer alternatives to commonwealth regimes. What would happen if both regimes were exactly the same? Would the government still want an alternative; something

[COUNCIL - Thursday, 31 March 2005] p111c-118a

Hon Louise Pratt; Hon Ljiljanna Ravlich; President; Hon Ray Halligan

different from that offered by the commonwealth? That I do not know; I would like the government to explain it at some later stage. There has been talk of states' rights, federalism and centralism. They are certainly important questions. It was interesting that Hon Ljiljanna Ravlich started to go down a path that I have mentioned in this house before as being selective in its thinking. The minister spoke quite strongly about being a federalist and not a centralist. However, I suggest that there is some selectivity in that thinking. One item of legislation that immediately comes to mind is censorship. If I recall correctly, some time last year this Labor government spoke quite strongly about allowing the federal government to take over the censorship laws that would regulate censorship in Western Australia. That seems to fly in the face of what the minister said.

Hon Ljiljanna Ravlich: Are you going to support this motion?

**Hon RAY HALLIGAN**: Hon Ljiljanna Ravlich told Hon Norman Moore that he would have an opportunity to speak. I am speaking at the moment so the minister can wait to hear what I have to say.

There is selective thinking. On this issue I agree, but on another issue I do not agree. However, the government will not tell us in advance what it might decide.

Reference was also made to the economic growth within the state of Western Australia. Everyone in this chamber will agree that that growth has been spectacular. The minister did not try to show in which areas of the economy that growth provides a great deal of the income for the state. I will discuss that a little later and I am sure other speakers on this side of the house will also mention it.

Mention was also made of problems associated with uniform legislation. The only saving factor with uniform legislation is the opportunity it affords to this Parliament to make changes if it sees fit, although, in many instances, that has not been the case.

I will digress ever so slightly and talk about treaties, something that has been imposed upon the people of Western Australia in years gone by. During the term of a previous government, which happened to be a Labor government, the executive government decided whether to accept international treaties. It did not go through the parliamentary process; it was not scrutinised by Parliament in either Canberra or the states. However, things have changed since then. A joint standing committee now examines those treaties, and it contacts standing committees within each state to ask their opinion about the treaties. Admittedly, not a great deal of time is available to respond but at least some time is allowed. As part of the democratic process, at least a standing committee of this Parliament has the opportunity to give its view on international treaties that otherwise the federal government might impose upon us. All I am saying is that the democratic process that provides an opportunity to respond to those issues should always have been in place. We cannot change the past but it should occur in the future. I think that was mentioned partly because of the national competition policy. I think the minister was going down that path in referring to some of the payments that the federal government usually makes to the states but which it withholds if the national competition policy is not adhered to. It is my belief and the strong view of Hon Dee Margetts that something should be done with the National Competition Council.

Debate interrupted, pursuant to standing orders.