

Mrs Cheryl Edwardes; Acting Speaker; Mr Colin Barnett; Mr John Kobelke; Mr Rob Johnson; Mr Arthur Marshall; Mr Brendon Grylls; Mr Bernie Masters; Mr Mike Board; Mr Paul Omodei; Mr Larry Graham; Mr John Bradshaw; Mr Matt Birney; Mr Rod Sweetman; Ms Sue Walker; Mr Bill McNee; Speaker; Mr Terry Waldron; Mr Tony McRae; Deputy Speaker; Mr Jeremy Edwards

LABOUR RELATIONS REFORM BILL 2002

Second Reading

Resumed from 19 February.

MRS EDWARDES (Kingsley) [4.17 pm]: I suggest that the Labour Relations Reform Bill should be retitled the “No Jobs Bill”. The Minister for Consumer and Employment Protection ought to be renamed the “Minister for Unemployment”, because that will be the outcome of this legislation.

This Bill can be described as a gift. It is a gift to the unions, as they will be given a virtual monopoly to control workplaces and conditions of employment. It is a gift because it will increase the membership of unions. When Victoria introduced its fair employment Bill, the minister concerned was open in saying that her target for increasing union membership as a result of the legislation was 30 per cent. As we all know, in Western Australia the private sector union membership rate is 15 per cent. What is the minister’s target as a result of this legislation?

Mr Kobelke: It is to create more jobs and better paid jobs.

Mrs EDWARDES: What is the target for union membership? Rhetoric will not get it there, mate! This framework does not provide it. This Bill is also a gift to the Labor Party through increased political donations. In the past six years, the union movement nationally has contributed about \$27 million to the Labor Party. It will be interesting to see what increased level of donations arising out of increased union membership will flow to the Labor Party. There is an incentive and vested interest for the Gallop Labor Government to pass this legislation. The minister says that this legislation will create new jobs and improve productivity. The rhetoric does not match the framework for industrial relations in this legislation. This legislation will result in increased business costs. Business costs will increase through the re-regulation of the labour market. It will be more time-consuming, complicated and costly than it needs to be. I will talk further about that later. As a consequence of increased business costs, there is no doubt it will cost jobs and investment and will impact on business confidence. That is already being displayed. It will also result in increased union power and a significant shift of negotiating power back to the union movement. A number of the unions will regard this as a Gallop-given right to advocate for increased militancy. Over the past 12 months under this Government there has been an increased level of militancy and the emergence of a culture of fear and intimidation on construction sites. This legislation gives the union movement the right to increase its militancy.

Mr Barnett: It will be a repetition of what is going on at the convention centre site.

Mrs EDWARDES: That is only one example.

This legislation will also result in the erosion of employees’ rights. Employees will have no rights under this legislation unless they are represented by a union. The minister says that the legislation is designed to achieve a balance between the rights of employers and employees. It does not do that. Again, his rhetoric does not match the effect. The legislation introduces a Clayton’s individual agreement called an employer-employee agreement that is user unfriendly and unworkable. It also fails to promote enterprise-focused bargaining according to the needs of individual workplaces. That is important because such a focus can deliver specific rewards to employees and benefits to both employers and employees. It allows them to compete against other businesses rather than each other. We heard the Premier refer to a class war being promoted by business associations. The only class war on the horizon is that being promoted by the Gallop Labor Government and the union movement.

This legislation ignores the needs of employers and employees, who are the central parties to an employment relationship. They will lose the ability to control their employment relationship. A couple of days ago a road contractor asked me whether this legislation will mean that he will not be able to sit down with his boss and work out an arrangement. I told him that he would be able to negotiate alone, but a group of employees would not be able to negotiate without a union determining the employees’ needs. Under this legislation, the ability to control an employment relationship is handed over to the unions and the Western Australian Industrial Relations Commission, which will become the focus of the proposed system. The relationship between employers and employees that has developed over the past eight years will become a relationship between employers and the union movement. Who is doing the talking? It is certainly not the employees, and that should not be happening.

I asked the Minister for Consumer and Employment Protection whether the Government had done an economic analysis of the impact of the legislation on jobs - particularly youth employment - business investment and small businesses and industry. What about the cost to the community and the disability services sector? Who will prop up those groups? The only money they get is from the federal and State Governments. What about the cost

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of associated government services and infrastructure? What about the increased resources necessary for the Department of Consumer and Employment Protection and the Industrial Relations Commission? The minister's answer is probably that that funding will be addressed in the budget discussions. That is the answer we got last year when we asked how these measures would be funded. It is irresponsible of the Cabinet to agree to the introduction of this legislation without understanding the cost to the community and the government sector and the impact on people's lives and livelihood. Members opposite have put their heads in the sand because they do not want to hear the answer - they know it is negative.

This legislation again demonstrates the Gallop Government's inability to withstand the pressure applied by the union movement and confirms that the union movement is running this State. The real Minister for Consumer and Employment Protection is Kevin Reynolds. The recent appointment of Jennifer Harrison, a Construction, Forestry, Mining and Energy Union industrial relations adviser, to the Industrial Relations Commission was a reward for union militancy on construction sites during the past 12 months. We all know that Matt Keogh, a former Builders Labourers, Painters and Plasterers Union industrial relations adviser, has played a large part in the drafting of this legislation. He is working in the minister's office as an adviser.

This legislation ostensibly took 10 months to draft. I use the word "ostensibly" because I do not know over how many months the union movement was consulted about what it wanted in the legislation. Some provisions were not in the Labor Party's policy presented to the people. The business sector was given only 10 days in which to provide a response. Many business organisations are small groups looking after small business proprietors. They do not have the required resources to go through such an enormous piece of legislation, which deals with 32 Acts and includes two sets of regulations and more than 800 amendments. The Government has given the business community 10 days to consider it.

What about the workers? What have they had to say about this legislation? How do they feel about the fact that they will lose -

Several members interjected.

Mrs EDWARDES: There has been nowhere near adequate consultation.

The ACTING SPEAKER (Mr Andrews): Members, particularly those on my left, will cease interjecting. I want to listen to the member for Kingsley, but I cannot hear her.

Mrs EDWARDES: When the Bill was introduced, only representatives of the union movement were invited to observe the proceedings. If the minister were serious about introducing a balance and ensuring that people work together, he would have also invited representatives of the business community. That is not his agenda; his agenda is to satisfy the Labor Party's union masters. Departmental officers refer to the union masters, not the Gallop Government, as their bosses.

This is the largest piece of legislation introduced this year. What sort of explanatory memorandum did we get? This document is certainly not up to the minister's usual standard. Surely he can do better; this is unlike him. I believe that his officers were caught out because they did not know they had to provide an explanatory memorandum. They quickly cobbled together the briefing notes that went out with the first draft and the second reading speech and then included a couple of headings and numbered the paragraphs. This is an appalling document. As a result, members on this side will go through every clause during the consideration in detail stage. The minister's failure to provide a decent explanatory memorandum means he will have to cross all the t's and dot all the i's. This is the only legislation that has been introduced in such an appalling state. It does not do the minister any credit.

I mentioned earlier that the Government has done no economic assessment of this legislation. I drafted a survey and circulated it a couple of days ago. I am doing the Government's job. It would have received responses if it had asked employees and employers how this legislation might impact on them. It is only early days, but the signs are unmistakable. The respondents have referred to higher costs, fewer staff and downsizing. Every person, organisation or business to whom I have spoken has mentioned the same issues. I cannot find anyone who wants these changes, except the Government and its union mates.

Mr McRae: You need to get out more if that is the case.

Mrs EDWARDES: I am glad the member said that. I will give members some key quotes from respondents. According to my notes, the first one states -

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WPAs are fine - benefit employer and employee - we don't need added costs, more negotiations, interference from red tape and unions.

The second quote states -

We have done a deal with each individual worker and ensured that he/she is paid above award. We will take the risk of being taken to the Commission.

A lot of people will avoid this law.

Several members interjected.

The ACTING SPEAKER: Members should not speak across the Chamber while the member for Kingsley is on her feet. It does not allow her to provide her constituents with good service in this place.

Mrs EDWARDES: The quotes of respondents continue -

The impact will be higher cost of labour with less productivity.

We will put some people off and/or reduce employment.

We may scale down our factory and import from the Far East.

We will downsize.

This is a real backward step to the dark days of a highly regulated and inflexible workforce. We have seen real economic growth and reductions in unemployment result in no small way from the freeing up of the labour market over the past few years.

The abolition of WPAs and the implementation of higher minimum wages will greatly increase the contract price for security and cleaning . . . This significantly increases the burden on tenants, where this expenditure is recoverable and the owner in the case of gross leases.

The legislation will increase our costs, provide a target for unions, reduce employee satisfaction, decrease employee mobility in industry - generally a disaster.

My husband and I, as principals of the business, will work longer hours. We must also think long and hard about whether to employ anyone.

Do members recall the old days when people did that? They covered the time when penalty rates would have applied; therefore, the person who missed out was the person who would have worked those particular hours. The quotes continue -

We are concerned with unions having right of entry to non-union sites . . . if workers are not union members, this is their choice and they should not be pressured in the workplace.

The workforce, whose interests are being adversely affected here, are not consulted.

I will give members one example of the cost and impact of this legislation. This example is representative of thousands of small businesses across the State and of problems the Government would have known about if it had bothered to ask. I refer to a small cafe currently operated mostly on workplace agreements. Instead of a flat hourly rate, under the legislation all Saturday and Sunday work will be paid at time and a half, all work on public holidays will be paid at double time and a half, and the staff status will change from casual to permanent with consequential changes to holiday and sick leave entitlements. Let us take a typical current weekend as an example; that is, the non-conventional hours according to the union movement.

Several members interjected.

Mrs EDWARDES: Sales for the cafe amount to \$3 200, the cost of ingredients is \$1 050, wages for 50 hours over two days amount to \$1 495 and the contribution to overheads is \$655. At the end of all that, the owner has \$655 to pay towards the overheads of electricity, rent, etc. Let us look at the same cafe under the Government's proposed legislation. Sales would amount to \$3 200, the cost of ingredients would be \$1 050 and wages for 50 hours over two days would be \$2 257, whereas previously the figure was \$1 495. The contribution to the overheads would be reduced to negative \$107. What options does the owner of the cafe have under the Government's legislation? He can increase prices during the week by at least 10 per cent; he can introduce a 20 to 25 per cent surcharge on weekends; he can reduce the level of service so that fewer hours are worked; he can reduce weekend opening times; he can simplify the menu to eliminate kitchen staff; he can close the cafe on weekends, and I am sure the tourism industry would love that; or, if all else fails, he can close the cafe. What does that mean? It means either increased costs to the consumer or the loss of jobs for workers. None of those

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options has any appeal whatsoever. The industry has no real confidence that it will be able to come up with a solution to the problems those businesses will face as a result of this legislation.

I will give members a couple of other case histories, all of which have been published by WageLine over a number of years. These examples refer to the flexibility of the workplace arrangements which have been in place between employers and employees and which are appreciated by both. Clayton Hyder, the managing director of Geographe Replacement Parts, states that he can roster one group to work three 12-hour shifts from Friday to Sunday and another group to work four 10-hour shifts from Monday to Thursday. That enables the company to meet the maintenance needs of the mining industry, utilise expensive plant and equipment and give employees more days off. Workplace agreements at Radiators Australia Pty Ltd allowed staff to work longer hours by preference or at the request of management and to bank time to use later as extra leave. They helped the company meet fluctuations in demand for car radiators and radiator cores and gave employees the flexibility to fit in private commitments. Goldfields Toyota was losing quality mechanics to the high-paying mining industry. It negotiated a workplace agreement that replaced overtime penalties with a flat hourly rate that was higher than the award rate. This enabled the company to increase the vehicle turnaround rate through periodically working longer hours. In return, the employees received a higher hourly rate of pay for every hour worked. BVR Furniture in Fremantle eliminated unproductive down time in the factory caused by the award requirement for a 38-hour week by agreeing on a 42-hour week on a higher hourly rate. Penalties were still paid after 45 hours but were rarely used.

Mr Marlborough interjected.

Points of Order

Mr BARNETT: Mr Acting Speaker, I draw your attention to the conduct of the member for Peel. Members may find it humorous, but I do not find it humorous to see members of Parliament walk across this Chamber, interject and engage in debate with no response.

Mr KOBELKE: The Leader of the Opposition is hardly in a position to suggest that he should uphold standards. He has continuously interjected. His interjections have been so vociferous that his own colleague could not be heard. That is how little respect he has for the Chamber. Therefore, it is passing strange that the Leader of the Opposition should somehow take a point of order about the standards of behaviour in this Chamber.

Mr JOHNSON: The Leader of the House has been here long enough. His submission that there is no point of order is a nonsense and he knows it. He is using it to attack the Leader of the Opposition. The Leader of the Opposition raised an absolutely valid point of order. The member for Peel walked down the middle of the Chamber and interjected on the opposition spokesperson for labour relations. He was not in his seat. He has a very loud voice, and some of his comments are very rude at times. Without question the point of order raised by the Leader of the Opposition is absolutely valid. Mr Acting Speaker, I ask you to bring the member for Peel to order.

The ACTING SPEAKER (Mr Andrews): The member for Peel has been in this place a lot longer than I. I am sure he wishes to get involved in the debate and he knows he needs to do that from his chair.

Debate Resumed

Mrs EDWARDES: The employees of that company were about \$133 per week better off. The company produced an extra \$2 000 to \$3 000 worth of furniture per week. The BP service station in Booragoon eliminated penalty rates with a flat hourly rate, which enabled the service station to simplify its pay structure, make budgeting easier, gain greater flexibility and reward staff financially for their initiative and productivity.

Why should businesses be forced to close? Why should workers lose their jobs or hours of work and therefore have less disposable income? Why should workers be denied work? That is what this legislation will do. Why should workers have their wishes overridden? Are we as a community incapable of making decisions without a union speaking for us?

Mr Marlborough interjected.

The ACTING SPEAKER: The member for Peel has made his point.

Mrs EDWARDES: Are we as a community incapable of making decisions without a union speaking for us? The answer is no. Are our workers so incapable that they cannot think for themselves? Again, the answer is no. Do they have to have a union tell them what they need and what they want? Again, the answer is no. Rostered days off is an example of this. A couple of weeks ago a group of subcontractors wanted to change their rostered day off. Pursuant to their award and agreement they must let the union know, which, in this instance, was the

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Construction, Forestry, Mining and Energy Union. The subcontractors needed to complete the job, so they said that half the workers would take their day off and the other half would work and take their day off at another time. The issue was raised with the union as required. The union did not respond until the rostered day off. When the workers arrived on site the union representatives went down and closed the site. The union representatives said that they could not change the rostered day off because it impacted on the union's ideology of rostered days off - it did not relate to what the workers themselves wanted.

Mr Marlborough: What site was that?

Mrs EDWARDES: It was the Floreat Forum, and a similar situation involved taking two weeks unpaid leave at Christmas time. The union representatives went to the workers and said, "You have to take two weeks off." The workers said, "It will be unpaid leave; we do not want to go. We want to work; it is Christmas time." The union representatives said, "No, sorry, you are taking two weeks off. It is unpaid leave."

Workers can think for themselves. They know what they want. These subcontractors have been very innovative over the past seven or eight years without the unions speaking for them. Employees and employers can work together. I relate one other story. A specialist airconditioning company wanted to offer -

Several members interjected.

Mr Marlborough interjected.

The ACTING SPEAKER: Order! Member for Peel, thank you. I repeat my point. I want to listen to the member for Kingsley. As soon as the member for Kingsley's voice is drowned out, I will call the House to order and name various members.

Mrs EDWARDES: A specialist airconditioning company wanted to offer its work force flexible working hours during the week. This issue was raised by the workers themselves, some of whom were union members. They wanted to get rid of the rostered day off, work a little longer from Monday to Thursday and go home early on Friday. This proposition was put to the union, but was rejected because it was seen as an attack on the system of rostered days off. Despite what the workers wanted, the union said, "No, you will do what we say. This is not what you want." The wishes of the workers - and some were union members - were ignored by the union on purely ideological grounds.

When we came into government in 1993 we inherited nine per cent unemployment; this Government inherited six per cent. We inherited 26 per cent youth unemployment; this Government inherited 14 per cent. We inherited 0.1 per cent productivity; this Government inherited four per cent. We inherited 0.43 per cent real wages growth; this Government inherited 2.84 per cent. When we came into government we inherited 188 average working days lost per 1 000 due to industrial unrest; this Government inherited 79 working days per 1 000 lost due to industrial action. When we came into government union membership among employees was 34.5 per cent, and when we left government it was 20.9 per cent. The guts of this legislation is about union membership!

The Premier would have looked at *The West Australian* last Friday and seen that an economic boom is to occur in Western Australia. This is exactly what we have been praying for. Why does the Premier want to kill the golden goose? It is a shame the Premier is not listening to this debate. Does he really want to be a Premier presiding over rising unemployment as a direct result of his Government's decisions? The level of unemployment in the south west has already risen, and it will rise even further.

In December 2000, Michael Warby from the Institute of Public Affairs said that Western Australia's industrial relations system provided a solid base for safeguarding the State's prosperity. Why was that the case? It was because of the flexibility that does not exist under awards.

The economy is at a crossroads. Some businesses are moving to the federal system, and this is an indictment of the legislation we are debating. Other businesses are adopting a wait-and-see approach before increasing investment and putting on more people. I have received a number of letters from businesses indicating they would like to employ more people, but because workplace agreements are going, they do not want to proceed at the moment. A lot of uncertainty exists within the community and people are adopting a wait-and-see approach.

This Government will lose not only some of what has already been gained in jobs and investment, but also the opportunity to create more jobs and increase investment further. More than 275 000 workplace agreements were signed by Western Australians in seven years. This Government recognises that enterprise bargaining agreements are a worthwhile tool in the workplace, otherwise they would not have been put in the legislation. I have no doubt this Government recognises that individual agreements are worthwhile. If the minister's rationale

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for change is that the current workplace agreement system has disadvantaged workers and does not provide sufficient protection, it is very simple to fix. All the Government needs to do is adjust the minimum conditions of employment to provide a safety net and remove the disadvantage. This would provide greater protection and the remainder of the legislation would not be needed.

In his media release of 18 January, the minister acknowledged that only a few employers ripped off employees. We are talking about a small number. There will always be bad apples. There were bad apples in the 1950s, the 1960s, the 1970s, the 1980s and the 1990s, and I bet my bottom dollar there will be bad apples in 2002 and beyond. This legislation will not affect that. The Government does not need any of the other changes contained in the legislation, which include the extensive right of entry provisions for unions, the invasion of privacy for non-union workers, the primacy of union collective agreements and the extended role of the Western Australian Industrial Relations Commission to intervene in the workplace. This Government does not need to remove the power of the commission to order a return to work following industrial action, and it does not need to abolish the restrictions on political donations or remove the need for a secret ballot for a strike to take place. This Government does not need all the 800-odd amendments.

The minister and the Gallop Government are being hypocritical because their real agenda is to restore union control, power and membership in the workplace and to centralise power and control within the Industrial Relations Commission. Today, when answering a question about non-union collective agreements, the minister said, "I did not need to provide one; the feds have one." If we operated this State like that, we would not need a State Government; the federal Government could do it all. That identifies the centralist thinking of members opposite. I suggest that within 12 months of the review, subject to a tick by the unions, enterprise agreements will be gone too. The community is not confident about using enterprise agreements. We are taking away the rights and the ability of people to make decisions for themselves. At best, this is a further example of the nanny-State mentality; at worst, it is another example of the unhealthy alliance between the Labor Party and the unions.

The impact of this legislation on business will result in the loss of jobs. The Government has said there is no direct evidence of this. Government members should get out into the community and talk to the people. The Government has very few friends in business on this issue. Businesses have made submissions to the Government about this, but it has not listened. Many businesses have geared their operations around the current framework, and this is why some will go to the wall. A number of businesses will close their doors if they cannot re-finance because they are operating in a climate of reduced staffing levels, increasing prices or increasing wages. It will be almost impossible for a number of those businesses to survive, particularly in the current climate of insurance and finance. That information comes from the financiers themselves, who have identified it as a major problem. Sunday penalty rates will force many supermarkets in the strip shopping centres to close on Sundays, just when seven-day trading has been achieved for those small operators. Restaurants will increase their prices. In many instances, kitchen hands and wait staff will earn more than the proprietor. That is not readily understood. Under the enterprise bargaining agreements floating around the construction industry, an unskilled labourer earns more than a nurse, a police officer or a teacher. The value of work must be recognised. Insurance premiums are likely to increase, as many locations are unable to afford a security presence at the current levels. A chemist I spoke to stays open until 11.00 pm. He will not be able to afford the increased security costs, so he will reduce his hours rather than face the risk of an armed robbery. Stress and pressure in families will increase, as small business operators will need to work additional hours to make up for staff they can no longer afford. The minister is aware that margins for service station operators are very small. They will be severely affected, and may already have indicated to the minister that some will be forced to reconsider their opening hours and staff numbers. Some will close on Sundays and others will just close. Rostering of hours for service stations may have to be reintroduced.

I will quote the opinions of some of the industry groups. The Property Council states -

Labour relations reforms . . . are set to increase rents for small and large WA businesses.

. . .

"On top of rising insurance premiums, these labour laws will increase rents and hit small business like a speeding train."

The Chamber of Minerals and Energy of Western Australia media release states -

The current system works, and has clearly been good for Western Australia, so why throw the baby out with the bathwater?

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If the minister were really serious about looking after disadvantaged workers, he would not have needed to go to this extent. The media release continues -

Chamber research indicated that employees believe that workplace agreements give them the best chance to earn more and have more flexibility in their working life.

I remember an interjection from the member for Cockburn when the House was debating industrial relations on a previous occasion. The House was discussing the mining industry and workplace agreements and the level of wages available to employees under those agreements, including productivity bonuses. The member for Cockburn's interjection, which indicated his ideological thinking, was that it was financial intimidation. That emphasises the ideology underpinning this legislation. The Chamber of Commerce and Industry of Western Australia media release states -

The Bill removes the capacity for businesses to be flexible and responsive to change . . . The first to lose out under the regulated system are those with the least skills - generally the lower paid.

I could go on. The Council of Small Business Organisations Association has been a regular writer to the minister, but he does not appear to listen very much to it. The Joondalup Business Association states -

The blatant thuggery exhibited by the unions in forcing workers and contractors to "join up - or else" over recent weeks returns us to the dark ages of labour relations - the democratic principle of free choice is now being denied these people.

. . .

The proposed phasing out of workplace agreements is considered to be a disastrous move . . .

My children and I assume other similar families would prefer employment for all rather than only to unionised thugs.

. . . who is Governing Western Australia, a Gallop Government or the unions?

The Master Builders Association highlights four key concerns - labour costs and the resulting increased unemployment; industrial relations stability in attracting investment; youth employment; and the rights of individual employees to privacy in their employment conditions.

I will address some of the myths about workplace agreements. I note the minister talked earlier today about a previous survey. Section 30 of the Act provides a genuine test for registration, and the Commissioner of Workplace Agreements was not simply a rubber stamp, as members opposite have insisted. Not only did the minimum conditions of employment need to be met, but also individuals were asked why they wanted their agreement registered. In most cases it was clear that they were better off financially than they would have been under an award. For others the decision was based on a different value system -

Mr Kobelke: Do you want to justify that last claim in any way?

Mrs EDWARDES: The survey of the Commissioner of Workplace Agreements showed that only 25 per cent of agreements were for below-award wages; therefore, it would have to be the majority.

Mr Kobelke: That is not true. That was based on the hourly rate, and for that workers traded off all their conditions. They were not better off.

Mrs EDWARDES: One of the clear examples of the problems with the no-disadvantage test for an employer-employee agreement is the comparison of monetary and non-monetary benefits. These problems must be faced by small businesses in putting forward and registering an EEA. The transaction costs will be horrific.

Mr Kobelke: You are supporting my earlier statement, and admitting you are wrong.

Mrs EDWARDES: No, I am not all. We can debate this continuously if the minister wishes, but I would like first to make the rest of my points.

For others the decision was based on a different value system, which we, or the unions, might not consider important. Who are we, and the unions, to say what is valuable in a working arrangement? Some people place a high value on flexibility in the hours they work. I present an example in which a husband-and-wife team jointly work in a supermarket. The wife starts very early in the morning, then goes home and gets the children off to school. The husband then goes to work in the same job at the same location. He picks up the children from school, and the wife goes back to work and is there until seven or eight o'clock in the evening. At this point in their lives they both need to work to make payments on all the things a young couple need, and they want to be

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there for their children before and after school. They may not continue this arrangement for many more years, but at present they want that flexibility. Under these new arrangements, the supermarket may not be able to offer those working conditions, because it will not be able to afford the penalty rates associated with them. Students who work non-conventional hours in the hospitality industry are happy to work those hours because they cannot obtain a job during the normal Monday-to-Friday, nine-to-five period. The flexibility suits them. Very few people work nine to five, with an hour for lunch and 10 minutes each for morning and afternoon tea. Not even public servants do that any more. Others value rates of pay based on performance. That is another issue of comparison under a no-disadvantage test. Some recognise that award rates and conditions are no longer viable in particular industries or workplaces. Those workplaces have changed and the award system has not caught up. In areas of casual employment, to which the minister keeps referring - the supermarkets, cafes, restaurants, and the cleaning and security industries - some existing employees signed workplace agreements at rates of pay lower than the award rate in exchange for more hours of work. In many cases, those people were at a stage in their working lives when they sought to maximise their disposable income, and work every hour they could, or they just wanted a job. The previous Government introduced the minimum conditions of employment legislation, and was the first Government to do that. It provided a level below which employers could not go. The minister can smile and say that is exactly what the Government is talking about, but he does not recognise the reality of those workplace arrangements.

When the survey was done by the former Commissioner of Workplace Agreements, 25 per cent of respondents were earning below the award wage. The figure was skewed somewhat because most of those workers were casuals who worked in industries in which there was a high turnover. I am interested to see the report to which the minister refers. I do not have the report and have not had a chance to read it. A couple of the issues in the minister's media release are incorrect. For instance, it states -

With 75 per cent of all agreements not containing a wage increase provision . . . employees could be stuck on the same rate until they either left or the minimum condition rate of pay caught up with them.

What happens under awards? It is exactly the same; workers do not get a pay increase under the employer-employee agreement no-disadvantage test until such time as the award rate is increased.

Mr Kobelke: There is an annual state wage case.

Mrs EDWARDES: Exactly. There is an annual decision on the minimum rate of pay.

Mr Kobelke: Which your Government in part used to drive down, not lift up.

Mrs EDWARDES: That is what I am saying. The minister already has the appropriate tool. This legislation is not needed. The workers the minister claims are being disadvantaged are not the group of people he is looking after. The Government is looking after the union movement, not the employees. Another incorrect statement in the minister's media release is that the no-disadvantage assessment to be introduced with EEAs is not a radical departure from the federal Government's Australian workplace agreements system. I beg to differ on that issue, and we will debate that in more detail later. I am sure that other issues have been raised with the minister, including the abolition of workplace agreements and the cost to businesses of the transitional provisions. We will also go into that in far more detail later.

I highlight the people whom the Government will hurt by this legislation. The effect on people is always a consideration when determining the minimum rate of pay. An article entitled "Life is Full of Choices" by Janis Bailey and Bob Horstman states -

The various reforms have introduced individual workplace agreements (with a minimal 'safety net') that effectively bypass unions, and provisions that affect the governance and activity of unions. One outcome has been the growth, mainly in more vulnerable semi-skilled and casualised areas, of a low-wage labour market segment.

The Government has changed the system. Those are the first people whom the Government will hurt. What is wrong with the individual bargaining stream of EEAs that the Government has produced? At least it is some recognition of an individual agreement. However, there does not seem to be any rationale for not having introduced a non-union collective agreement. Businesses are telling me that the changes will increase costs and create uncertainty. Businesses are tied to awards; therefore, in the examples I have already outlined, there is no flexibility. Under this legislation an EEA could not be offered when an industrial agreement is in place and it could not be offered or registered when bargaining for an industrial agreement has already started. If an EEA is linked to the awards under a no-disadvantage test, why cannot there be a choice in respect of that?

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The EEAs will be made public. The Opposition has two concerns with that: first, EEAs will be a target for unions; and, secondly, EEAs will restrict employers from offering agreements that may give a significant commercial advantage. Some workplace agreements include productivity bonuses and the like. However, if they are made public, that will not happen. The provision to conduct a review after 12 months is obviously in the legislation to satisfy the union movement. The question in the business community is whether EEAs will continue following that review. Just before the election last year a letter was released showing that a deal had been struck with the union movement. In part the letter states -

... the Labor Party in government, will address the issue of workplace agreements including, individual contracts, by establishing an inquiry as soon as practicable after assuming office. This inquiry will conclude within 24 months, and will form the basis of proposals to legislate to change or abolish the relevant laws during the government's first term of office. Until the inquiry is concluded, the union movement regards individual contracts as transitory, and sees the review process as one that will lead to total abolition.

What do we find in the legislation? It provides for a review clause after 12 months. The business community must ask whether it can have confidence that EEAs will survive that review. EEAs are linked to awards. Many of those awards are dinosaurs. I note that in his second reading speech the minister said that that was the fault of the previous coalition Government. What a lot of nonsense. What is the unions' job? Does this Government believe that it must do the job of the union movement? Is that its focus? Is that its pattern of behaviour? It was up to the union movement to ensure that those awards were simplified and would be user friendly. What can one do when one is faced with an award that is 400 or 600 pages long as opposed to an individual agreement of one or six pages? An employee can understand a very basic document, but it is very hard for anyone, let alone anyone in this House, to read a document that is in excess of 400 pages and understand that each section applies to that employee in the workplace. That does not happen. The whole of an award does not necessarily apply to all individual workplaces.

I suggest to the minister that if he forces people onto awards - obviously he has not fixed the department either - he must ensure that those awards are kept up to date. When the Council of Small Business Organisations of Australia examined the restaurant, tearooms and catering award in January-February, it discovered that the award did not include the last state wage increase, which could have meant that an employer was inadvertently underpaying an employee by between \$13 and \$17 a week. On 24 December, the day before Christmas, the minister released a media statement that stated -

A survey of restaurants and cafes across the State has found the majority are breaching award conditions for their employees.

If the award is not kept up to date, obviously that will be a consequence, and it will be an increasing problem if that is always going to be the case.

I refer to industrial agreements and good faith bargaining. The legislation identifies industrial agreements as having primacy over everything else. The focus of this legislation is to ensure that it is the predominant means of regulating workplace relations. It will add significantly to increased regulation. New Zealand introduced provisions for good faith bargaining. The Minister for Health might be interested in this: New Zealand's Ministry of Health is the only organisation in New Zealand that does not comply with good faith bargaining in its negotiations with nurses. Given the ongoing disputes the Minister for Health has faced, particularly with doctors, I wonder what they would say about the minister's good faith bargaining.

Good faith bargaining can occur with multiple employers. The only exclusion to that is that an employer can go to the commission and say that he does not want to be part of the multiple negotiation but is happy to negotiate independently. Companies can unwillingly enter into industrial agreements. We will not get an enterprise agreement that will focus on the particular needs of the workplace and deliver awards to employees that lead to increased productivity and help companies to compete in the domestic and international environment. This legislation takes away from the employer and the employee a successful bargaining environment.

Under this legislation, right of entry will be unlimited. Unions will have almost an unfettered right to enter building sites irrespective of whether the workers are union members. Earlier I talked about the Government doing the unions' job; in this case, the unions will do the Government's job. Unions will become de facto government inspectors because they can investigate suspected breaches of the Industrial Relations Act, the Minimum Conditions of Employment Act, the Occupational Safety and Health Act, the Long Service Leave Act, the industrial agreement or the EEA, as long as the employee in that instance agreed. The unions will do the work of the Government.

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As a result of increased union militancy, the Gallop Labor Government has said that if union officials abuse their rights, the remedy will be to revoke their permit. That cannot be done unless a case is taken to the Commission in Court Session, which comprises three members of the union. Adding occupational safety and health to the requirements will open the floodgates, and it is against what the Labor Government stood for in the 1980s when it created the Occupational Safety and Health Act. The Hamburger report identifies some of the critical areas in which occupational health and safety issues adversely affect head contractors who refuse to allow people to sign an enterprise bargaining agreement or join a union. Amazingly, WorkSafe WA issues go away once employees sign an EBA or join a union! It is an absolute joke. This legislation will override the Occupational Safety and Health Act, even though no amendments are made to that Act. As a result of this legislation, that Act would no longer be used and people would not need to follow the prescriptive requirements under the Occupational Safety and Health Act. The Minister for Consumer and Employment Protection will undermine safety in the workplace with the passage of this legislation.

Access to employment records is a major issue. The ability of unions to access, inspect and copy the records and personal information of employees is not limited. The minister has said that unions will have access only to wages records, time records and agreements. If that is what the minister really intends, let him vote for our amendment. In this day and age an individual's privacy is very important. For example, a woman involved in a domestic violence situation may have changed her address and have in force a restraining order. All of a sudden, information may fall into the wrong hands. Recently Department of Justice employment records were allegedly made available to a bikie gang. There are always mates who might agree with other mates. A breach of privacy, particularly in the case of non-union members, is a serious issue.

The Premier was at pains to say that the right of entry provisions in the legislation are similar to those in federal legislation. The federal system requires 24 hours notice in all instances. Limits are imposed on the availability of employment records. Permits are granted to union officers and employees, and not to others. Under this legislation, as long as a person is authorised by the union movement, that person can seek a permit from the commission. Under federal legislation, discussions can take place only during meal breaks and other breaks, and the registrar is the only person who can revoke a permit. Federal legislation does not provide that the employer must take an application to a three-member commission. The potential for time extensions and interim orders for unfair dismissal, even if only on application by a union, introduces a level of uncertainty and increased costs. Given the concern expressed by small businesses that many employers are deterred from employing more people, one would have thought that any change in legislation would have reflected their views and provided a fairer balance for employers and employees.

The rights of appeal have been limited to the Industrial Appeal Court, which means there are virtually no rights of appeal. This was not raised in the Fielding report or as part of the Government's policy. Major concerns have been expressed that the Industrial Relations Commission will no longer be able to order a return to work. What does that say about strike pay? It will open the floodgates for strike pay. Although the role of the Industrial Relations Commission has been significantly enhanced, its industrial relations action status has been weakened, and hence its credibility, because no penalty will be imposed when somebody ignores it.

I want to raise many other issues. Criminal offence provisions have been watered down to civil offence provisions; for example, offering a bribe in a union election is not a criminal offence. A scandal about such a bribe broke a couple of years ago. I wonder what the Construction, Forestry, Mining and Energy Union had to do with that provision. No changes are made to the provisions for freedom of association. However, the legislation has major impacts on freedom of association. I will be looking to the Commonwealth Government to take that question to the International Labour Organisation, because I believe that the minister has breached the ILO freedom of association provisions.

The definition of "employee" has caused concern. The legislation has included not only hire companies, but also entertainers. That provision is strongly opposed by the industry. Such a provision will have a big impact on local talent being employed and doing gigs at hotels and the like.

The Premier made the broad statement the other day that this legislation would be the best thing since sliced bread for better pay and working conditions for Western Australian women. He keeps trotting out the Preston and Crockett report. He has not identified correctly that the survey for the report was conducted before workplace agreements were introduced. I will go through the relevant figures at the consideration in detail stage.

The minister is always at pains to ask what we are doing about the Fielding report. He had an opportunity to do something about it. What did he do? He picked up only one of the recommendations. The previous Government implemented at least 34 of the recommendations. All he has done in legislation containing more

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than 800 amendments to other legislation is pick up one recommendation. As I have said, the consultation period has been insufficient, and certainly not adequate for the people involved. The minister has claimed that there is choice, but there is no choice or democracy for public sector employees.

The legislation is based on a false premise that workplaces in the future will be similar to those of the 1950s. That is why this legislation has been dubbed the back-to-the-future legislation. The legislation is based on a class ideology that has no place in the twenty-first century. The legislation marks a return to beating the boss rather than beating the competition. A total change of culture has occurred in the community. People are far more mobile, individually focused and technologically inclined. The caveman behaviour of some union officials has no place in the twenty-first century. The Premier's behaviour reflects that caveman style and also has no place in the twenty-first century.

Some businesses are unique and provide opportunities for people to work unconventional hours. Many people like opportunities to work those hours. The Chamber of Commerce and Industry and the Chamber of Minerals and Energy released a document on developing Western Australia's future. Under the section dealing with the labour market they stated that labour market policy should aim to make the most of human resources by removing disincentives to employment and encouraging businesses and employees to find new and more productive ways of working. This legislation is doing the opposite of that.

When the Opposition is back in government, it will follow two key principles; namely, individual rights and freedom of association. We will give back the right to key stakeholders, employers and employees to make agreements on their own terms. If employees wish to join a union, they may; if they do not wish to join a union, they will not be forced to join. This legislation will give back to the union movement powers that it previously exercised. We want to facilitate a more flexible workplace system, which will increase productivity, achieve real growth in wages and, most importantly, create more real jobs. I suggest that this legislation has been developed by union officials, rather than by people who are intelligent and have their eye on the future. Most people no longer work in a 9.00 am to 5.00 pm job. That is a critical underpinning aspect of this legislation. This legislation will cause the loss of jobs.

The ACTING SPEAKER (Mr Edwards): Private conversations in the Chamber are intrusive, particularly for the Hansard reporters. If members want to conduct private conversations, they should do so at a level that enables the reporters to hear the member on his or her feet, or go outside.

MR MARSHALL (Dawesville) [5.20 pm]: I am 100 per cent against this legislation. In 1992 or 1993, I was approached to stand for the electorate of Murray, which was a marginal seat. If the conservatives could win three of the four marginal seats, they would oust the Labor Government. I rejected the invitation twice. However, our State was bankrupt and there was no employment for our young people. Such was my anger about the situation that I decided to forgo retirement for the betterment of the State. My three young children had good jobs, but they were insecure about the direction in which the State was heading. I stood for the seat with the odds at 10 to one in favour of my opponent. Despite that, I won. During my first three years in Parliament, I was part of the Graham Kierath reform process, which included the introduction of workplace agreements.

I am not against the principle of unionism - someone must look after the defenceless. However, unions get carried away with self-importance. They bully, indulge in thuggery, abuse the rules of the land and cause economic destruction and strikes that affect businesses. That is why I am against unions.

Successful teams have champions who lift the also-rans or give them the incentive to improve their performance. Losing teams have also-rans who drag down the champions. Those teams always lose. That analogy is applicable to the union movement. When looking after the people who need help, occasionally the star performers fall in love with themselves and do not believe that the rules of the land apply to them.

Most members know that I am a third generation Fremantle resident. I was brought up in a Labor environment at a time when 15 000 people were employed on the wharves. The wharfies rode their bikes to Fremantle five abreast and the camaraderie on the wharves was fantastic. They were union members and they felt safe and comfortable because the unions looked after them. In those days, if a person had a nickname it meant he was special, popular and a leader. However, the nicknames given to characters on the wharves were interesting. Justice Virtue was a great bloke who played half-forward flank for East Fremantle Football Club. He was given that nickname because he was always sitting on a case. London Fog never lifted anything; Dead Tree had no moving arms; and the Minister for Gloom was always whingeing. Those blokes were my football mates. GMH was always borrowing money and would ask, "How ya holdin'?" The nicknames all suggested loafing, doing little work, or covering for a bloke when he wanted to go to training. The wharfies knew their wages would always be paid and that they could work overtime if they could swindle effectively. The confidence the unions

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gave the wharfies allowed them to behave in that way. How degrading! That attitude drags down the productivity of the State.

Workplace agreements have been a great success. I will use the Alcoa refinery scenario to illustrate my point. The workers at that refinery were well unionised, were paid a minimum wage negotiated by the union and could pick up extra money by working overtime. At 4.50 pm - 10 minutes before knock-off - it was not unusual for a worker to kick over a can of paint and then spend two hours cleaning it up. Of course, that work attracted an overtime payment. Prior to the introduction of workplace agreements, the workers would have been paid about \$50 000 a year. After the agreement was signed, Alcoa paid them about \$65 000 a year, and their superannuation and holidays were calculated using the higher rate. All of a sudden -

Mr Logan interjected.

Mr MARSHALL: It is equivalent; they blend the same way. The workers then realised that they did not have to kick over a can of paint; if they worked normal hours, they got the same money because their basic wage was higher. They have been happy ever since and Alcoa's productivity has improved. There are no longer any lurks. Only 15 per cent of the workers have maintained their union membership, which indicates how successful their workplace agreements have been.

I hope it does not, but I am sure this Labor Government will take us back to the disastrous days of the late 1980s and early 1990s. Most members opposite were kids then.

Unions want to increase their control of businesses, their membership and their financial returns. Why not? That is commonsense. Their purpose is to build union power. That power is a worry to most thoughtful businesspeople in Western Australia. Members should examine what the unions want. They want the right of entry; they want to be able to walk into a business unannounced. I get annoyed when people walk into my office and snap their fingers. Even if I am dealing with a serious issue, they want me to drop everything, perhaps to witness a document in my role as justice of the peace, which takes 10 to 15 minutes. That is bad manners. People who want that service should ring to make an appointment. Unions want to flout commonsense and good manners. They want the right to walk into workplaces and interrupt businesses. Such interruptions could set a business back a month, but the unions do not care. They are concerned only about recruiting members and getting greater financial returns. They are not interested in the employers or the products.

Unions also want to check confidential books. If anyone other than an Australian Taxation Office official had asked to look at my books when I was in business, I would have kicked him out the door. No-one has the authority to invade someone's privacy. If he does he is showing absolute cheek and disregard for the employers of this State who create employment and provide taxation revenues for the Government of this State.

Unions tell people that they look after the ordinary Australian. They certainly did that with Ansett Australia. In seeking excellent conditions for workers - good luck to them, that is their job - the unions helped put that company out of business. We now have enormous unemployment due to the greed of unions in that industry.

I first discovered unions as a young man of 21 years of age. I had to catch a ship from Karachi to Egypt so I could play tennis in Cairo and Alexandria. I got on a freighter that went to Aden before I disembarked. The freighter was Egyptian but it had an English skipper. The trip took three or four days and one night over dinner the skipper told me that they detested going to Australia. He said, "You may not realise it, young Aussie, but everything we do in Australia costs us a 20 per cent surcharge." They put a 20 per cent surcharge on all their rates in case there was a strike and they had to allow for the time they would be held up. In all other ports in the world they were tied up for less time. Unions in Australian ports had a surcharge. He told us that we did not realise that the 20 per cent surcharge would be passed on to the Australian economy and would be paid for by the average, ordinary person. At the time I thought that unions were supposed to think of the average, ordinary Australian, yet they were looking after their people - their flock - and clipping the rest of Australia that did not belong to a union. It was just not right.

I witnessed union bullying at its worst during 1993-94 when Graham Kierath was putting through his workplace agreements legislation. The atmosphere in the House was as hot as I have ever seen it, and rightly so. People then on this side of the House were fighting for a belief that was bred into them; it was in their lifeblood. I have experienced it and I understood their passion. They acted decently in their fight. When one looked up at the gallery or went outside the House one saw the people who were trying to influence the debate. I had to push past them to get to my car as they erected barricades. I got through. I was threatened by one bloke but I took a gamble. I wondered whether he was all bluff. I wondered whether he knew I had my East Fremantle jumper on under my shirt and that I was ready to whack him around the ear. I wondered whether he respected his elders.

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He let me through but the general feeling for all the women was scary. That was the difference. Those people had no respect for women or parliamentarians; they had no respect for anything except their own gain. It was an absolute disgrace. I had heard about it and seen it on television occasionally. If I had not been wearing my East Fremantle jumper I think the hair on the back of my head may have started to stand up through fear. I have been brought up not to fear. They did not scare me but they easily frightened others. That is why they do not like to have a silent vote. Every time unionists vote the bullies stand up and the workers are frightened to put down their hands. They have to go along with the bloke standing next to them or cop the consequences! That is not democracy at its best at all. It is something we have to look forward to!

In 1997, when we were getting our hospital in Mandurah, a public meeting was held. It was stacked with union bullies from Perth. They nearly put the public meeting into disarray. Luckily, some decent people were there who carried the meeting.

What about the minimum conditions of employment? Members guessed it, they want to screw the employer again. I will quote some points from a fact sheet -

The minimum hourly rate will increase as a result of the weekly hours being reduced from 40 to 38.

Casual loading will be increased from 15% to 20% (20 major awards are less than 20%) and the WAIRC may, by order, increase this rate.

Cashing out annual leave will be limited to 50% of entitlement (employees have been asking for 100%.)

The fact sheet on unfair dismissals states -

Dismissal laws have an important role in providing a safety net for employees, but it needs to be fairer for both employers and employees.

Unfair dismissal laws often deter many small businesses from employing more staff - thereby preventing jobs from being created, something any change should reflect.

Only yesterday I travelled with a friend to a conference in Mandurah. He had been in business and he told me about two people that he knew. One was a 42-year-old man who employed 25 people in his lighting business. The other was a 38-year-old man who employed 12 people in his tool business. As things were a little tight, both had to improve their businesses. To improve a business one has to increase the number of staff and increase stock. Both men - who represent the future of Western Australia - were scared and not confident about going forward. They were facing stagnation with a comfortable lifestyle. As one said, as things get tighter the first thing one does is put off staff. I have already mentioned how tough unfair dismissal conditions are. Employers have to look after staff whether or not they are pilfering or doing the wrong thing. They dare not go forward because of this legislation.

In summary I predict three things: three years from now unemployment in this State will be equal to the outrageous figures of 1991. Secondly, productivity in Western Australia will go backwards in the next three years. Thirdly, the Gallop Government will become a slow trot Government and the public of Western Australia will vote it out because of this industrial relations reform. All the union leaders in this House should remember my predictions.

MR GRYLLES (Merredin) [5.37 pm]: I put a country perspective on the Labour Relations Reform Bill. This Bill will set back labour relations in Western Australia at least 10 years. It will deliver lower productivity, fewer employment opportunities, more industrial disputes and put employees at greater risk of workplace accidents. Employees are being treated like schoolchildren in this legislation. They will be forced to clock on and off the job and record when they eat a sandwich. There is no recognition of employees having a sense of ownership and pride in their work. They are being stripped of their integrity in the workplace.

The mining sector, which delivers to the Government money for the state budget, will be severely impacted by this legislation. Although we read about the handful of companies that deliver multimillion dollar annual profits, half of all mining industry companies are small and have very tight operating margins. About 50 per cent of mining companies operate on less than a three per cent return to shareholders. The cost impost through heavy-handed regulation in the workforce will reduce that to about a one per cent return to shareholders. That will close down companies as they will not be able to attract investment. The media has already reported that Rio Tinto Ltd is offering its employees a federal agreement. Employers and employees face extreme uncertainty with this Bill.

There is no guarantee that the Bill will pass through the Parliament and there is certainly no guarantee as to what form the legislation will take if it is successful. Employees do not know how long they have to renegotiate

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workplace agreements and commence onerous record-keeping, and how long it will be before union representatives start accessing their work sites as they please. Employer-employee agreements in this Bill are a mere token gesture to try to placate the industry. They are a Clayton's agreement - the agreement people have when they cannot have an agreement - because in reality very few work sites can use them. Workers who choose not to be part of a union, which is clearly the vast majority of the work force, will be forced to accept an industrial agreement. Freedom of choice - an employee's right to choose - has been forcibly removed in this legislation. The National Party defends the right of an employee to join the union. We support the right of an employee to seek the assistance of a union when negotiating his or her employment conditions. We are, however, vehemently opposed to industrial relations reform that is designed purely to institutionalise the power of the union movement, regardless of the choice of the worker.

There will be very few work sites at which an employee can have an employer-employee agreement because such an agreement cannot be struck while an industrial agreement is in place. Furthermore, the ability of an employer to strike a collective agreement with some employees while others remain on individual agreements has also been removed.

The Premier claims that an employee's average total weekly earnings in Western Australia have declined under the current system. I will focus some statistics on the mining sector, in recognition of the fact that it has a great deal to lose from this legislation. Moreover, the National Party will fight to retain the productivity gains of the resources sector, which underwrite the State's economy. The mining sector has increased the average total weekly earnings of its employees from just over \$1 000 in 1995 to approximately \$1 400 in 2000. The mining sector has to operate in an international marketplace and therefore must remain competitive. That competitiveness is achieved through productivity gains, improved workplace safety and reduced down time due to industrial disputes. To attract a work force to the regions and to remain competitive on the world stage, it is in an employer's best interest to offer attractive packages to employees. The second reading speech delivered by the minister states -

The coalition Government's labour relations system was clearly ideologically driven, with the aim of reducing third-party involvement, whether it be the Western Australian Industrial Relations Commission as the independent umpire or the unions. The intention was to place control of the employment relationship firmly and directly in the hands of the employer. It was based on a view that the health of the State is measured primarily by its economic capital, and that only by increasing production and productivity shall we become a successful, and thereby healthy, State. Although this economic focus is important, it must be combined with a fair and efficient industrial relations system that can make a major contribution to our vision of a cohesive and just society.

I struggle to see how productivity could have increased if the current employment system is unfair and unjust. If employers are exploiting their valued employees, how have they managed to increase productivity? The minister also stated that this industrial relations package is a defining statement of the type of society we want. If the rights this legislation gives to the unions are combined with the heavy-handed tactics of the Premier last week, when he threatened country councils that wanted to ensure the validity of electoral reform, it is very clear what sort of society this Government wants.

The no-disadvantage test is a good concept, but it does not deliver. Once again, it is benchmarked against industrial agreements struck by unions. It should be modelled on the commonwealth Workplace Relations Act 1996, which uses the award as a benchmark.

Good faith bargaining in the way it is presented in this Bill will not achieve its aim. There is absolutely no incentive to reach an agreement. Ultimately, the commission is empowered to arbitrate, but there is no recourse to the courts for a dissatisfied party. Good faith bargaining should deliver a specified means by which to negotiate, not provide an open-ended means by which a union can commence a very lengthy process and prevent an employer from striking an EEA.

The amendments to the Minimum Conditions of Employment Act 1993 put at risk the employment of many apprentices and trainees in regional areas. Only mid last year, regional employers put off apprentices and trainees during the drought because of cash flow problems. The inclusion of apprentices and trainees as categories for the minimum wage will undoubtedly result in young people losing their jobs. If they wish to conclude their trade qualifications, they will be forced to leave the regional towns in which they are an important part of the community.

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Proposed changes to the Western Australian Industrial Relations Commission and to the role of the minister clearly remove the role of the Parliament. The legislative process is very important to the National Party. It was in fact the motion upon which the National Party, as the then Country Party, was formed in 1912. Although we do not support all legislation that emerges from the Parliament, it is an important democratic process by which elected representatives can shape the economic and social direction of the State.

This Bill places great responsibility in the hands of the courts, and removes the role of the elected representatives of the people. The commission has a very defined set of parameters influencing its decision making. The commission does not have as one of those parameters the economic policy for the State. Industrial relations decisions are therefore made without any consideration for economic planning. The Parliament must remain the primary decision maker on industrial relations.

Amendments to the unfair dismissal process allow for the reinstatement of an ex-employee pending the resolution of a claim. Furthermore, the commission is given discretion to hear claims outside the 28-day time limit for lodgment. The National Party objects to this for the following reasons: first, it is an extremely rigorous process to dismiss an employee. Therefore, if dismissal has proceeded, it will be very disruptive to a work force to reinstate an ex-employee and detrimental to workplace morale. Secondly, it will be extremely difficult and more costly in regional areas as often greater costs, such as relocation costs, are associated with employing people. What happens to the new employee? The new employee cannot be dismissed because the employer has been ordered to reinstate the former employee. This is a big issue in small country towns because everyone knows all the employees, so it has ramifications in country towns and country society. Thirdly, where possible, businesses will increase the level of mechanisation and replace employees with factory equipment. The National Party has received many representations about companies that are seeking to increase the equipment they use to take the place of employees. That will also have a vast detrimental effect on small country towns. Fourthly, allowing claims outside the 28-day period allows for too much uncertainty for employers and employees. Finally, if an employee has a genuine claim, it is evident within the 28-day period.

This Bill is clearly about the Government providing the framework by which unions can increase their membership revenue. I will quote a study conducted by the Australian Bureau of Statistics entitled "Australian Social Trends 2000". This study clearly demonstrates, albeit at a national level, how industry is more productive when employees have a close relationship with their employers. It states -

One consequence of the changes observed among the most highly unionised industries was that by 1999 unionists represented no more than one half of employees in any industry. The extent of trade union coverage had been markedly different in 1992 when there were six industries in which unionists had represented a clear majority of employees in their industry.

Industries with high union membership also tended to be industries with below average growth in employee numbers. Of the eight industries with the highest union membership rates in 1992, five experienced net job losses between 1992 and 1999 and two others had below average employee growth over that period. The industries that experienced above average growth in employee numbers, on the other hand, tended to be ones with below average union membership rates.

I could continue to read from this study as it glaringly demonstrates that unions are perceived as being more irrelevant as time goes by. However, this report was freely available on the Internet, and I encourage the minister to download a copy for himself. Western Australia is a glaring example of this trend. The Premier released a media statement on 7 March saying that Western Australia is in great shape. Western Australia's economic performance outstripped that of the nation in 2001. This was because of strong household consumption, business investment and residential housing development. Our business community and its employees are revelling in the flexibility of workplace arrangements and not being dictated to by the unions.

Employment in agriculture has grown over the past five years by seven per cent, with an increase of 53 per cent of the value of production during 2000-01 and an increase of 22 per cent in exports. Agriculture also happens to be the sector with the lowest union membership. Nationally, membership was only 5.9 per cent in August 2001. In Western Australia, union membership continues to decline. Trade union membership in Western Australia has declined from 25 per cent in August 1996 to 19.5 per cent in August 2001. The decline of the union movement has been occurring for many years.

Donald Horne published a book titled *The Next Australia* in 1970, in which he commented on the decline of the union movement. He wrote of a decline in membership from as far back as 1954. The motivation for this legislation would seem almost obvious, given the influence that the unions have in formulating Labor Party

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policy. The revenue stream to the Labor Party is directly correlated to union strength, given that the unions have a 60 per cent stronghold in Labor Party policy deliberations. Given the union influence in the Labor Party, I cannot see how the minister can say that the Court Government was ideologically driven in its industrial relations reform and the Labor Party is not.

In summary, I turn again to Donald Horne. He also raises an issue about our work environment and our lifestyle that is fundamental to being an Australian. He says that while 70 per cent of people in Britain say they think of themselves as working class, only 40 per cent of Australians now think of themselves in that way. Australia has been so successful as a “working man’s paradise” that a majority of its workers are achieving what may have been their greatest ambition: to stop seeing themselves as workers. The National Party believes that this Bill will jeopardise this lifestyle and will be a step backwards for both employers and employees.

MR MASTERS (Vasse) [5.51 pm]: In opposing this legislation that the Government has put forward, I will start by pointing out to members in this place my own background to try to establish whether I have any credibility when I talk on the issue of workplace relations, industrial relations, unions and so on. In the 1980s I spent eight years working for a company called Westralian Sands Ltd, which has now changed its name to Iluka Resources Ltd. In that time, I progressed to the position of exploration and development manager of that company for four years, with responsibilities for mineral exploration, public relations, environmental protection and mine site rehabilitation. For a few of those years I had responsibility for some 35 employees - some were union members and some were not, and some were professional people - and a budget overall of about \$2 million a year. Through that mining company, I have certainly been exposed to the issue of industrial relations.

I am reminded, of course, that although Westralian Sands was very much a union company at that time, there were no restrictions on unions coming into the work site or on employees joining a union. Nonetheless, down the road was a company called Cable Sands (WA) Pty Ltd - at that time I think it was called Cable Sands (1956) Ltd - and it had a policy of no union members being employed. The interesting thing was that -

Mr McRae interjected.

MR MASTERS: I cannot agree or disagree with the member. I am just telling the House that no union employees were in that company at that time. The member would have to talk to the then employers to ascertain whether or not they had a policy on that.

In other words, I was exposed to a fairly wide range of pro, anti and neutral union views. With that background, I commence by saying that the Liberal Party is not anti-union. As a principle, we unhesitatingly support the need for and ability of workers to bargain collectively, if they so choose. I emphasise those final four words, “if they so choose”, because one of the significant problems with this legislation is that it will take away the ability of workers to have the maximum range of choices available to them in the workplace.

It may surprise some unionists, and maybe some people on the other side of this place, to hear that the Liberal Party is not anti-union. I ask members opposite to look at the United States of America. On the entire planet, it is supposed to be the bastion of free enterprise, private enterprise and capitalism. More often than not, it is that word “capitalism” against which the unions and the Australian Labor Party direct most of their venom. The terms “free enterprise” and “private enterprise” tend to be reasonably mild, but when one uses the words “capitalist” or “capitalism”, people start to get their backs up. Yet the home of capitalism has the strongest laws of any country on earth about which I know against the excesses of the capitalist system.

I will give an example. Last year and the year before when country fuel prices being very much higher than Perth fuel prices was a significant issue in my electorate - as an aside, it still is an issue in my electorate - my investigations showed that the very first antitrust or pro-competition legislation in the world, as I understand it, was passed in the United States of America in 1890, 112 years ago; namely, the Sherman Anti-Trust Act. If any member on either side of the House is interested, we could very easily control the fuel industry in Western Australia. I am pleased that the Minister for Consumer and Employment Protection is listening. I remind him that the Robinson-Patman Act of 1936 is an ideal model to be incorporated in legislation in Western Australia. However, I digress.

The important point is that 112 years ago the home of capitalism, the United States of America, had extremely restrictive legislation against anticompetitive behaviour. Therefore, to say that the Liberal Party is totally pro business and totally anti-unions and antiworkers is simply not true. The United States of America, as one national example, and the Liberal Party of Western Australia, as a local political party example, are pro private

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enterprise, pro worker and pro business. Somehow or other this legislation has been put together in a way that will be very antibusiness and antiworker. The member for Kingsley spent an hour outlining in some detail exactly how this legislation will achieve those antiworker, pro-union outcomes. I do not intend to go through that, unless I get close to my 30-minute time limit, in which case I will waffle a little. I should not say that. Hansard can strike that from the record if it likes.

Mr Kobelke: How will that be different from your current contribution?

Mr MASTERS: Not a bad point. Let me think about that, and I will give the minister an answer in about 16 minutes.

This legislation is not about protecting workers and their rights; it is about enshrining certain powers back with the union movement. I will quote John Hyde, who is a former federal member of Parliament and a member of the Institute of Public Affairs - sorry, wrong John Hyde, member for Perth.

Mr Hyde: My left wing is intact.

Mr MASTERS: I am pleased to hear it. I understand John Hyde is also an adviser to the Pastoralists and Graziers Association. I believe that I have previously quoted some of his comments about this restrictive type of legislation as it relates to any favour done by legislators that gives certain powers or favours to one group of people at the expense of the other. The point that John Hyde made is that by giving a favour to one group of people, it automatically diminishes the productivity and opportunity that all other groups in the community have on that issue. Therefore, if there is even a grain of truth in the concerns that have been expressed by the member for Kingsley about the favours that will be done by this legislation, not to workers but to unions, by definition that will mean that the opportunities for all the other people and groups involved in this issue of industrial relations and employee-employer relations must be diminished - no choice; that is the name of the game.

I presume that the Government will argue that the favours that will be given by this legislation merely counteract the disfavours that were given by the former member for Riverton when he was Minister for Labour Relations in the previous Government. However, the debate over the next few days, both in this Parliament and in the wider community, will show that this legislation goes way beyond overturning what might have been seen by a reasonable person to be the sorts of important employer-employee relations changes that made a big difference to the State of Western Australia during the previous two terms of the Liberal Government.

Sitting suspended from 6.00 to 7.00 pm

Mr MASTERS: A media statement put out by the Premier, dated 7 March 2002, headed "Western Australia in great shape: Premier", states -

New figures showing Western Australia's economic performance outstripped the nation in 2001 gave cause for confidence about the State's future, Premier Geoff Gallop said today.

Why has the Western Australian economy performed so well in 2001? I suspect that members opposite might want to take all of the credit for it, but that would be unfair. The credit needs to be sheeted home to the present Opposition, as a result of its eight-year term of government leading up to its election defeat last year. Economic benefits like the growth experienced by the Western Australian economy in the past 12 months do not just happen because people want it. It happens because a Government creates an environment in which people can go out and create employment and export opportunities, and grow the State's economy. This very good figure for the State's economic growth last year is in no small measure a result of the labour relations reforms that the previous Government brought in.

One of the specific concerns I have about this legislation - and I look forward to the minister's response on this one - relates to the possibility that, when good faith bargaining between an employer and an employee breaks down, the union will be allowed to go in and examine the books of the employer. I am not sure if that provision is in the Bill. I have been advised by the member for Kingsley that there is some potential for that to happen. The reason I am concerned is that I was in New Zealand last year when industrial relations legislation was passed. That legislation specifically says that when there is a breakdown in negotiations between employer and employee - no criteria applying to such a breakdown are given - it is permissible under the law for the union, on behalf of the employee, to go to the employer's books and determine if the employer is financially sound enough to pay the requested award. I see the minister shaking his head, and I am very relieved by that.

Mr Kobelke: They have the right to access time and wages records to ensure members and non-members are being paid what they should be paid according to law.

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Mr MASTERS: I take some comfort from the minister's comments, but the New Zealand situation is that the entire books of the company - financial statements, sales records, contracts and everything else - are available for the New Zealand unions to go in and look at the strength of that company. If the employer has the ability to pay, but is refusing for any reason, the union has access to everything. If a good faith negotiation is to take place, equal power is required on both sides. The New Zealand situation does not maintain that balance; it works much more in favour of the unions and the employees.

I have had some very good experiences with unions over the years. I want to convey to members my support for the right of unions to exist and to bargain collectively. I was talking to my wife on the phone a few minutes ago, and I warned her that I would mention in Parliament the fact that she is a very strong, keen and active member of the Liquor, Hospitality and Miscellaneous Workers Union. It raises the eyebrows of many of her work colleagues when they realise that her husband is a member of the Liberal Party. My wife and I are both very supportive of the union and the work it does in that employment area. There is no better way of showing support for the principle of unionism than to vote willingly, with one's own money with no compulsions at all. While I was working at Westralian Sands Ltd I became reasonably friendly with Jim Davidson. I think he was with the Australian Workers Union. He was one of the union employees who regularly came onto the site. The dealings I had with him were always very professional and very constructive. I believe that in his retirement he is living in my electorate and has become something of a green environmentalist. Good on him for that. Another union official was a Labor candidate for the seat of Collie, running against the former member who lost her seat last year. I cannot remember his name, but he was a very decent, honest and forthright person, and I enjoyed and appreciated my dealings with him. More recently, since I have been a member of Parliament, and the forest industry dispute has been going on, I have developed a very high regard for Tim Daley and Nic Oakes - again, I believe, from the Australian Workers Union.

[Leave granted for the member's time to be extended.]

Mr MASTERS: Those two unionists have gone far out of their way to listen to what the workers are saying, and then have sat down, very constructively, with employers on a cooperative basis to try to achieve the best possible outcome for the entire community, not just for the workers or employers. Overall, I have had a very good relationship with unions over the years, with the one proviso - all my dealings with unions have been with country-based unions and workers. My experience has been that, as a general rule, there is a significant difference between the attitudes of some unions and workers in country Western Australia and those in metropolitan Perth. I think it is primarily because many farmers work in the mining industry. Farmers would not generally be considered pro-union because they independently run their own farming businesses. In spite of that, many of them have been prepared to become active members of unions because they believe in the right of an employee to collectively bargain and work with employers to achieve common goals.

Having said that, I am aware of problems that have occurred over the years with unions in various parts of the world. My first-hand experience relates to the construction of one of the industrial facilities at the Kemerton industrial area during the late 1980s and early 1990s. At the time a friend of mine worked for the Department of Environmental Protection. He would regularly visit the construction site to ensure that unions, workers and employers were complying with the environmental protection conditions. When he went on to the site wearing a suit and tie and looking reasonably official, all sorts of safety breaches occurred very close to him. For example, if he walked under or close to scaffolding, spanners and other heavy objects would drop from heights of several storeys, missing him by just a few metres. Among other incidents, loose and therefore unsafe scaffolding was drawn to his attention. Yet none of those things occurred when he went on site dressed in old clothes and looking daggy - excuse the expression. He told me afterwards that he could think of only one explanation; that is, when he went on site dressed in a suit and tie he was seen to be an employee not of the Department of Environmental Protection but of WorkSafe. On those occasions, things deliberately happened to try to give him the impression that the site was unsafe. He was very upset with that sort of behaviour. I have no idea how widespread it might be in the construction industry. That is one local example of how a union or unions involved in an industrial site orchestrated a series of safety breaches to create the impression that the employer was doing a bad job of looking after work site safety.

An article I found on the Internet provides another example of the problems caused by the way in which unions interact with work sites. I believe the quote is authentic. On 6 March, a journalist for *The Australian*, Kristine Gough, wrote -

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A union official threatened to import thugs, impose secondary boycotts and block the entrance to a construction site to secure uniform wage agreements in Tasmania, the building and construction royal commission was told yesterday.

Communications, Electrical and Plumbing Union official Tony Murphy made the threats against Tasmania's biggest builder after a successful campaign by the Construction Forestry Mining and Energy Union to increase its influence in the industry.

Obviously that is not a first-hand experience; nonetheless, it is a report of evidence to the royal commission and I have no reason to doubt its veracity.

The real eye-opener for me about union attitudes to the big picture occurred when the coalition Government tried to get the Minister for Labour Relations' third wave of industrial relations through both Houses of Parliament. I was appalled at the lack of respect the unions and its members showed for democracy and the processes of the two Houses of Parliament. The member for Dawesville talked about some of his experiences at that time. I am well aware that the entrances to this building were blockaded to prevent people entering or leaving. I am also aware that on a particular day when a picket line had been established around the Parliament, there was a bomb scare - I am sure it was purely a coincidence! All the staff and members of Parliament were forced outside, and because a picket line was in force, the staff could not come back into the Parliament to undertake their normal activities. The intention of the combination of picket line and bomb scare was to frustrate the workings of this House. In my view, it was a direct threat to the operation of democracy as we know it in Western Australia. When the legislation was debated in the upper House of this Parliament, there were several occasions, some lasting for 30 to 50 minutes, during which the blowing of whistles, clapping of hands, shouting and general noise from the many unionists and union supporters who filled the public gallery disrupted the business of the House to the extent that it could not continue to sit. The members were forced out of the Legislative Council Chamber and had to resume sitting in the select committee room, which is part of the old ballroom. On another occasion, the former President of the Legislative Council, Clive Griffiths, was prevented from entering the building, and a court case resulted from that.

Those experiences of three or four years ago made me realise that some unionists, unions and people in this society had such little respect for democracy and the processes of this Parliament that they were prepared to disrupt this Parliament and the democratic process to try to stop a measure that a legitimately elected Government of the day was trying to implement. I find that reprehensible. I am nervous that this legislation will allow unions to increase their financial position so that the sort of behaviour that occurred three or four years ago can be repeated - in other words, that money going into union pockets will be spent not on providing workers' benefits but on political outcomes.

I can recall only two instances during my five and a quarter years as a member of Parliament when issues relating to industrial relations were brought to my office. One case involved a falling out between two friends who happened to be working together. The legal employer owed his mate, the employee, some superannuation. A simple phone call from me resolved that issue. The second instance occurred only recently and involved two young men who were sacked from a winery. I am happy to say that they did not come back to see me because the processes I put in place, according to the law as it stands, to try to resolve their problems were adequate to meet their needs, and they were able to go forward with the claims of unfair dismissal and other actions that may have been relevant in their case.

If there were a crying need for changes to the industrial relations laws, I would have expected that in the five and a quarter years I have been a member of Parliament, a large number of individuals would have told me that their employers had done something wrong. That has happened in only two exceptional or unusual cases rather than run-of-the-mill cases. I recognise the interjection from the member for Murdoch who said that on no occasion since -

Mr Board: Since we introduced the industrial relations legislation.

Mr MASTERS: If members opposite can put their hands on their hearts and tell me, I am keen to hear about more than two, three or four instances over the past few years in which people have told them that they have been abused or not fairly treated by their employers.

I will refer to an article that I downloaded from the Internet that reflects on the unions' and the ALP's knee-jerk reaction against anything that they believe might be anti-union or antiworker. I remind members that there was not a great deal of support from the union movement or the ALP for the work for the dole scheme when it was introduced. On March 5 in *The Australian* Tony Abbott, a very reliable federal minister, stated -

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Work for the dole participants have a 76 per cent better chance of being off benefits three months after leaving the program than comparable unemployed people. Nearly 80 per cent of work for the dole participants say the experience has improved their self-esteem and increased their determination to find work.

They are important statistics and excellent outcomes for a scheme that the union movement and the Labor Party never wanted. The legislation before us will take us back not 10 years, as the member for Merredin said earlier, but at least 20 years, maybe more. It is draconian, antiworker, anti-employment, antibusiness and antidemocratic. If members do not believe me, they should listen to what is said over the next few days. I remind members that we had a massive fight on our hands during the waterside workers dispute some two or three years ago. However, today the handling rate for containers on the waterfront is almost as good as that in Singapore. Even though the unions won that battle, they saw the writing on the wall and did the right thing. It is a pity that we cannot go down that path.

MR BOARD (Murdoch) [7.23 pm]: This Government is absolutely pathetic. I cannot believe that in the year 2002 we are going to fly in the face of what is happening around Australia and around the world. I cannot believe that the Government is prepared to jeopardise the future growth of this State and employer-employee relations.

Mr Logan interjected.

MR BOARD: I understand the position very clearly; I suspect that the member does not. The problem with members of the Government is that they have an ideology that is buried in the nineteenth century. Everybody else has moved on from that ideology. They do not understand the generation of income and employment and how it helps the State. Government members want to take our industrial relations laws and employer-employee relationships back not 10 or 20 years, as previous speakers have said, but back to the start of the trade union movement when employers skinned the backs of young people who worked in coal mines and when 13 and 14-year-old girls dragged coal from the mines. That is the Government's mind-set on this issue. It still thinks that that type of system operates in Western Australia in 2002. Government members think that by introducing this legislation, they will somehow protect the worker and create an environment in Western Australia that is fairer for all. In their ignorance, members opposite will jeopardise this State and create a situation in which unemployment will undoubtedly rise. Government members will put investment and the generation of income in this State in great jeopardy. Other members and I predict that the State will suffer as a result.

Over the past few days the Treasurer and Premier have been happy to gloat to the media about the state of the Western Australian economy. They said it was performing wonderfully and that unemployment, including youth unemployment, was relatively stable. They said that people were investing in the State and that the Western Australian economy was buoyant. Why is that? Have members opposite thought about why that is? Why did the situation turn around from 1992? Why do we have the current situation in 2002 for which this Government claims some responsibility but for which it is not responsible? We are in this situation because of good industrial relations legislation, workplace agreements, debt reduction and an environment that has been stimulated so that people invest in this State. People now have confidence in this State and they know what their fixed costs are; they are prepared to invest because they have stable employer-employee relationships. However, the Government wants to put that in jeopardy. It wants to go back to an adversarial system in which employees have to screw their employer and try to flex their muscle.

The Government wants to do that because it suits the unions, whose membership consists of 15 per cent of the Western Australian work force. The Government should be honest and admit that that is what this is all about. This legislation is about the survival of the union movement. It is about the Labor Party's ideology and its taskmasters who pull the Labor Party's strings, preselect its members and put them into the Cabinet and control the decisions of not only the ministers but also this Premier. It is about the survival of government members and the union movement. We saw it happen in 1993 and in various other industrial relations debates in Parliament, and we will see it again as this legislation passes through this Parliament. It is all about unionism, money, donations to the ALP and control; it has nothing to do with workplace relations or generating income and it has nothing to do with the stability of the Western Australian economy. Government members are prepared to put all of that at risk for their own bloody skins. Members opposite should be ashamed of themselves. This Government will go down in history as a Government that had no guts whatsoever and was pulled by the strings of a few union puppet-masters in this State. I ask members to search their hearts and tell me where is the demand in the community for this change. I would not stand here if people had been in my office demanding change. However, that demand does not exist. The only demand placed on the Government comes from the

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union representatives who want their power and control back. They want to extort the situation and control what happens at the workplace. They want to flex their muscles, screw a few people, shut down a few work sites and make sure they have power. That is the bottom line. The Government is prepared to jeopardise all the progress that has been made for that.

That is what it is all about, and government members ought to be ashamed of themselves. Members opposite gave their speeches and told us about receiving representations from people in the community who somehow have been prostituted in the workplace as a result of workplace agreements. That is absolute garbage. I will not say, and no-one would be naive enough to say, that no employers in this State do the wrong thing. There always have been and always will be employers who do the wrong thing. We have to stop that. If the Government were genuinely concerned about protecting those people at the bottom end of the labour force who were being underpaid and had somehow escaped the safety net, why did it not fix that up, raise the ante at the bottom end and let the flexibility in the workplace continue? That would have looked after the underdogs - those in whom the Australian Labor Party is supposedly genuinely interested. However, that would not fix up the main problem, which is that the unions still have not got back their control and do not have compulsory membership. The unions had to find another way to flex their muscle and control the situation. Who is running the State of Western Australia? The unions are running the State of Western Australia at the moment, and if government members asked the community, it would tell them that.

This issue and a couple of other issues will bring the Government unstuck because it will stall what is happening in the workplace. Why did the coalition Government bother with workplace reforms in 1993? It was because in 1992 the economy was stalled. Can members opposite tell me about major projects in this State? Labor ministers are running around opening projects that were funded by the coalition Government. They do not even have the grace to give us any credit. They do not even mention us in their bloody speeches! We did not have the luxury in 1993 of showing we could be gracious, because there were no projects to open. There were no hospitals, schools or roads to open. Prior to 1993 all the Labor Government had managed to do was to build a railway, and that brought it unstuck. A railway will bring this Government unstuck as well! We did not have the opportunity to be ungracious, and to be as bad mannered as this Government, because there were no new projects. The State was broke. The coalition Government had to turn the economy around. The way to turn an economy around is to give employers confidence in this State.

Several members interjected.

The ACTING SPEAKER (Mr McRae): I have no difficulty with robust debate that is directed towards the member on his or her feet, especially when the member is inviting it, because that is part of debate in this House. However, other Speakers have commented on the need for members to refrain from cross-floor interjection. I remind members of that.

Mr BOARD: Can any of the geniuses on the government side understand why the youth unemployment rate in Western Australia went from the highest rate in Australia in 1992 - nearly twice as high as that in any other State - to the lowest in the term of the coalition Government? I will tell members how it happened, because it is a simple equation. The coalition Government created an environment that stimulated employment, certainty and investment in Western Australia. This Labor Government is prepared to throw all of that away.

Several government members interjected.

Mr BOARD: Members opposite can have a laugh, but that is what they will do. They will wind back the clock to where we were in 1992 to appease 15 per cent of the workplace. I will bet that if members opposite surveyed the union membership in this State, they would not support some of the extreme measures in this legislation.

I will talk about some of the draconian parts of this legislation. Some of the new members in this House were not part of the debates that took place in 1993, nor do they understand what happened at that time. I will talk to those members about the sorts of people the Government is protecting and supporting. Those people were prepared to urinate on members of Parliament as they left this Parliament, to throw cans of beer over female members of Parliament as they left this Parliament, and to jostle and physically intimidate members. Members of this place sat and cried because of that intimidation, and members opposite are prepared to support those people. Members opposite think those people are worth supporting. They are bullyboys and thugs, and members opposite should not be proud to be associated with them or to protect them. Maybe they have something on government members. Maybe they will use their thuggery against members opposite. Members opposite should get real about exactly what is happening here. It is about a small group of people who want power by taking over workplaces and jeopardising what has happened.

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Do government members know that in this State the major employers - those who employ the bulk of people - already pay well above award wages? Members opposite want to talk about the mining industry. They should talk to people in fly in, fly out operations. Why do members opposite think those people want to move to the federal award? It is because the Government's legislation will jeopardise their jobs. They already receive well above the award. They have left the Labor Party way behind. The only people who will be threatened by this draconian legislation are the small employers; people who at the moment have been able to put on an extra employee or two to work at night, or to open their business on Saturday or Sunday to try to compete with the big boys. Workplace agreements have provided small employers with flexibility in their workplace. The Government will jeopardise that, and ensure those employers cannot compete. Can government members tell me the reason? Where are the hundreds or thousands of employers in this State pleading with the Government to get rid of workplace agreements and go back to awards? Which employers are saying they want to pay double time on a Sunday and time and a half on a Saturday? They are not. They are saying that they will not be able to continue opening at those times. Members opposite are stupid. Honestly, it will come back and bite the Government. In a short time the Government will see that businesses in some of the tourist areas, the fast food industry and a range of other industries will not trade during those hours. If members opposite wonder why, it will be a direct result of this legislation turning the clock back 20 years at least; and some of the provisions take us back to the last century.

I will now refer to specific provisions in the Bill. What gives anybody the right to enter someone's workplace and demand that workers cease their employment so they can talk to them? How would government members like someone knocking on their door, demanding to come into their home and that they stop cooking a meal, or interrupting a dinner party because they want to talk to their kids about how they are treated in the household? Get real! Who do government members think they are? Honestly, that is a private situation. Why do government members think that a workplace is a public place that somebody can walk into and make demands? That is against all our notions of privacy.

Members opposite should get real. If they employed a few people they would realise what it means to generate an income and produce some goods. Every minute counts when one is trying to generate some dollars. The Government wants to allow some galah to come to the door for his own vested interest and to interrupt what is occurring in the workplace. Why would members opposite support that? It is intimidation and blackmail. The Government is prepared to do that through this legislation. Some of the right of entry provisions are unbelievable. Have government members read the legislation the Government has put forward? Do they understand what it will do? I do not know how many government members have been employers, but nobody should have that kind of right of entry and be able to cause that sort of intimidation.

What gives union officials the right to look at safety issues? What is their safety expertise?

Several members interjected.

Mr BOARD: What do they know about it? A union official will be able to enter a workplace and say, "Sorry boys, I think that is a little bit dangerous - all out." Those workers may not be members of a union but they will have maintained a certain practice without a breach for a long time. What do members opposite think they are doing? They will be turning the clock back 150 years. They have no idea what they are seeking to do.

I refer to the unfair dismissal provisions. How many jobs have been created in this State as a result of the relationship between employers and employees in this State? The Government will be fundamentally changing the balance again and adding unfair dismissal provisions to this legislation.

[Leave granted for the member's time to be extended.]

Mr BOARD: What gives the Government the right to fundamentally shift the balance so that employers can dismiss a person without a third party giving approval for that? The Bill will also make it mandatory for the employer to re-employ the dismissed person until the issue is resolved. Members opposite who are employers will not believe what the Government is doing. I implore them to examine the legislation in detail, particularly the draconian unfair dismissal clauses, which will cause incredible disruption in the work force and will be a disincentive for anyone to create employment. It will severely affect one or two-man operators who are struggling to make money but who have found a way of getting away on weekends by creating some work for university students. This Bill will stop that and create the situation that existed before the coalition Government changed the legislation when youth unemployment in this State was at 32 per cent. I ask members opposite to think about that before they vote in favour of this Bill. If they do vote in favour of the Bill, they will cause huge disruption and much misery for the people they purport to represent.

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The Opposition proposes to move a number of amendments to the Bill. We hope the Government will take those opportunities to at least make the legislation reasonable for employers. Employers should have at least some rights and justice. They are the ones who create employment and wealth. However, this issue is being approached as though they were the enemy. That is why they will shut up shop. Members opposite do not realise what they are doing.

The Bill proposes to amend the strike provisions in the Act so that it will not be necessary for unions to hold a ballot before calling a strike, although ballots have not been held often.

Mr Kobelke: They haven't been held at all.

Mr BOARD: The requirement to hold a ballot is an incentive to resist strike action. The Bill will take us back to the days when unions had the ability to call strikes during industrial and wage negotiations. Why does it do that? It will be blackmail. We do not need those provisions. It will allow the unions to indulge in arm twisting. We will deal with those provisions during the consideration in detail stage.

Mr Birney: It is about taking power away from union members and giving it to blokes at the front of the room.

Mr BOARD: I know. We will seek to change those provisions by moving amendments during the consideration in detail stage.

The minister has been approached by members of the community in a bid to be made exempt, on strict religious grounds, from the unions' right of entry provision. In our community there is a religious group known as the Plymouth Brethren, large numbers of whom live and work in the electorates of some members of this House. I will not go into detail but they employ approximately 1 500 people in about 120 businesses in both metropolitan and regional areas of the State. The lack of association is fundamental to them and binds their religion. They do not allow their members to associate with any group, whether it be a Rotary club, a P&C association, a union or anything else. It is anathema to the Plymouth Brethren for unions to be able to dictate terms within the Plymouth Brethren's workplace. Legislation has been implemented in New South Wales to protect the beliefs of this religious group. I ask the minister to examine the logic of the amendment we will move during the consideration in detail stage. It will protect an interest group based only on its religious belief. I can think of no other religion that qualifies for such an exemption. The Plymouth Brethren are so strong in their beliefs that I understand they are prepared to close their 120 businesses rather than see the provisions of this legislation prevail. That is not a threat from me and I am not making a threat on their behalf.

Mr Watson: Are you part of their group?

Mr BOARD: No, I am not part of their group. I understand their principles and I am asking members opposite to understand their principles and to support the minister, who I hope will support the amendment we will move. It is a minor amendment, which will not hurt the unions or union membership but it will fundamentally protect the beliefs of the Plymouth Brethren. I ask members opposite to keep an open mind on that issue.

This is a fundamental and very important piece of legislation, as was the legislation introduced in 1993. I ask government members to consider the state of the economy in 1992 and the number of things that changed as a result of the implementation of the industrial relations legislation in 1993. I hope they will talk to both large and small employers about the effect these changes will have on their direct relationship with employees and, more important, their ability to either create jobs or maintain the number of people they employ.

I fear that as a result of this legislation in an unamended form, the Western Australian economy will shrink and unemployment will rise, particularly among young people and women. Western Australia enjoys the highest number of women employed in the workplace as a result of the flexibility that is available. However, the Government wants to change that and implement archaic practices based on demand not from the community but from a few muscle benders who want to control the work force in Western Australia and at the end of the day generate incomes for their own survival. Their survival will mean the death of the Western Australian economy.

MR OMODEI (Warren-Blackwood) [7.48 pm]: This Government will go down in history as the "thuggery and buggery" government.

Several members interjected.

Mr OMODEI: It has bugged up just about everything in my electorate. Unlike other members who have spoken, I do not profess to be an expert on industrial relations. However, this legislation will not enhance workers' prospects in Western Australia. I represent workers in my electorate. In fact, I represent all the people in my electorate. My grandfather was a timber man in the Sons of Gwalia mine in the early 1900s and his

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brother a powder monkey in the same operation. They spent a lifetime in the goldfields. In fact, they resurrected my grandfather's hut in Gwalia. My family comes from Gwalia and my father was born in Leonora. Our family went to the south west in 1925 as Italian migrants to take up a condemned group block. Italian migrants did not get any preferential treatment in those days. My family worked very hard. My grandmother told me that she came from a place in Italy, where there was running water and electric light, to a tin shed in Gwalia with a dirt floor and hessian and lime partitions for walls. She went from there to Eastbrook, where we are now, in the middle of an old-growth forest. When she went there it was a cleared block of two acres and a house with no windows or doors. Today that property is owned by my older and younger brothers. Our family worked very hard during those times. After I left school I spent the next 20 years knocking down large, dead trees that had been ringbarked by sustenance workers in the 1930s.

I look at the legislation that is served up to members today by successive Governments and think back to the working gear we had in those days - a pair of black shorts, a hat, five wedges, a sledgehammer and a chainsaw. I therefore know a little about hard work and about the people involved in the timber industry in the south west. I grew up in the middle of Pemberton, a timber town, and played football there. I tell the member for Collie that I knew the colour of my football colleague's eyes. When I stood for election in 1986, the electorate voted two to one against me.

Mr Watson: What is the colour of his eyes?

Mr OMODEI: Blue.

The electorate voted two to one against me when I stood for election supporting timber workers in their plight to ensure they had a resource so that they could have a future for their families. I find myself now about 25 years on still fighting the same fights. I look for support to the leaders of the party, such as John Curtin, and to the party which is supposed to support these people. John Curtin was a famous Prime Minister of Australia who was revered by the Australian Labor Party. As the first president of the timber workers union in Victoria, he must be turning over in his grave now when he sees what is happening to timber workers around Australia, particularly in the south west of Western Australia. I look for support to former Premiers, such as Scaddan, who built railways and ports and who was a champion of the working class.

I consider that I am from the working class. I am a person who represents working class people, including employers. I ask myself what this legislation will do for workers and who are the people who purport to support the legislation. The people who represent the timber workers in the Australian Workers Union, Tim Daly and Nick Oaks in particular, do a damn good job. Nick Oaks stood against me in a couple of elections and is now the President of the Shire of Bridgetown-Greenbushes. The stories I get back from these people are interesting. However, I tell members that when these people do not get satisfaction from their union representatives, they come straight to my door. My office can fix nine out of 10 of their problems because we sit down with them and the employers to resolve the issues. I have had interesting discussions with Nick, whose fortunes with the Australian Labor Party have ebbed and flowed in the past few years. He said that he had been told by the hierarchy of the Labor Party - not by the union - that it will not deal with workers' issues if they are not members of a union. These people may be reasonably well read, but they are not highly educated and are probably not members of a union because they want to save a few bob to give their kids a better education. The industry has been stable over many decades and, as we have tried to tell the people of Western Australia, is probably the most sustainable industry anywhere.

What will this Bill do? As I said, my electorate is just about buggered at the moment. After the Government's announcement last week on timber volumes, the future is not bright for timber workers, whether or not they are members of a union. In answers to questions I asked in this place, the Premier said there will be 1 000 jobs lost. The former Minister for the Environment, Bob Pearce, was a champion of the Labor Party. When he was on the government benches in the dying days of the Labor Government he was the only member who was still on his feet at midnight. Now he has been pilloried by the Labor Party because he represents timber workers, the very people whom the party should be representing.

I am saying to the House that commonsense must prevail. We must not turn the industrial relations legislation completely on its ear just because there was a huge surge of anti-government sentiment when it was brought into the House by the previous Government. Prime Minister Blair in the United Kingdom, who is well regarded as an international leader, has not thrown out all of the legislation brought in by Thatcher when she was Prime Minister.

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Many industries and employers want to run their businesses on weekends and late at night. A security firm in the city cannot be compared with a security firm in the country. My electorate officer was a member of the Labor Party. I employ Labor Party people because they are hardworking and I place trust in them. It is amazing the work that they can produce. My electorate officer owns a small security business and he will go broke under this legislation. What do members believe small business owners think about this legislation? There must be flexibility in the workplace for agreements to work between employers and employees.

I shall give the House an example. My son runs our property at Eastbrook. We employ a 17-year-old fellow who is on the horticultural award rate of \$6.01 an hour. We have been paying him \$12 an hour since he has been working with us for almost a year. We are not only providing him with a future but also ensuring that he takes a technical and further education course that may ultimately gain him entry into university. That is happening to a lot of people in the horticultural industry in my electorate.

In the tourism industry, which is supposed to be the salvation of the economy in the south west, many businesses run on weekends, long weekends and late at night. If there is no flexibility in the legislation, those businesses will go broke. I canvassed my electorate, as a local member should do, to get some feedback. I did not pitch the electorate an extreme employer line. I provided the electorate with the legislation and it provided me with a response. Almost universally the members in my electorate said that because of the way in which this Government is treating the district, they will go broke anyway. The ones running significant businesses said they would have to reduce their employment by 10 per cent and would be doing a lot more of the work themselves. Some of them, particularly timber millers, said that the legislation would probably tip them over the edge. That is the feedback on this legislation that I give to the Parliament from the people in my electorate. Other members will go into the detail of the legislation. The shadow minister, the member for Kingsley, gave a good exposé of the legislation and its impacts on people.

I refer to the way in which this legislation came into this place. The Opposition put a rational argument to the Government imploring it to not allow unions to enter work sites so that they can delve into the business of people who are not members of a union. If that is to be the case, then all we shall have is employer-union strife. I clearly recall the legislation that passed through this place. I was very disappointed with the way in which the conservative Government handled the people in the public gallery. I thought that every single one of them should have been arrested. The way in which they intimidated members and overrode the principles upon which this place is based was an absolute disgrace. It was a great shame, and it will always stay in my mind. They were back in this place the other week singing smart alec songs from the gallery, and they were allowed to proceed without being brought to order within an appropriate time. We cannot afford to run this place on that basis. I cannot see employers from Western Australia in the gallery today, and I cannot envisage them marching in the streets. They are too busy trying to make some money so that they can pay their employees.

Several members interjected.

Mr OMODEI: It brings home to me some of the things that happened when I was the Minister for Local Government, regardless of my involvement in the timber debate. The then Government decided to split the City of Perth. I met with representatives from the Miscellaneous Workers Union on seven or eight different occasions. The Local Government Act 1960 stated that if a local government area was divided and other councils gained from that division, twice the award rate would be paid to any workers made redundant. The award rate was four weeks pay for every year of service, so the workers would have received eight weeks pay. I met with all those people and the meetings were very amicable, but guess what happened? The day the legislation went through the Parliament the union movement marched on the Parliament. I wonder why? I had had all these amicable meetings with them and everybody seemed quite happy and had agreed to the split. Who had stirred up those people who came into the gallery? I do not have to look very far. They are sitting not far away from where we are sitting on this side of the House. The union members came to Parliament and threw eggs at the minister. I clearly recall an egg hitting me on the arm, the shell falling on the ground and the yoke flying straight through to hit Hon Bob Thomas fair and square on the chest. He was sitting there and gloating, so I thought it was probably one the nicest things that had happened that day. It was interesting to note that afterwards Adrian Bennett confessed to me that it was a recalcitrant member of the union movement who was aiming the egg at him, which I thought was an interesting explanation. It is not necessary to go to the level of industrial unrest to have legislation passed through this Parliament. If we carried on with that kind of action through to the final stage we would have anarchy in this State. If the employers and the people who are busy making a living adopted the same attitudes that the union movement adopted when the conservative legislation was passing through this Parliament we would have absolute strife. I am sure that nobody who was in this House in those days would like to see a repetition of that kind of behaviour.

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Members opposite may think that this will help employees but they pretend to be the champions of employees when they put hundreds, if not thousands, of them out of the work in the south west. I have never seen the like of such hypocrisy in my life. When this legislation is passed a lot of people will lose their jobs because the employers will not be able to meet the conditions set down by this legislation. That advice has been given to us directly by the community today. This legislation is an abomination.

MR GRAHAM (Pilbara) [8.05 pm]: Nothing livens up State Parliament like a debate on industrial relations. I must make a confession; I have been a trade unionist most of my adult life. I was a trade unionist until the lead-up to the last election when my union told me that it was going to use my union fees to campaign against me in the election. I have not paid any fees since then. The union has not sought them and I have not paid them, and I think that is a fair and reasonable settlement.

I spent most of my adult life as an active trade unionist and I am gratified that I did. I did sit down and put pen to paper to knock up a list of some of the trade union people I have worked with throughout my adult life, but I have left it behind. However, it is an impressive list and includes many of the people in this Chamber. It starts with young Jack Marks, a guy who I consider to be a great Western Australian, who was my mentor in the trade union movement and made a magnificent contribution to working people in this State. At the end of his life he was Mayor of the Town of Vincent, and throughout his entire working life he made a magnificent contribution to a range of organisations and people. He got his authority and standing to do that from the trade union movement.

There were other people on my list, such as the member for Riverton, Tony McRae, with whom I served in the iron ore industry as a union convenor. The member for Peel, Normy Marlborough, was also a union convenor. Also on the list was John, or Revo, Gandini who was an active trade unionist and spent 35 years, partially using his union position, to argue for the freedom of East Timor. Without the trade union movement he could not have done it, and he has been vindicated on his stance in his adult life for no other reason than that he was a trade unionist who believed fervently in that issue and argued hard for it. There are hundreds of people who have put in hours and hours of unpaid work to further and improve the conditions of the people they work with. I can never belittle that part of my life and the sheer pleasure, the skills and experience I got from working with those people. I made some great friends during that period and I have made some great enemies. However, I have always had the attitude in life that as long as I make more of the former than of the latter, I have done all right. I still think that is the case. Others we have worked with over the years have made a magnificent contribution to this country as trade unionists. The member for Warren-Blackwood referred to John Curtin, a trade unionist, who became Prime Minister of Australia.

Mr Omodei: Jack Marks was a good mate of mine too.

Mr GRAHAM: Yes, I know. John Curtin became Prime Minister of this country because he was a trade unionist. Everybody in this day and age accepts that he is arguably the greatest Prime Minister this country has ever had. He effectively killed himself in the job to save this nation. When he moved on, his job was taken by Ben Chifley, another trade unionist, who put together the postwar reconstruction of Australia. He got his job because he was a trade unionist. Those on the conservative side of politics may talk about the trouble on the wharves and the trouble in the coalmines, but they should just remember Ben Chifley. There were subversive elements in the trade union movement and it had been hijacked; however, when push came to shove Chifley's action was to call out the troops. That is the only time it has ever happened in this country. It had to be a trade union man and a Labor Party Prime Minister to make the decision to turn out the troops on the wharves to save this country again. I could go on about other trade union people I have worked with over the years, and there are a couple of notable luminaries; Bob Hawke was not a bad one. I rate him as one of the great Prime Ministers of our time. Simon Crean is another person I have worked with. He will be the next great Prime Minister of this country. He is a fantastic man.

Mr Birney: People don't like him.

Mr GRAHAM: That is their choice. This is a guy who, when given the job of agriculture minister in the Keating Government, was loudly and roundly condemned by the farmers and pastoralists of this country as being one of those commos off the wharf. When he lost his job, the National Farmers Federation said he was the best agriculture minister this country had ever seen. That is the stamp and measure of Simon Crean. I make no bones about the fact that I am proud and happy to have had the opportunity to meet and work with him during both industrial disputes and peaceful times. I have had the benefit of watching his great mind at work in some pretty tough negotiations. He is a tough operator. He will be a good Prime Minister.

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If I could wave my magic wand and get an industrial relations system that worked and with which I felt comfortable, we would go back to big, strong democratic unions and to awards that were collectively and democratically bargained. That would be the way wages and conditions would be put in place. At the end of the life of the award, it would all be done again. That is the system with which I grew up and in which I spent most of my working life. I interjected on the member for Riverton the other day -

Mr McRae: But I didn't respond.

Mr GRAHAM: No, of course the member did not. I interjected during the discussion about people who could not read comprehensive awards and those sorts of things. We were talking about the iron ore production and processing award of 1984. I could just about rattle them all off by heart because I was part and parcel of the process of negotiating with the company to achieve that award, which set pay and conditions for a couple of thousand working people. Sometimes the negotiations were friendly, sometimes they were tough and tight and sometimes they involved disputes. However, at the end of the day we arrived at an award that we worked with and in the main stuck with. It worked successfully and established that industry, which is now Western Australia's biggest industry.

The world has changed. We cannot go back to that system. That will not happen. It does not matter what legislation is brought into this place, because we will not go back to the old system. I find that sad. During the past eight years, we had the so-called Kierath first, second and third wave industrial laws. They were absolutely atrocious. It was an attempt by the Government of the day to remove the trade union movement from the workplace, which I do not think should happen. The previous Government attempted to remove all authority and negotiating power from working people. It could have taken another course, which would have led to a similar political outcome - the removal of the trade union movement from the workplace - but would have put in place a legitimate industrial relations regime that would have given workers access, with or without unions, to the Industrial Relations Commission. That would have enabled workplace agreements to be examined by someone with some authority. The purpose of that would not have been to determine whether the agreement met the minimum requirements, because the Government sets minimum requirements, but to allow a third party to investigate the agreements to see whether they were legitimate. The previous Government could also have put into its Acts the power for a third party to negotiate with workers. I have sat in on many negotiations over the years. A big multinational or another huge company can say to its 2 000, 3 000, 4 000 or 5 000 workers that it has given them a standard workplace agreement, which they must sign or they will not get a job. A worker has no power to negotiate in that situation. I have changed my views over the years and I think those people must have the right to negotiate, whether the unions like it or not. They currently do not have that right.

In a couple of speeches this evening I have heard the employer point of view that there is no room for third party involvement in workplace arrangements. That is absolute nonsense. Madam Deputy Speaker, if you and I were to sign a contract of any other kind, we would be able to take it to a third party - our lawyers, the courts, or the small claims or human rights tribunals, depending on the type of contract. In every other aspect of corporate life, there is an avenue for a third party to interfere in a relationship. That is true even in marriage, for God's sake. The other side of politics says that that cannot happen in industrial relations. That is nonsense. The argument I make, which is different from the one I previously put forward, is that given the change in the workplace and in the nature of work, which are the two key issues, there is room for third party involvement, which may or may not be union involvement. If the iron ore, gas or coal companies were to offer individual workplace agreements to their employees, why would those companies be scared about employees picking up the agreement at the company office, taking it to somebody for advice, and coming back with someone to negotiate on their behalf? I would prefer that that someone be a union person, but what if workers do not want union people to negotiate on their behalf? Should they not have the right to negotiate? That is the fundamental question that the Kierath legislation did not address.

The balance in industrial relations was, and still is, tilted too far to the right. Industrial relations laws can and should provide us with a system that is fair. We tend to rush between union and anti-union legislation. I will deal with that. The paper I will read from is a couple of years old, but it is still relevant. It is titled "Union Decline in Australia: The Role of Human Resource Management Practices and the Union-Hostile Workplace" and was written by Stephen Deery and Janet Walsh of the Department of Management at the University of Melbourne. The article points out that there has been a steady and sustained fall in trade union membership over the years. In 1976 total union membership was 2 513 000 people or 51 per cent of employees in Australia, and in 1998 it was just over two million people, or 28 per cent of employees. Union membership fell in every year between 1976 and 1998. The paper states -

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The phenomenon of trade union membership decline is not confined to Australia. With the exception of the Nordic countries, union membership losses have been extensive and widespread across Europe, North America and Japan. There is a considerable body of research literature on the causes of union membership loss in these countries. A complex set of economic, political and structural factors have been identified as determinants of union membership decline in addition to the generalised rise of employer opposition to trade unions.

The paper clearly establishes that union numbers have declined. The second part of the paper talks about union structures and the retention of union members. It states -

The policies, practices and organisational structures of unions themselves can also affect membership loss.

Where, for example, authority and control is centralised and decision-making becomes highly bureaucratised, it is likely that unions will lose their representativeness and possible attraction to their members.

As someone who comes from the regions, I believe that is a worthy point. I can remember being in regional council meetings and shop stewards meetings right across the north west at which people made the complaint - it is still being made - that all the decisions are made in Perth, and asked "what the hell do we get out of the union movement?" Some of that is unfair, but it was, and is, a valid complaint in Western Australia.

I am trying hard not to be overly negative of the report, but it is entitled "Union Decline in Australia", and it looks at the reasons for that decline. The report makes this point -

Generally, Australian trade union members appear to be satisfied with the performance of their union at the workplace.

The report states that union members were asked a series of questions about their attitudes to a number of union activities. The table in the report reveals that 42 per cent of members were satisfied with the overall services that the union provided, and 46 per cent believed the union took notice of the members' problems and complaints. However, on a more negative note, only 37 per cent of the members thought -

that their union had done 'a good job of improving members' pay and conditions'.

That is an extraordinary statistic, given that the fundamental role of trade unions is to look after the pay and conditions of working people. Only one third of union members thought that their unions were good in this role. I believe that 1998 was a time of great concern for the trade union movement, and it is a point of concern that major employers have locked onto this in a very effective, quick and sophisticated manner. I suspect that if a similar survey were to be carried out now, major employers would be viewed as having a greater influence over pay and conditions than do unions. Generally, the arguments put forward to counter this are that Western Australia and Australia, have particularly harsh laws, and that employers go out of their way to put in place measures that suppress unions and substitute them for other organisations. The only comment in this report on that subject is in the comparison between Australian and British employers, and those in the United States. The report makes the point - of which we are instinctively aware - that Australian and British employers put less effort into that than do American employers. That is a reasonable assumption.

The report goes on to draw its conclusion -

The foregoing analysis indicates that union membership has declined dramatically in Australia in recent years. The literature suggests that a range of economic, labour market and political factors have underpinned the process of union membership decline. Moreover, the policies, practices and organisational structures of unions as well as management attitudes have also shaped the motivation of employees to join unions.

This report is an academic paper. We could have as many views about an academic paper as there are academics in this Chamber. However, it is the best report I could find because it sets out - seriously - to analyse the rise and fall of the trade union movement in Australia without apportioning blame. The report is not funded by unions for a pro-union case, or by employers for a pro-employer case. It seems to be a middle of the road case. The report raises some very serious questions. Today, I listened with interest to the comments in the Chamber about the role of unions in Ansett.

[Leave granted for the member's time to be extended.]

Mrs Cheryl Edwardes; Acting Speaker; Mr Colin Barnett; Mr John Kobelke; Mr Rob Johnson; Mr Arthur Marshall; Mr Brendon Grylls; Mr Bernie Masters; Mr Mike Board; Mr Paul Omodei; Mr Larry Graham; Mr John Bradshaw; Mr Matt Birney; Mr Rod Sweetman; Ms Sue Walker; Mr Bill McNee; Speaker; Mr Terry Waldron; Mr Tony McRae; Deputy Speaker; Mr Jeremy Edwards

Mr GRAHAM: I wonder how Ansett's workers would have handled their situation if they had not had an organisation to fall back on, such as the Australian Council of Trade Unions. When Ansett was experiencing difficulties and when it hit the wall, what other organisation could be called upon other than the ACTU? The ACTU became involved directly, and it removed the first administrators because - I believe these were the words used at the time - of a perception of a conflict of interest. I do not know any other organisation in the country that could have achieved that. Indeed, an individual worker could not have done it because of the dearth of laws for workers' rights. In fact, had an individual worker known, as many of them did, that Ansett was going down the plughole and had he or she tried to do something about it, that employee would have been in breach of employment conditions and could have been terminated. It is a bizarre set of circumstances when 16 000 people can lose their jobs for a variety of reasons, and yet the only people who know about it cannot do anything to prevent it from happening. If nothing else, that mitigates for an independent trade union movement.

However, the major concern for the trade union movement has to be the fall in membership numbers. That is the question the union movement must address. It is not for me to lecture the trade union movement - I certainly will not do that - and tell it what it should or should not be doing. However, an organisation cannot claim legitimacy and total and absolute right when it represents, at best, a quarter of the work force. As legislators, we cannot put in place a system that gives total control to a quarter of the work force. I am not suggesting that this legislation does that; it may in places, but not in its entirety.

Many people in the north west have been waiting for this legislation before making very important decisions. At the consideration in detail stage of this Bill the glaring difficulties for some of these people will become apparent. They have been put in a position in which they have to decide whether they will move to the federal system or stay within the state system. Some have to sign EEAs, or go for a collective bargaining union award. Thousands of people are sitting around waiting to see what this legislation will bring before they make that very important decision. I am not sure - I said this prior to election - whether this legislation will make their decision any easier. With great respect to the minister, I know he has been to the north west, and that he has also said that it is not for the Government to solve the industrial disputes. However, the Government must put in place a system that works. Some people are experiencing very difficult circumstances. If I am critical of parts of the legislation - I will be of some aspects - my criticism will revolve around questions of access, and the mix of powers available to unions versus the mix of powers that will be, or should be available, for individuals. My criticism will also be aimed at the ability of people to turn to a third party if they have difficulty with an EEA or a registered agreement, award, or whatever system happens to be in place for collective negotiations.

I would like the minister to provide an undertaking that this will not be like the one vote, one value charade of debate and committees. Will the minister seriously consider amendments? If so, I will do the work and plan some serious amendments. However, if this Bill is like the one vote, one value legislation, in which the deal was already done and locked away, let me know because there are a million other things I could be doing. I would like to work on some amendments.

Mr Kobelke: The Government is prepared to consider amendments. I am not inclined to adopt any major ones, because of the complexity of the legislation, but if you want them considered, I will need notice in advance so that I can seek technical advice.

Mr GRAHAM: I will do that. The amendments revolve around the points I have raised.

There has been, and there will be again, heated debate about industrial relations and who should get the greater consideration. I always like to obtain a good quote if I can. In all my reading, I have only ever come across one good conservative. I do not mind liberals, but I have only ever come across one good conservative, the great Abraham Lincoln. This is a quote from a statement he made to Congress -

Labor is prior to, and independent of, capital. Capital is only the fruit of labor, and could never have existed if labor had not first existed. Labor is the superior of capital, and deserves much the higher consideration. Capital has its rights, which are as worthy of protection as any other rights.

That was quite valid when Lincoln said it 140 years ago, and it is valid now. Industrial relations should not be about exclusion; it should be about equity and fairness. If it is conducted in a modern and sensible way, it means that business flourishes.

MR BRADSHAW (Murray-Wellington) [8.32 pm]: I oppose this legislation. It is bad legislation, which will set Western Australia back quite markedly and have the reverse effect to that which the Government is claiming. There is a place in society for unions. Over the years that I have been a member of Parliament, when workers have come to my office I have encouraged them to become or remain members of unions, because I have always

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felt that people in society need somebody to stand up for them, whether it be in the area of wages and conditions, loss of jobs or any other labour issue. That has not applied only to the workers. The Australian Medical Association stands up for the medical fraternity, and various other professional organisations really act as the union movement for the professions. It is universal, and I encourage it. Over the years, however, I have noticed that some of the unions are excessive and over the top, and they certainly do not help society with the way they carry on. That is the worry I have with the legislation. The Government, and particularly the Premier, espouses democracy. A large part of democracy is freedom of religion, freedom of speech and freedom of movement. This legislation is taking away some of the rights people have in this society. This legislation will allow unions to be involved in negotiations, whether or not people want them. It is everybody's right to decide whether they wish to belong to an organisation, or whether they wish to conduct their own negotiations with an employer. It is not the role of the Government to force a situation in which the unions have to be involved.

Some of the things that have happened over the years have certainly not been in the interests of the workers. One that comes to mind is the buffalo abattoir in the Northern Territory. About 15 years ago the owners of the abattoir and the workers came to an agreement with which the workers were very happy. The unions had some problem with this agreement, so they placed a picket line and shut the abattoir down. As a result, the workers were out of a job, even though they had come to an arrangement with the owners. In the end, the matter was taken to court. The abattoir owner won, in the sense that money was paid to him. However, I met him some years later, when he was living at Serpentine. I cannot remember his name. He said that even though he had won, he had lost. He had lost his business, and the workers had lost their jobs. Another case that comes to mind is the IXL factory, which was in trouble financially and was threatened with closure. The management came to an arrangement under which the workers would work for less than the award rates. The unions stepped in again and forbade that agreement. Somehow, the workers won the day. Productivity increased, the business got back on its feet, and those workers were paid back the money they had forgone to keep the company going. Apart from the workers in the IXL factory, there was concern also for the fruit and vegetable growers who sent their produce to the factory, the truck drivers and agricultural workers. A huge number of people are affected when a business shuts down. If members ever took the time to look at the products they buy on the shelf they would find that very few brands of jam are actually produced in Australia. IXL is one of those few, yet here was this union, trying to make sure that IXL shut down. That incident goes back a few years as well, but it is just another example of unions being bloody-minded about being involved and flexing their muscles, and nearly sending that company to the wall, along with all the farmers. In the end, more imports would have come into Australia and more jobs would have been lost.

When investors look for places to invest, both in Western Australia and overseas, they look for all sorts of things, not just what is available, the work force, the raw materials and so on. They also look at the industrial relations system. If they see an industrial relations system that may cause them problems and become difficult to work with, thereby increasing their costs, they will not invest their money in Western Australia or Australia. It is important to have flexibility in industrial relations arrangements so that they are beneficial for employers as well as employees. Things have changed from the good old days when things flowed and there were set wages and people worked regular hours. In those times, it probably did serve a good purpose to have set awards and regulations. Sometimes I think I am a dinosaur, living in the past, because I like to think things are still the way I remember them from when I was a child. There was full employment, and the family unit was mum, dad and two or three kids. Things have changed.

Mr Sweetman: You could leave the keys in the car!

Mr BRADSHAW: Yes, you could. There were a lot of good things in those days, but things have changed. Now both partners in a relationship are working, and it often suits people to have one partner at home minding the kids while the other works, and to do that necessitates night and weekend work. Penalty and overtime rates under the fixed award system can make an enormous difference to businesses in the form of increased costs.

The issue of pre-strike ballots is another area in which this legislation takes a backward step. Unionists are bullies and thugs who whack people with whom they do not agree. If ballots are not secret, people will be intimidated and they will put up their hands if they believe that will mean they will not be belted. In other words, they may vote against their conscience because they are not game to do otherwise. It is a disgrace that this legislation removes the necessity for a secret ballot. It takes away people's freedom to vote the way they feel, not the way people who called the strike or the vote want them to. Those difficult situations will arise if the requirement for a secret pre-strike ballot is removed from the legislation.

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The loss of jobs in the timber industry in the south west over the past year or two has been a sad affair. Although certain union members, including Tim Daly and another union member whose name I forget, fought to keep those jobs, it is interesting that other unions have gone down the path of locking up old-growth forests. This issue is very emotional and is hard to defeat in the community. I am aggrieved when instant experts from the western suburbs who have no idea about forest management -

Mr Kucera: There is one sitting on your front bench.

Mr BRADSHAW: That may be, but I do not care; I will call it how I see it. Some of the greatest hypocrites around the place are people in those western suburbs who have jarrah in their ceilings, in their feature walls and in their outdoor settings. However, when it comes to looking after the poor old timber worker in the south west they say, "Too bad." Those people earn \$200 000 a year and have a Mercedes parked in the drive. They forget about the poor old worker. They just want to save the old-growth forests. This is a very emotional issue.

I do not subscribe to what has happened in the past few years. We should have left forest management to the professionals in the timber industry. They should say what should or should not be logged. Instant experts should not dictate to us. It has been a sad state of affairs. However it may be, that has passed and we must get on with our lives. The old-growth forests have been locked up and it will be interesting to see how they are managed over the years. If major bushfires occur in those old-growth forests, they will cause great devastation because of the intense heat. If the forests were burnt off on occasions, which they were in the days before white people came to Australia, the fuel in the forest would be kept down. If that fuel has been left to build up, the fires will become more intense and will have a devastating effect on the forests.

We must have flexibility in the workplace. However, this legislation will not provide that. In his second reading speech, the Minister for Consumer and Employment Protection stated -

This Government is determined to re-establish a more just and balanced system and to provide a fairer go for all parties involved in the workplaces of Western Australia. While the majority of employers abide by the law and recognise their rights and obligations, there are some employers who do not.

That is correct. It does not matter where, how or when, eventually some stupid employers will try to rip off their workers. That has not happened only since workplace agreements were introduced. Safety nets are in place to cater for those circumstances. To be fair, there is some justification for the criticism that some people were forced into workplace agreements. The Government should have decided to provide more advice to workers so that if they did not want to be in workplace agreements, they could go back to the award system. Some employers do intimidate workers and try to force those agreements on them.

When we had only the award system, some employers were taken to court because they underpaid their employees. Employers who rip off employees are not unique to workplace agreements. Employers try to get the cheapest labour they can at any cost, which is stupid. Generally, workers will move on as soon as they can if they are not happy in the job and are not paid a fair wage. The more turnover of staff a business has, the less continuity there is of production and therefore productivity falls. Those employers who try to rip off their workers are worse off in the long run. However, some employers are silly and do not try to be fair to their workers.

The minister's second reading speech further states -

The coalition labour relations system was clearly ideologically driven, with the aim of reducing third-party involvement whether that be the Western Australian Industrial Relations Commission as the independent umpire or the unions.

This could be the case. I believe there should be a place where people can go to sort out their grievances. As far as I know, under the workplace agreements system people could complain if they felt they were being dealt with unreasonably.

Mr Johnson: There was a commissioner.

Mr BRADSHAW: They went to the commissioner. I do not support this legislation. I worry that the unions will become involved in disputes whether or not people want their involvement. I am not anti-union; I believe that unions have a place. However, it is up to individuals to work out whether they wish to be union members or to have a union representative or some other advocate represent them. Some people are happy to deal with the employer themselves because they do not need anybody else's help. Once a union is involved, people will have to join the union and pay union fees, which they might not want to do.

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I object to this legislation. It is a sad day for Western Australia because the Government has decided to go down this path. In the long term it will have a detrimental effect; it will have an adverse effect on employment in Western Australia. We have had one of the lowest unemployment rates in Australia. Just like the Western Australian Labor Party's dealings with taxpayers' money, it will cause us big trouble. Our troubles will start to grow once this legislation is passed, because it will result in higher unemployment.

MR JOHNSON (Hillarys) [8.48 pm]: Since the Labor Government was elected in February last year, I have noticed that trade union officials and trade unionists have been walking around Parliament House and the courtyard as if they owned the place.

Mr Bowler: They do own the place; they are taxpayers.

Mr JOHNSON: Absolutely, that was the very point I was going to make. They own this place because they own 60 per cent of the Labor Party.

Mr McRae: Who else would you banish from here?

Mr JOHNSON: I will tell the member. The unions are walking around this place cock-a-hoop. The Government is like a compliant bride; the unions have a compliant Labor Party Government and a particularly compliant labour relations minister; he is absolutely compliant.

The Premier in his heart of hearts is not so keen on this legislation. Maybe that is why he has been missing throughout virtually the whole of this debate. Why is his heart not in it? Maybe it is because he is a Rhodes scholar who has a bit more commonsense than other members on that side of the House. I believe the reason is that his good mate and mentor, Tony Blair, probably told him to do as he did and leave the union movement alone. He probably said that the union movement has had its day and Britain is moving forward. He probably said that Britain has low unemployment and a tremendous economy and that if union thugs are allowed to go in and take over again, the British New Labour Party will never get elected for another term. One of the reasons that New Labour was elected at the last election was that Tony Blair and his Labour Government had kept the unions down. Tony Blair is almost a conservative, because many of his policies are conservative-type policies with which I do not have much disagreement.

Tony Blair would be aghast at what is happening in this Chamber today and at what the Labor Party in Western Australia is doing. It is taking us back 30 years to the bad old days. Why is it doing it? It is because the Labor Party is desperate for funds. Labor Party members know that their union bosses have 60 per cent of the preselection votes, so they are absolutely compliant to them. The unions want to up their funds and the Labor Party wants to up its funds. My colleague the member for Kingsley has already said this, but I want to repeat it because it is very important: by giving back this enormous draconian power to the unions, the Government will enable the unions to coerce, bully and use whatever tactics it takes to increase their membership in Western Australia, which is at an abysmal level at the moment. If the unions succeed in doing that, who stands to benefit? It is the Labor Party. I want to know whether the Labor Party has had the cheque yet, because I am sure that is part of the deal. I am sure the union movement told the Labor Party that if it rammed this legislation through Parliament as quickly as it could, the union movement would send the Labor Party the cheque, but that if the Labor Party did not do it, the union movement would not send it any money. If the Labor Party does not get the cheque from the union movement, it will have no funds for the next election. It will be desperate, moribund and have nothing with which to fight the next election. That is why it has introduced this legislation and is attempting to take the State back at least 30 years to the bad old days. If the Labor Party does not have it already, the cheque will be in the post.

I talk to the general public, not only to businesspeople. Businesspeople are absolutely horrified at the sort of legislation the Minister for Consumer and Employment Protection has introduced in this House. Why is that? They know that to comply with the union demands, this Labor Government is putting in place legislation that will cost them a fortune. They know they have two options: they can either put people off and not employ more people or go bankrupt. I make the prediction that by the next election in three years time, bankruptcies and unemployment will be at record levels, similar to those left to the coalition by the last Labor Government nine years ago. There was not only massive adult unemployment, but also youth unemployment. Who do members think will be worse off as a result of the passage of this legislation? It will be the youth of this State. The Government is taking a dreadful retrograde step for youth.

I accept that one or two members on the other side of the House have been in business and employed people, but the vast majority have never had to put their hand into their pocket to create employment. I know that the

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member for Eyre has, and I have a lot of respect for him as a businessman. I do not know much about him, and I always thought he was Postman Pat, but I am sure he must have other attributes.

Mr Kucera: We have seen some of the businesses your people have.

Mr JOHNSON: I am not talking about our businesses but about people who have experience in creating employment. That is what we are all about. We are trying to encourage people to invest hard-earned income and savings into businesses that will create employment. We do not want businesses to go bankrupt. That does not matter to the unions, as long as they can increase their membership. I give members an assurance that businesspeople, particularly those with small businesses to whom I mainly talk, are absolutely horrified. They are extremely nervous about what will happen to them once this Bill has been through both Houses of Parliament and is proclaimed.

Ordinary employed or unemployed people have another concern, particularly those people who are or have been on workplace agreements. I spoke on this subject previously when the House was debating workplace agreements. On the Monday morning after this Government came into power, I believe that the Minister for Consumer and Employment Protection told all government departments that they must not renew any workplace agreements. I am pretty certain of that. Somebody in the nursing profession came into my office and asked what she could do because her workplace agreement was up for renewal. She said that she agreed with the workplace agreement; that it suited her down to the ground; that it gave her flexible working hours; and that it suited her and the health authority for which she was working. She said that she was told that the health authority was not allowed to renew the workplace agreement. She was an ordinary working nurse in Western Australia. Western Australia is desperate for nurses, yet she could not have the employment conditions that suited her and her family. I find that disgraceful, because it was immediate discrimination against those people who want to work the hours that suit them for the wages that suit them and for all the other benefits encompassed within their workplace agreements. That applies not only to that nurse. Other people since then have told me that they are disappointed that the Government intends to phase out the workplace agreements that suited them.

The vast majority of the general public knows what will happen over the next two or three years. Many are very worried about their jobs. Labor Government members may not think so, but the general public remembers what happened when they were in government last time. When we took over from the previous Labor Government, unemployment was very high - I think it was the highest on record.

Mr McRae: Why was that?

Mr JOHNSON: Perhaps the member might tell me, because his party was in government. It happened because of union work practices and because employers could not afford to employ people. I do not employ people these days because I do not run a business on a day-to-day basis any more, but over the years I have employed people. The maximum number I employed at any one time was 40 people. During that time I did not employ one union member. Why was that? It was because my employees were happy. I treated them well; they treated me well; we had a wonderful arrangement; they got paid well and they did their job. That went on for 18 good years. Whenever a union official tried to muscle his way in and talk them into joining a union, they said, "On ya bike!". They did not want to pay. The unions did not like that. Let us make no mistake about it: the unions are interested in money and power, in that order. Members on the other side of the House often criticise people in business or the media by saying that they are interested in power.

Mr Birney interjected.

Mr JOHNSON: It is absolutely the tall poppy syndrome. If somebody works really hard and makes a fair bit of money, employs people, does well and treats workers properly, that is not good enough for the lot opposite. They kick them when they are down. Many of those people will go bankrupt in the next three years. I have made that prediction. I will remind them -

Several members interjected.

Mr JOHNSON: Many more people will go bankrupt.

Several members interjected.

Mr JOHNSON: I obviously meant many more.

Several members interjected.

Mr JOHNSON: I do, but I must listen to drivel from members opposite, and it puts me off my stroke. The member for Riverton rambles on. He is always getting the wrong end of the stick. He embarrasses himself by

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Mrs Cheryl Edwardes; Acting Speaker; Mr Colin Barnett; Mr John Kobelke; Mr Rob Johnson; Mr Arthur Marshall; Mr Brendon Grylls; Mr Bernie Masters; Mr Mike Board; Mr Paul Omodei; Mr Larry Graham; Mr John Bradshaw; Mr Matt Birney; Mr Rod Sweetman; Ms Sue Walker; Mr Bill McNee; Speaker; Mr Terry Waldron; Mr Tony McRae; Deputy Speaker; Mr Jeremy Edwards

raising points of order that have no basis. He should sit quietly and listen. He is one of the worst interjectors opposite. He is an embarrassment to the Leader of the House.

Mr Kobelke: Not at all.

Mr JOHNSON: Always!

Another part of the Bill causes me great concern. What the unions do if the rate of unemployment goes up and businesses go bankrupt does not affect me personally. I am concerned about the small businesspeople who have put their hard-earned savings into businesses and their potential employees. The youth of tomorrow will find it very hard to get a job. I assure members opposite that many businesspeople -

Mr McRae: The youth of tomorrow are finding it hard to get a job because they are still children.

Mr JOHNSON: The member has provided a classic example of the drivel he comes out with.

Several members interjected.

Mr JOHNSON: It will cost members opposite dearly.

Unionists will have an unfettered right to go into any workplace. They will have more power than the police. If police officers want to inspect a workplace, they are required to obtain a search warrant. Will that apply to union thugs? Absolutely not! This Government will allow union thugs to go into workplaces without a search warrant and to inspect documents relating to workers even when there are no union members working at the site. The unionists will be like secret police. Someone said to me that the unions will be Gallop's Gestapo. I said that was a bit dramatic. However, unionists will be able to go through all the documents dealing with workers held by private businesses. I can understand -

A government member: You cannot understand anything.

Mr JOHNSON: I will try to complete my speech, but I am being subjected to drivel from the other side.

I could understand it if those rights were given to a government official - who would be bipartisan - but I cannot understand them being given to unionists.

No member wants to see anyone receive any less than minimum wages and conditions. I will be the first to admit that. This State has the Minimum Conditions of Employment Act, which was introduced by a Liberal Government.

Mrs Edwardes: It was the first Government to do so.

Mr JOHNSON: We did something for the workers; we provided that safety net. The Minister for Consumer and Employment Protection said that the amount provided in that legislation was \$50 below that applying in the rest of Australia. Why? The cost of living is greater in the eastern States.

Mr Kobelke: Are you sure about Tasmania, South Australia and the Northern Territory?

Mr JOHNSON: All of them are more expensive. Perth has the cheapest rent and house prices in the country, so the lower minimum wage is probably appropriate. If members opposite want to safeguard the workers, they should make the minimum wages and conditions legislation more generous. Members on this side would not object to that.

This Government is giving in to its bosses - the unions. That appals me when I think of the thugs who were in this building intimidating members in the early days of our Government. We have never seen employers lobbying outside this place, pushing, shoving, urinating and throwing objects at members of this House. Employer groups do not do that, but union thugs do. I challenge members opposite to attempt to justify that.

Several members interjected.

Mr JOHNSON: But this Government is carrying out their wishes.

Several members interjected.

Mr JOHNSON: No, members opposite are not doing that. When have they asked the workers whether this is what they want?

Several members interjected.

Mr JOHNSON: Do not tell me it was at the election!

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Several members interjected.

Mr JOHNSON: That union does not represent many workers in this State.

Several members interjected.

Mr JOHNSON: Members opposite were feeding them misinformation.

Mr O’Gorman interjected.

Mr JOHNSON: The interjector is a one-term member; he will not be in this place after the next election regardless of one vote, one value. As much as I will be sorry to see him go - he is not such a bad bloke outside the Chamber -

Several members interjected.

Mr JOHNSON: I cannot stand him.

The ACTING SPEAKER (Mr Dean): The member will address his comments to the Chair.

Mr JOHNSON: I am being sidetracked by the numerous interjections from the vegie patch.

I was talking about the disgraceful behaviour of the unions in the early days of the previous Government. We are seeing it again on some building sites. Union officials go onto construction sites from which they have been banned, but the minister will do nothing about it because he is scared. If plumbers and electricians who were union members wanted to work on the Joondalup arena construction site, they had to join another union. I wonder which union? What union does the minister think they had to join despite the fact that they were already members of another union?

Several members interjected.

Mr JOHNSON: The minister knows because he has been around for a long time.

Several members interjected.

Mr JOHNSON: If the member knows, why is he supporting legislation that will give those thugs who use standover tactics even more unfettered rights? Members opposite know to which union I am referring. It is a joke. Labourers were telling tradesmen what they could and could not do. Why? Because all the power, thuggery and intimidation was coming out of one area. People were afraid. I know somebody who worked on another building site. He told me things but said that I must never quote his name because he fears for his life. That is the absolute truth. If members opposite know some of the people involved, they would know that that is not an empty threat. He fears for his life. These are the people to whom members opposite are pandering. Of course there is a place for unions. However, there is a place for responsible unions. Many of the strikes that are called by the unions for no real reason are cooked up ideas just to intimidate the company with which they are trying to do a deal. We all know the sweetheart deals that go on. That is why I am absolutely over the moon that a royal commission is being conducted into the construction industry, and, hopefully, some truth will come out of that inquiry. When people know exactly what has gone on and how much some union officials have been paid in backhanders and everything else - the minister is raising his eyebrows, but he knows exactly what I am talking about - the public of Western Australia and Australia will see what Labor Governments stand for with the intimidation that their bosses are prepared to administer.

As I said earlier, different aspects of this Bill concern me, including the unfettered rights of the unions and the sorts of practices that we know they get up to, and this Government will allow them to do that. There have been instances in which the minister could have taken action against illegal practices on building sites. He has done absolutely zilch to uphold the law of this State.

Withdrawal of Remark

Mr KOBELKE: That clearly reflects on me and my role as a minister. It is totally untrue, as well as being outside the standing orders, and I request the member withdraw that.

Mr JOHNSON: It is a good try from the Minister for Consumer and Employment Protection, but I was not reflecting on the minister in an adverse way; I was simply stating the fact that there have been illegal practices on building sites in Western Australia and the minister has not taken action.

Mr Kobelke: That reflects on me and should be raised by way of substantive motion.

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Mr JOHNSON: I have not said that the minister has been corrupt or has done anything wrong. All I said in my submission to the point of order was that the minister had taken no action and had done zilch. For goodness sake, if the minister is going to be that sensitive, God help us in this place! He knows that that does not reflect adversely on him. I have not criticised him; I have not called him any names. I have simply stated that I believe he has done nothing to correct that situation.

Mr BIRNEY: It is a fact that some building sites across Perth and indeed across Western Australia are -

The ACTING SPEAKER (Mr Dean): No.

Mr BIRNEY: This is specifically on the point of order. I have not got to my point; I have not even started my point.

The ACTING SPEAKER: I assume that the member is addressing Standing Order No 92, which is what the point of order is about. It refers to imputations of improper motives and personal reflections. It is disorderly, other than by substantive motion, so the member should direct his comments at the point of order.

Mr BIRNEY: My remarks relate to the comments made by the member for Hillarys. It is the case that no ticket, no start signs are flying all over this State. That practice is illegal. It is illegal to discriminate against an individual wishing to join a particular workplace and this minister has done -

The ACTING SPEAKER: The member for Kalgoorlie is debating the topic of industrial relations; he is not addressing the point of order. I rule that there is no point of order at this stage, but the member is flying very close to breaching the spirit of Standing Order No 92. The member should wind up his comments.

Debate Resumed

Mr JOHNSON: I have only one minute to speak on the issue. I will not labour that point, because obviously the minister is touchy about it. However, I will say that this is the most backdated, old-fashioned, dreadful legislation in relation to the economy and employment and business opportunities in this State that I have ever seen. The Gallop Labor Government, particular this minister, is taking us back to the dark old days when the unions had the power to do whatever they wanted. By the time the next election comes around, my predictions will have come true.

MR SWEETMAN (Ningaloo) [9.15 pm]: I will make a brief contribution to this debate. At the outset, I will hark back to 1966 when I was in year 8. I had an extraordinary social studies teacher, Mr Ray Harwood. He was the best educator I was ever fortunate enough to be taught by. I believe he is still in the teaching profession today, although I have never managed to speak to him since he was my teacher in 1966. However, I recall that in my primary school years I was an abject failure when it came to social studies, particularly because of the history component. My teacher made history relevant by using up-to-date reference points. At that time there were interesting developments within Czechoslovakia and parts of the eastern bloc. Czechoslovakia was very keen to return to self-government and to be responsible for its own affairs. I recall my teacher telling the class that the Russians would not dare challenge the uprising of democracy within Czechoslovakia. I still recall my mother telling me that night that the tanks had rumbled into Prague and that the Russians had reoccupied or imposed their will over the Czechoslovakian community. The next morning the whole class sat there in anticipation as our teacher came into the room. Without making any reference at all to what he had said on previous days, he just said that he did not think they would do it. He was absolutely certain that the Russians would not do something as extreme as that some 20 years after the dividing of the spoils after the Second World War.

I relate that story to this legislation, because there were some mutterings prior to the last state election in which the Premier promised a fairer workplace. I ran an advertisement which tried to do some further extrapolation about what the Premier was alluding to when he promised people, particularly those in my electorate, a fairer workplace. I did not think the Government would do it. Last year it brought in the one vote, one value legislation. I understood what it was going to do with that legislation. The gay law reform legislation was also introduced. The Government held the Drug Summit and it was pretty clear what it would do with that issue. However, I did not think the Government would do this with industrial relations. The Premier seemed to take a fairly tough line with the unions. A lot of us were naive enough to think that he would prevail. Someone of some significance in the Labor Party was trying to impose his will and get a new ethos working throughout new Labor. It turns out that it is old Labor. Only 18 months or two years ago most people in Australia were saying that there was no difference between the two parties. In actual fact, one of the reasons that One Nation managed to capture the hearts and minds of so many people was that the major parties were seen to be identical. The leopard cannot change its spots. There did not appear to be a lot of difference between the major parties when

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the Labor Party was in opposition. However, in the shift from opposition to government, we now see how clear the differences are between the two major parties. It is not as cut and dried as the capitalists on this side and the socialists on that side. By and large, we can probably compare the two parties on that basis. I believe that we are democratic socialists or democratic capitalists, and at the end of the day there is not a lot of difference. However, to be the perfect socialist, one must first be the perfect capitalist. I do not know whether Jack Marks would have agreed with that, member for Perth, but that is my view; and I am criticised by many of my constituents, particularly within the pastoral area, as being the greatest socialist that my people have ever elected, which is a bit sad. Clearly, they do not understand what I am about, because I say again that to be the perfect socialist, one must first be the perfect capitalist.

At this time about five years ago, I was a new member of Parliament, and I think we were still dealing with the Address-in-Reply. The legislation that we dealt with almost immediately after that was known as the second wave. I was not here for the first wave, but during the debate on the second wave legislation I saw things in this Parliament that I did not think could possibly happen in a democratic society. The intimidation and the bullying started in this House. Some pretty extraordinary things have happened in this place, but, by and large, we have coped with them.

When the Bill went to the upper House, the way it was dealt with was an absolute disgrace. Earlier in this debate, reference was made to the fact that ultimately the upper House had to be closed, and it had to sit in the select committee room to take the final vote to pass the legislation so that it could be proclaimed. I remember going across to the Legislative Council Chamber on one of the last evenings that the upper House managed to sit and deal with that legislation. I have here a memento of that, and it is becoming more significant. There was an outbreak in the gallery, and this cap is one of the better things that were thrown over the balcony on that night. Many other things were thrown over the balcony that members would not have wanted to be under. It was not the first time that the upper House had been evacuated, but the people in the gallery certainly became very rowdy. There was a whole lot of raving and chanting, so that no-one on the floor of the House could be heard. The President of the Legislative Council, Hon Clive Griffiths, left the Chair, and members were asked to leave the Chamber.

This cap is one of the things that filtered down from the gallery and fell in front of the government frontbench in the upper House. On his way out, Hon Phil Lockyer kicked this cap into the air and it landed at my feet. Therefore, I thought I would keep it, because I knew it was a significant occasion - that much I did know. It was a fundamental change in industrial relations; it was labour reform. It had to happen. I had some sympathy for the union people. It is like barracking for one's football team and seeing it lose the grand final. People have some consideration and compassion for the vanquished. The unions have always had a place in Australian society. Some of the examples that the member for Pilbara gave were interesting. One must go back some time before one can identify significant people in the trade union movement who had a clear understanding and appreciation of the employers' situation and the employees' environment, and had some regard for each of their circumstances.

On some of those evenings, members were harassed and harangued when we walked out of Parliament. Few of us feared for our safety or welfare, but the haranguing, spitting and intimidation that took place as members left the Parliament was an absolute disgrace, and unions covered themselves in no glory. However, for all that, many of us, including me, had an understanding that the camaraderie and the mateship that had developed over many years and decades within the union movement meant a lot to many of those people. Many people, including me, had some sympathy for them because we were moving on; the world was turning and changing. As is said in business circles, no deal is ever perfect. Very few things that come out of this House are perfect. I have no doubt that had the Liberal Party been elected for a third term, there probably would have been legislation referred to as the third wave. More than anything else, it probably would have massaged the first and second waves so that the Act was more relevant; that is, the legislation would have been adjusted and changed, as required, to ensure that fairness and equity were observed for employees as well as employers.

Five years on, it understates the situation to say that there has been nothing less than a revolution in the workplace. I come from a business background. That does not mean that I simply take the point of view of employers in every circumstance. I love enterprise. I have worked with my hands, and as a manager and director of companies. I, like others in the work force, quite often work for the simple joy and satisfaction of achievement. Make no mistake, many employees work for far more than the money. That does not mean that they do not get paid. I am simply saying that they are not preoccupied with what they are being paid in the work force. They are the people to whom I have referred in the past week or so as the pioneers - those who went onto the individual agreements, and those who chose not to; and, instead, in fairness to many of those people,

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companies upped their award anyway. Sweeteners and bits and pieces were tacked onto their award so that the disparity was not very great between those who took the individual contracts and those who elected to stay on the award.

The changes to work practices, particularly in mining operations, have been extraordinary. Five, 10 or 15 years ago, many companies employed outside contractors to do work that their employees were unable to do at the same rate, efficiency and economies that outside contractors were able to do the work. In many workplaces, particularly in the iron ore industry and other bulk mining operations, the work force to some extent, sadly, was cosmetic. By and large, the work was done by contractors. What a revolution it has been. I spoke to the manager of Dampier Salt Ltd's operation based in Dampier. Dampier Salt's operation at Lake MacLeod in Carnarvon is about to make redundant 25 workers. As a consequence, Carnarvon will be the poorer by 25 families. I was keen to establish whether this was the start of some further downsizing, and perhaps ultimately, as a worst-case scenario, even the closure of Lake MacLeod. That would be a disaster for not only the workers but also the community of Carnarvon. He was very keen to reassure me that that was not the case. He said that there might be some further cuts in future if the world market for salt and the world gypsum price stayed depressed. I asked him whether he would consider any further restructures on site or bringing in contractors to try to lower the unit cost to be able to compete with the new operation of Onslow Salt Pty Ltd, which at the moment is sticking it up the existing Western Australian operators because it has an ultra-modern facility, is aggressive and is trying to establish itself in the world market. It is marketing its product very aggressively, at unit rates that are making the traditional Western Australian salt producers hurt. When I asked him whether he would employ more contractors to try to lower the unit cost, his response was interesting. He said that he would match his work force against any outside contractors any day. What a vote of confidence that is in the work force, and those people are not all on individual contracts.

Mr McRae: What a nonsense to say that just reducing labour costs is the answer to enterprise productivity and success.

Mr SWEETMAN: No, it is not, but it is a significant aspect of it. The Australian dollar helps.

Mr McRae: It is a good illustration.

Mr SWEETMAN: I do not know what point the member is making. The member would realise, because he was a part of that industry for a time, that today the iron ore industry is selling its iron ore at lower tonne rates than it was receiving 12 or 13 years ago - significantly lower. It is selling its product into world markets now because it is the lowest unit producer in the world, basically. That industry faces stiff competition from a high-grade product from South America and other places in the world. It is aggressively competing in the marketplace because it is able to make money at a lower rate per tonne. Labour has been a significant contributor to those lower unit costs, as has the Aussie dollar. Other factors were also involved.

Mr McRae: Technological investment.

Mr SWEETMAN: Yes. All those things have meant that companies have been able to produce their product at lower unit rates and to be viable. Without changes in the labour market, some marginal operations would not have been viable. I fear for what may happen in Newman over the next 10 or 20 years, because sooner or later the industry will come under pressure, particularly because of the type of ore at Newman. At the moment, because of the way the ore can be extracted and blended and the unit cost of abstraction and transport to Port Hedland, the operators are able to make money out of it. The workers at Newman are safe for the time being.

On the subject of Newman, I spoke to Steadman Ellis today at his office. Both BHP and the company are celebrating because they have gone 12 months without one lost-time injury. That is extraordinary. There are 1 400 people out on the hill at Newman and they have had not one lost-time injury in 12 months. That is a further manifestation of it. I do not say that that is a result of the industrial relations reforms that Graham Kierath brought in, but that it indicates a more switched on, more attentive employee who is doing his part to deliver a safer workplace for everyone. A company can make a workplace as safe as possible, but if it does not have a committed, attentive employee, the risk of an accident that results in a lost-time injury is heightened. All round, this has been a win-win situation for the workers and the companies. It has meant that jobs have been opened up where there would otherwise not have been jobs.

It is interesting to look at ways in which companies are now developing. There has been a lot of talk about people being paid at levels lower than the minimum wage. I have not come across much of that, although I have got pretty close to it. An operation on the inland fringe of my electorate was brought to my attention by some workers who came to me and said that what they were being paid could not be the award rate. They were

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working for a contractor of a goldmining company and were being paid about \$12.80 an hour. I found that extraordinary. I went to a friend of mine who is president of the chamber of commerce and who runs a business in Carnarvon. For more than 15 years, he was the shop steward at Lake MacLeod. He is an ex-union man. I asked him if he thought it was right. He indicated that there were some ambiguities because there is something called a gold award. I do not know whether the \$12.80 for machine operators out on that mine was a valid award figure.

[Leave granted for the member's time to be extended.]

Mr SWEETMAN: I had a mind to take it further. However, I faced a dilemma. I thought that the contractor was close to flouting the law. He was close to paying his workers below award rates. In addition, the workers had to drive in and out at their own expense; they had to make their own arrangements to get to the workplace. When they had worked for 13 days and had time off, they had to pay to stay in the camp if they did not want to drive the four hours to Kalgoorlie. I found that extraordinary. The interesting thing is that those people said they would not be staying with the contractor for very long and at least when they left that job they could put on their curriculum vitae that they had worked on a mine. They ultimately had a win. The contractor was close to the edge. I still believe that those workers were being underpaid. However, what was I to do? Should I organise for someone to close that operator down? He was one of the few operators in the mining industry who was giving people who had not previously worked for mining companies a chance to be trained on various machines and to be passed on two or three items of equipment or whatever. People who had worked for mining companies would have known what the rate should have been.

Mr Bowler: I think it is called exploitation.

Mr SWEETMAN: Is it exploitation if those workers were then able to get a much better paid job later on?

Mr Bowler: Of course it is!

Mr SWEETMAN: That is the situation I was caught in.

Several members interjected.

Mr SWEETMAN: It is not okay, but it is a thin line.

Mr Bowler: And the operator stepped over it in that case.

Mr SWEETMAN: I reckon he went close to it. However, if that operator had been shut down, what opportunities would have been provided for those workers? Many mine workers are working elsewhere at the moment and are looking to get back on the mines. Heaps of people apply whenever a job on a mine is advertised. People are employed on mines only if they have done significant time with mining companies. That is the reality. How do new people who have never worked in the mining industry but who may be competent machine operators get jobs on the mines? They may have worked thousands of hours for a private contractor, Main Roads WA, shires or whomever. They would clearly get more money working on the mines. Another scandal is that people who work for shires or Main Roads do not exactly get rich in those positions, primarily because there is no overtime. Even though the workers who were employed by that contractor on the edge of my electorate were on very low rates, they got a reasonable return for their week's work because of the overtime component. They were clearing pretty close to \$900 even though their hourly rate was \$12.80. I agree that it is scandalous that a person should have to work 84 hours to clear that much money. However, those people were not poverty-stricken as a result of that experience; it gave them a chance to put in their CV that they had worked as a mine operator and had been passed on various machines. They would then qualify for a job elsewhere. At the end of the day, knowledge is power. The experience those workers got enabled them to get a better job.

I have no hesitation in saying that that was a marginal situation about which I felt very uncomfortable. I am not saying that workplace agreements brought that about. However, a lot of the productivity and flexibility that was needed within the workplace has been achieved. By and large, the companies are happy. Reform and changes are still to occur; economies are still to be achieved through better work practices and technology advances. Those factors will be significant in the future.

Even prior to the change of government, some companies did not elect to enter into workplace agreements. Then, as now, they were happy to employ people on the base award. The changes they needed were made possible through the individual contracts and over-award payments. That ushered in a whole new work ethic and regime. Why do companies need to pay premiums for everyone they employ? That is a bit sad, because a lot of the big money in the mining industry is no longer available, unless a person is prepared to go underground. Four, five or six years ago, an employee in an open pit operation would be on an individual contract with an

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hourly rate of between \$28 and \$30. The underground rate was between \$35 and \$38. That was the difference. People on the award now get \$13.50, \$14.20 or whatever. After seven and a half hours, employees get time and a half and then double time, until they have worked 12 hours. They are paid double time on the weekend, and additional penalties for nightshift and public holidays. At the end of the day, that is far less than what other people are getting on the same mine site. The only difference is that a person on a lower wage was employed within the past 12 months or so and a person on a higher wage may have been there for five or eight years. The difference can be up to \$30 000 or more, even though the employees are equally qualified, do the same amount of work and operate the same machines. That clearly indicates to me that much of the reform that was desired by many of the companies has to a great extent been achieved. They no longer have to pay a premium to get work flexibilities and efficiencies.

I will hark back to the part that the union has played in freeing up the labour market and in delivering a more harmonious relationship and a more productive and safer workplace. Why were the unions one of the last parties to agree to random drug testing, which is now mandatory on most work sites? Workers must blow in a bag in the morning and if they do not have a zero reading for drugs, they do not start work. In the event that a worker blows 0.1 or worse, he is given an hour to get back to a zero reading. If he does not, he is given a sick day.

Mr Bowler: It sounds like the West Coast Eagles should take some tests.

Mr SWEETMAN: They might need to. It is my concern that this legislation will reinstate the adversarial nature of industrial relations between employers and employees that existed until seven or eight years ago. It was a sad set of circumstances even though people said that the unions were negotiating on their behalf. Company managements were desperate to talk to their workers to try to take them into their trust and confidence. However, so much had to be said to union officials who would then relay, and perhaps translate, the message to the work force. We know what the result was; the relationship between management and the workers was not harmonious. The situation now is quite extraordinary. There is not a work force now - certainly in my electorate or any I have contacted - in which management does not, on a regular basis, at least weekly, sit down with the work force and have a state of the nation or toolbox address. The managements tell the workers how their company is going, the level of productivity, the unit cost of production, and where they would like to see improvements. Sometimes the worst happens, as with the Dampier Salts operation at Lake MacLeod where 25 people out of 140 had to be retrenched. The workers do not react violently to that news or protest because they understand and accept the position of their employer, and the part they play in trying to ensure that the company is viable and produces a product that can be sold for a return to the company to ensure their jobs and livelihoods are protected. As the company at Lake MacLeod has been able to develop a rapport and a harmonious relationship with its employees, for the past five or six years many of the workers have put forward ideas that have resulted in changes on site to ensure the company is more efficient, more productive and produces its products at a lower unit cost. There is no better example. I have been loading ships at Cape Cuvier for between 37 and 38 years. There have been significant milestones in the past 12 months. The employees went to management and said that they believed they could achieve a certain production level if they had a designated crew and did the shiploading themselves, rather than juggle rosters to put people on the shiploading exercise. A trial was run, and the company is saving, on average, \$25 000 per ship. They are loading at absolutely phenomenal rates. Even the employees did not anticipate that they could achieve those rates, although they knew they could improve productivity and the time in which the ships were loaded by between 10 and 20 per cent. They are achieving load times that are between 40 and 45 per cent faster. That is an unbelievable achievement, and one with which the mining company is obviously very happy. That is a win-win situation. This particular crew of workers used to work four days on and four days off, and each shift was for 12 hours. Added to that was the one hour bus trip to and from the site, which effectively meant that they were working 14-hour days. This group of employees now averages two days work a week. The other day one of the workers told me how fantastic his job was, and that the company even pays its workers not to work. That is a win that cost nobody anything. The company still pays the same amount of money to those eight or nine blokes who load the ships, and attend to the maintenance, refuelling and all that type of work. It is not costing the company any more, and the employees are happy because they are working only half the time they were previously working and they do not have to contend with the rigours of day and night shifts. Also, the company is saving about \$25 000 for each shipload. That is a win-win situation.

What will happen to those workers under a new industrial relations regime? I have a fair idea. They will be drawn back to the field, because in the work force, as in other places, jealousies flare up from time to time. I am sure that many people will say that they cannot achieve that so they should have a slice of the action also. When their agreements fall due, which will be within 12 months if the legislation is proclaimed fairly quickly, those

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jobs will be lost and probably so will the productivity that has resulted in the company saving \$25 000 per shipload.

I turn now to the downside for many pensioners. At the moment they can get some paid work. Many supermarkets and fast food outlets employ some seniors who work for a few hours on casual rates. It is the same with young people. Many work part time in restaurants. I am sure many Labor Party people who support the Government's legislation will be the last to pay the extra money charged in restaurants because the owners must recoup the extra money for penalty rates for staff. As an opposition member stated earlier, this flexibility has allowed for people to work out their own employer-employee arrangements to their advantage until now, and that is one of the reasons for such a low youth unemployment rate. I encourage the minister to consider some of the amendments that will be proposed at the consideration in detail stage.

MS SUE WALKER (Nedlands) [9.45 pm]: I oppose this Bill. I have nothing against unions per se. However, I have a strong objection to the evil motive behind this legislation and the real reason it is on foot.

The Chamber of Commerce and Industry has stated that the Labour Relations Reform Bill 2002 means six things: the end of workplace agreements; increased power for unions; a return to the industrial award system; a rise in industrial action; an increase in casual loading and the minimum wage; and, changes to the unfair dismissal legislation in favour of employees. For some time this legislation has been scoffed at by key industry stakeholders. In the WA and national newspapers, this legislation has been thoroughly canned. The concerns about this legislation were spelt out in an article in the *Business News* on 24 January 2002. Under the heading "Scepticism and disbelief in response to Government's hard-sell strategy", one of the columns contains a subheading "Back to the future", under which the journalist states that the key industry concerns are that unions would gain access to confidential non-union employment records; unions are able to impose their agreements upon unwilling parties through arbitration; no individual contracts can be offered when an enterprise bargaining agreement is in place; compensation to unfairly dismissed employees will be doubled from six months to one year, the highest in the country; casual loading will be raised to 20 per cent; and, a no-disadvantage test is to be applied to an EEA with a benchmark to be a relevant award. Further, unions can make new awards with the onus on the industry to establish that the award is not in the public interest. Notwithstanding the hard-sell strategy of the minister, this Bill has been treated by key industry stakeholders with scepticism and disbelief. They do not believe the minister's hard sell on the Bill. The minister is reported to have said that the Bill is -

the answer to the prayers of workers . . .

I will come back to that. It continues -

and employers by providing better conditions while also improving productivity.

The minister is reported to have said that the workplace will be more harmonious and less stressful, and there will be less intimidation and less exploitation. He said that the world's best practices would guarantee greater productivity. All that has been scoffed at by industry leaders. It has all been lost on industry because they question the real intention behind this Bill. They are not confident of a win-win situation for employers and employees. The real motive behind this Bill is union recruitment, and the spectre on the horizon of the employment of industrial troubleshooters. It begins, as you know Mr Acting Speaker (Mr Dean), with the fact of the 60-40 rule on the government side, which begins with the preselection process. Government members are beholden to the unions for the votes they get in the preselection process. It is important to examine this process, because when a contender stands for preselection in the Labor Party, as you are aware, Mr Acting Speaker, he trots off to Trades Hall, where there is a three-tier line-up - the left, the right and the centre. That is when the bully tactics start, because, unlike the Liberal Party, there is no secret ballot for preselection. Someone like the member for Peel or the member for Midland stands at the end of the table with a big cane asking people to show how they are voting. Everyone must show how they are voting.

Several members interjected.

Ms SUE WALKER: I do not hear anyone on the other side saying this is not true. It is probably the member for Riverton who stands at the end of the table and asks members to show how they are voting. That is where the bullying and thuggery start.

The main area of concern for me with this Bill is that the union will be able to walk into an employer's premises. Clause 140 states, in part -

"premises" includes any land, building, structure, mine, mine working, aircraft, ship or other vessel, vehicle and place, and any part of it;

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I wish to deal with this issue in more detail. I refer to clause 144, in which proposed section 49H states -

Right of entry for discussions with employees

- (1) An authorised representative of an organization may enter, during working hours, any premises where relevant employees work, for the purpose of holding discussions at the premises with any of the relevant employees who wish to participate in those discussions.

Immediately above that, proposed section 49G states -

“relevant employee”, when used in connection with the exercise of a power by an authorised representative of an organization, means an employee who is a member of the organization or who is eligible to become a member of the organization.

This says to me that an authorised representative of an organisation such as the Civil Service Association can enter any employer’s premises to drum up business, when no-one on the premises is a member of that union. What other service - and the union says it is providing a service here - can do that in Western Australia? No-one can walk into a place unannounced and tout for business. Not only can the unions go in and drum up business, they can also access employment records. I refer to proposed section 49E, which states -

Access to employment records

- (1) An employer, on written request by a relevant person, must -
 - (a) produce to the person the employment records relating to an employee; and
 - (b) let the person inspect the employment records.

That duty of an employer will exist even when that employee is no longer employed there. The duty will continue as long as the records are required to be kept, under a certain section, and will not be affected by the fact that the employee is no longer employed by the employer, or that the industrial instrument no longer applies. I think that is outrageous, and so do many people in the resource and energy sector, and that is why they will be leaving in droves to go to the federal award system.

The unions, through the members of Parliament they have voted in, are now abusing the legislative power given to them by the people of Western Australia. I was not here, but I was alarmed to hear all the stories of union thuggery and brute force that occurred when this matter was last debated. In the current system, union membership has dropped off. Why should not the unions, like other organisations, have to think creatively to gain their customers? Workers simply do not want to join unions. They do not want to be controlled. The minister says that this legislation is for the workers, but the workers do not want to join the union. Under this legislation, the workers will be intimidated. Their personal records will be accessed by alleged representatives of the union. With this legislation, the Government will take away the choice that workers presently have to decide whether to join a union.

Clause 144, proposed section 49I, relating to the right of entry to investigate breaches, states -

An authorised representative of an organization may enter, during working hours, any premises where relevant employees work, for the purpose of investigating any suspected breach of this Act,

Before going on to talk about the thuggery and the brute force that was used in the Victorian situation, I will refer to an incident in which I was involved nearly 28 years ago. That incident is part of the reason I am here today in this Parliament. I recall going to the Esplanade. I do not recall what the occasion was, but I was demonstrating against a matter. I was wheeling my son in a pram, with my sister, when union members came along, jostled and pushed me and the pram, and ripped up my placard. I have been a worker and I have been an employer, and I object to a system in which I am being bullied.

I object to the legislation, and the way the Government is now to allow people to walk into employers’ premises. I refer to the term “authorised representative” in the Bill, which in my view can be likened to the term “industrial troubleshooter”. The lengths to which industrial troubleshooters will go can be readily seen. I refer to the royal commission into the building and construction industry in Victoria. *The West Australian* ran an article on 26 February this year about Melbourne industrial troubleshooter Domenic “Mick” Gatto and his associate David Hedgcock, who were hired by the Victorian branch of the Electrical Trades Union to resolve a dispute between the union and the employer Baulderstone Hornibrook. The union was refusing to sign a site agreement unless its choice of shop steward was allowed. The company had been prepared to pay up to about \$30 000 to mediate. Eventually the site manager paid the industrial troubleshooters, one of whom had a criminal record for burglary,

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assaulting police and deception, and was associated with known crime figures. According to witnesses, the site manager ended up paying \$275 000, without the employer's knowledge. The witnesses say that this was paid by the site manager "because he was under pressure from thugs who were the sort of people who break legs". Powerbrokers, or power-hungry people, are using this legislation to harness the working population and bring it under their control through fear and intimidation. They are using the workers for their own ends, and maybe to line their own pockets. In the Gatto story, \$25 000 went for goods and services tax, and \$189 750 went to Hedgcock's account, from which \$150 000 was withdrawn the next day. I pose the question: how much of that \$150 000 ended up with the Electrical Trades Union?

The Opposition has a number of concerns with this legislation. However, its main concern is that the unions are to be given the power to walk in and invade people's privacy. They can use that opportunity to gain information on people, as they use fear and intimidation in their own organisations to destroy a secret ballot, to force people to kowtow and to do what they want.

I refer briefly to the State's mining sector. The State's economy is underpinned by the minerals and energy industry. In a report in *The Australian* last month, Peter Lalor, the President of the Chamber of Minerals and Energy, was reported as making a final bid to the minister to abandon this Bill and to convince him that the current system is enormously positive and works extremely well. Mr Lalor said that he talked to the minister about his concerns of increased industrial disputes and right of entry. He said that there had been little or no dispute in the industry over the past five years. Along with businesses, the minerals and energy industry is switching to the federal system because they believe that giving unions the automatic right to inspect records is ludicrous. As I said, that is an invasion of privacy. The Chamber of Minerals and Energy believes that the employer-employee agreements in the Bill are unworkable. The chamber says that switching to the federal system allows employees to use Australian workplace agreements or to strike a certified agreement without union involvement to govern their workplace. The federal legislation does not provide for unions to have an automatic right to workers' records, and they are forced to adhere to right of entry provisions in the relevant award. The no disadvantage test in the federal system is easier to satisfy than that in the Bill before Parliament, and the federal awards are simpler to meet. Rio Tinto Ltd's 4 000 employees have switched to the federal system. Unfortunately, at this stage, only incorporated companies can access federal awards. Many small businesses such as sole traders or partnership structures will miss out unless they restructure their business. That is what they will probably do, and the minerals and energy industry will work under the federal system.

This Bill gives no consideration to the needs of the State's industries and businesses for flexibility and competitiveness, and is carefully designed to put trade unions and industrial courts back in control of workplaces. When we return to government in three years, I will be working hard to get rid of this legislation and, in particular, what I see as the evil intent behind it.

MR McNEE (Moore) [10.03 pm]: In this Bill we go from bad, to worse, to terrible. We have a dinosaur Government in charge. The Government is turning the clock back not 10 or 20 years, but 100 years. We have to look back, because that is the way that the Government is going. It was 100 years or more ago when the same arguments were raised as are being raised now by the Government. In the Harvester case a company paid its workers for each item they produced. If an employee made 10 wheels he was paid for 10 wheels. If a worker was a bit of a dodo and made two wheels he got paid for two. Along came the union - or whatever they called union outfits in those days - and workers had to be paid the same rate as the slowest worker. The company did that, and it went broke. At the moment Western Australia is the State with the brakes on. That is what the Government should put on our number plates! I can remember Premier Burke saying with a great deal of pride that his Government was a four-on-the-floor model. This bunch is stuck in reverse, and it firmly intends to stay there - to the detriment of its own people. Employees are not rushing in to change the perfectly good arrangements they have with their employers. I support responsible unionism. I do not support bosses who underpay their workers. In fact, if I were manufacturing golf balls or whatever, I would not want my competitor up the road to be paying his people less than I am paying my workers. That is pretty much the system, but government members may not realise that - although some of them should. If members opposite had enough guts they would stand up and be counted. During debate on the Acts Amendment (Lesbian and Gay Law Reform) Bill and the electoral reform legislation, no-one opposite had the guts to stand up and say what he really thinks. Some of them ought to understand, for Western Australia's or Australia's sake, that at the end of the day we need to have a pile of export commodity on the wharf, or wherever, at a price the world will pay. That is what the economy is about today. It does not matter whether we are producing tonnes of wheat or iron ore or an ounce of gold or whatever, we have to produce that at a price the world will pay, otherwise the end result will be that we will go broke. Those people who the bleeding hearts opposite claim to represent will not have a job. It

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is all right for the member for Cockburn and the Chardonnay socialists to enjoy being in government, but as I have told them before, they should not make a mess, because they will not be there that long; they will soon be gone. I do not want members opposite to say at the end of their four years in this place, when they are on their way out, that I did not warn them. I want them to understand that.

This Government is like the Mugabe Government. It is trying to force onto rural people the principle of one vote, one value. What happened the other day when local government said it would put some money into a fighting fund? This Government threatened local government. If the Premier had done that in my 16 years in local government I would have written him a short letter. I would not have needed more than a line to tell him exactly what to do. That is what local government needs to do with the Premier. Dr Gallop is like Mugabe. Mugabe thought he would lose the election so he changed the rules. That was not good enough, so he shut the polling booths and sent the troops in. Government members might think that they will get away with this, but they will not. The Government is going backwards with its industrial relations policy.

Mr Kucera: I am going to tell CHOGM about the member picking on Mr Mugabe.

Mr McNEE: I do not care whom the minister tells. That is his affair. I am not the least concerned.

Those are the sorts of things the Gallop Government is doing. The Gallop Government will get rid of secret ballots. That is like Mugabe. He knows he cannot win the election, so he is making sure he will win. The Government is saying to the unions, "We'll remove secret ballots; don't worry about that!" We have to look at how these people got to where they are now. The Government intends to water down the legislation so that it will not be a criminal offence to offer a bribe in a union election: "Here you are, Sam; I'll slip you a few dollars." I do not know what they slip to them - I dread to think. Bribing a union official will not be an offence. We have a typical dictatorial rubbish-style Government.

The requirement for unions to obtain their members' approval to make political donations will be removed. I suppose one could look at that and say it is fair enough. However, what will happen is that some of those poor union people who did not particularly want their money to go to the Labor Party will have no say, because the employer will be required to collect the union dues. Workers voted with their feet and walked away from the Australian Labor Party. The workers realised that we must advance into the next century. The Labor Government has forgotten that, but the workers have not forgotten it. The workers are aware that the Greens (WA) want to shut down everything. The Greens would ensure nothing was left. That makes the workers concerned. People say that members opposite want to lead them into an industrial wilderness and they are very scared. I do not blame them. How much does a young lad who is working as an apprentice builder earn? We have all employed young people and we know that they return little or no productivity in the first couple of years.

Several members interjected.

Mr McNEE: Most members opposite have not employed people in a business, although the member for Ballajura has. He knows how long it takes to train a new employee. We are all happy to do it, but we know jolly well we must carry them for a while. The member for Ballajura is prepared to let his party remove the opportunity for young people to take up apprenticeships. There are not as many apprentices in the work force these days as we would like. Young people need the opportunity to train in whatever field they choose to follow. Members opposite do not understand what is involved in employing people and, what is worse, they do not care. It is with much concern that I see this Government taking this path on industrial relations. That is not surprising because it has lost complete interest in employers.

It is fortunate that we have a strong economy, thanks to the Howard Government. Reference was made the other day to wall-to-wall state Labor Governments. Among them are a couple of accidental Labor Governments; one is in Western Australia and the other is in Victoria. I have just returned from Victoria and I was told that not a damn thing is happening there; the Premier is spending taxpayers' money and having a lovely time. South Australia is another State with an accidental Labor Government. Labor members in this place are taking some solace from the fact that every State has a Labor Government. However, they are not observing that those Governments are not making any progress, but they are enjoying the benefits of a very solid economy, which has occurred, unquestionably, due to very good management by the Howard Government.

Mr Logan interjected.

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Mr McNEE: If the member for Cockburn wants to argue about it, that is fine. He can do whatever he wants, but perhaps he can do it outside later. He cannot deny that the Howard Government has put this country into a very sound economic position and one of the strongest in the world.

Mr Johnson: They don't like the truth.

Mr McNEE: Of course not.

Mr Kucera: The economy is so strong they can rip \$5 million off the Asthma Foundation. You don't have an answer for that do you?

Mr McNEE: I paused a moment because I thought the Minister for Health might want to add a few more remarks about what he intends to implement in the health system in my electorate, but he said nothing. I have got the message. I gave him an opportunity to say something, but he did not take it. I take it the status quo will remain and nothing will be done.

The provisions in this Bill get worse, especially the right of entry clause. Within a few days of this Government taking office, signs were erected on building sites stating "No ticket, no start".

Mr Johnson: That is illegal.

Several members interjected.

Mr McNEE: That is illegal. Members opposite do not care about the illegality. Murder and robbery are illegal and we frown upon them. However, Labor members have given their blessings to the policy of no ticket, no start. This Government has strange standards.

Mr Johnson: The unions own them.

Mr McNEE: Of course they do. Where do the 36 faceless men fit into the Labor Party? We won an election on the basis of the 36 faceless men umpteen years ago. We could not publish their photographs because we could not find them, but we knew they existed.

Mr Johnson: We knew who they were.

Mr McNEE: We knew who they were but we could not get them in front of a camera. The effects of this legislation will get worse because the union thugs who go into workplaces will be able to operate like government inspectors.

Mr Johnson: Gallop's Gestapo.

Mr McNEE: Yes; someone referred to Gallop's Gestapo and that is a good description.

Mr Kucera: Are you referring to the Nazis again?

Mr McNEE: The minister should not say union thugs will not behave that way. Of course they will behave that way. I can imagine what will happen when Gallop's Gestapo pays an annual visit, or perhaps even more regular visits, to check on a few things. I wonder what sort of offers will be made to some of those poor, unsuspecting employers who are concerned about this legislation.

Mr Johnson interjected.

Mr McNEE: It will indeed be an offer they cannot refuse because they are the tactics that union representatives understand.

Mr Johnson: Premier's panzers.

Mr McNEE: Yes. I can remember when I bought a new truck and it took the dealer six weeks to load it off the wharf. That was in the unions' heyday, when they had real power. One day the tele-clerks went on strike and the next day the tea lady went on strike. The offloading of the truck was delayed for six weeks. That was a nonsense. In the 1960s we could probably afford delays like that because we had a bit of economic fat in the system. However, that fat has been trimmed to the bone, so we must be smart about how we run our businesses. We do not need union thugs coming in to talk to us about things.

Mr Johnson: They will have more power than the police.

Mr McNEE: That is true. The police would not want to read the private details. Privacy legislation will not apply.

Mr Johnson: Not without a search warrant. The union thugs can do that.

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Mr McNEE: It will not apply to employment records, health information or personal information such as addresses, telephone numbers, child support and garnishee information, which will be available for the unions to inspect and copy. I can imagine what information some of those fellows will copy and what they will do with it.

Mr Johnson: They may be paying some visits at homes once they get addresses.

Mr McNEE: The bovver boys will be out in the workplaces will they not? The unions may require an employer to produce documents and records and copy them, and inspect any work, material or machinery relevant to the alleged breach. That will open up a Pandora's basket. They can declare that a piece of equipment is unsafe.

Mr Johnson: Give us \$10 000 and it won't be.

Mr McNEE: Yes, it could be \$10 000 or \$20 000, as long as it is in used notes. There will not be a problem and down the tube will go another employer. Members opposite should not be dopey enough to think that sort of activity has not happened because it has. The sad part is that no Government with any brains would think about a proposal such as this because it will take us back into the Dark Ages and leave us vulnerable to anarchy.

To implement its programs the Government needs some money, but at the rate it is sending people out of business it will not have any money. The Bill states that the unions do not need to advise an employer of the nature of an alleged breach.

Mr Johnson: No, it is the secret police.

Mr McNEE: That is right. It is like the member said: Gallop's Gestapo will be there.

Withdrawal of Remark

The SPEAKER: I have listened carefully to the member's speech and I am sure he does not mean to give offence. However, I recall his side of Parliament objecting to the Government's referring to the previous Government as racist. It is offensive for the member to constantly refer to the Government as Gallop's Gestapo and I ask him to withdraw that remark.

Mr McNEE: I am sorry, Mr Speaker, I take your point and for that I apologise.

The SPEAKER: And withdraw?

Mr McNEE: Of course I withdraw that remark, Mr Speaker.

Debate Resumed

Mr McNEE: You must understand, Mr Speaker, that having been an employer all my life and having had a business that suffered indirectly from union activities, I tend to get a bit excited, particularly when Governments want to go down crazy courses that place employers in a serious situation.

[Leave granted for the member's time to be extended.]

Mr McNEE: I know a man in my electorate who currently employs 35 or 36 people. He told me the other day that he was whacked with a levy of \$8 000 for the HIH Insurance collapse. He told me about his cost structure. He is very concerned that there may be interference with the arrangements he has with his employees. The employees and the employer are happy, there is no industrial trouble and they all get along fine. However, if certain things happen to him, he will have to seriously think of downsizing or closing altogether because he said that he will be unable to cope. I understand that situation because his industry is very sensitive and highly competitive in the world market and he just does not have the margin for interference. Government members must understand that. They cannot put the State or the nation in a non-competitive position; that is what they are doing. They might believe that it will do them well to pander to the requests of unionists whom they want to support. In fact they are not supporting them; the unionists are running over the top of them and telling the Government what it should do. This Government was elected by the people to govern this State for the next four years. It should not show the unionists that it is as incompetent as they currently think it is.

Mr Johnson: They are waiting for a cheque from the union movement.

Mr McNEE: That is right. They will get that and they will make sure they get it because employers will again have to collect union dues. The Government will remove the opportunity for employers to say whether they support a particular issue. However, the right of entry provision is serious. Employers could be penalised up to \$5 000 and \$500 a day for obstructing or hindering union officials seeking to enter a work site, but there are no similar penalties for union officials. Again, the emphasis is on the employer being a bad egg. Not all employers

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are bad. There may be some bad ones but the Government is treating employers as if they are all crooks. They are simply not all crooks. Conversely, the Bill does not provide for any penalty against union people.

Mr McRae: Have you read the Bill?

Mr McNEE: The member for Riverton will get his chance tomorrow to speak. I have been told that government members will speak tomorrow. They do not have the guts to speak now because the Opposition might hear what they have to say and we might answer them. The member for Riverton will have a chance tomorrow to say what he wants to say. That is fine and so it should be. However, I am merely pointing out to the member for Riverton that there is no doubt that what the Government is doing is wrong. There are no obvious tests to be met by a union nominee for the right of entry to a work site and his entry does not need to be restricted. There are no qualifications placed on a union nominee. A union official can walk into any workplace, make demands and record private information about people. Which worker would want his private information recorded?

Mr Johnson: By a union official.

Mr McNEE: Yes. A worker would no doubt ask himself why a union official would come onto a work site to record his private details, what he would do with them and why it is necessary for him to do that. What happens when the union official walks out of the work site with the information that he has copied? I cannot understand why the Government does not believe that that is a travesty of human rights. Who else has that right?

Mr Johnson: It is intimidation.

Mr McNEE: It is intimidation. That is the whole problem with the legislation because unions rule by intimidation and that is how they get away with it.

Mr Johnson interjected.

Mr McNEE: Did we not see that? They tried every trick in the book. The real workers were not there; they were outside Parliament praying for us to win.

Mr Johnson: Just the thugs were there.

Mr McNEE: Only the thugs were there and the ne'er-do-wells who did not really understand the issue. Members may recall the time when the President of the Legislative Council was barred from entering his House. Conversely, the poor old timber workers came to Parliament House and demonstrated in a very orderly fashion. They had to pay \$1 000 or \$2 000 each month for their big trucks and they were merely objecting to their right to work being taken away. This Government has done that very effectively and it should start thinking about it. It has put so many people out of jobs since it took office that I cannot believe it. It is a nonsense to say that the workers will find work in fine timbers, fine furniture and tourism. How many tourists are there? I can tell members that there are not enough. When I go to some parts of my electorate, I apparently become a tourist because I use the facilities. The Government is kidding itself by going to this extreme and must find better answers than this Bill.

Mr Dean: A tourist from Harvest Terrace.

Mr McNEE: That would be right. However, I am not really, am I? The Government has said that tourism will resolve a lot of the unemployment that it has created. It is busily creating that unemployment because the business community is very concerned.

Mr Kucera: With seven per cent growth?

Mr McNEE: That is no thanks to this Government; the Minister for Health should not worry about that. The Government has the business community very concerned. Many businesses are running on very thin margins and cannot stand too many more shocks such as this Government wants to give them.

I cannot believe that any Government would want to take industrial relations in Western Australia back as far as this Government does. I thought that it was like a bad dream and would go away.

Mr Johnson: Not for three years.

Mr McNEE: That is right, not until the end of three years and then we will have to try to undo the damage that has been done. Government members do not appear to understand that when an economy is damaged, it takes a lot of courage and strength from people to put it right again because the people whom the Government kicks in the teeth today are the very people who will have to put up their money and risk it to start again. Under this Government, state debt has increased by nearly a billion dollars. On the other hand, the Government has taken retrograde steps as far as industry goes. How long can we survive at that rate?

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I do not support this legislation. I will encourage my party to work hard to get rid of it. I certainly urge the people whom those opposite claim to represent - the real workers - to suggest to government members that they are on the wrong track.

MR WALDRON (Wagin) [10.30 pm]: I do not claim to be an expert in this area, but I have had a reasonable amount of experience over the years and I have an understanding of people. It is important to point out how this Bill will affect people. During my speech, I will make a number of points on that matter. Obviously, I will oppose the legislation. However, I agree with the member for Pilbara's comments about equity and fairness. They are of paramount importance in this legislation. We must always remember that equity and fairness should be considered in everything we discuss, particularly when employers and employees are involved. Probably both sides agree with that; it is a matter of how we achieve that equity and fairness. I also agree with the member for Ningaloo, because this new legislation will lead to disagreement between the employer and the employee on a more regular basis. Sadly, that is what this legislation will deliver.

My colleagues will probably deal with the legislation in more detail, but I will concentrate on the realities; that is, how the legislation will affect people in their workplace, in their freedom of choice, in their incentives in the workplace and in their desire to improve, to impress and to try to achieve, which are threatened somewhat by this legislation. I do not want a return to the days when this State had lower productivity and continual industrial fights between employees and employers, which I have already mentioned. In the end, on many occasions nobody wins; and in many cases the employees and their families lose out in the process for what is sometimes a small gain. I am concerned that the legislation could take us back to that situation. We need cooperation between the employee and the employer, and a close relationship that works towards a goal, with both parties working to reach that goal. Therefore, both of them will benefit. Generally, workplace agreements have delivered that. When I say that, I acknowledge that in any group, organisation, team or whatever, sometimes there are a few bad apples, and sometimes people abuse the system. No doubt that has happened under workplace agreements, but I do not think it has happened to a great extent. Rather than this legislation moving away from workplace agreements, as it does, it should make sure that the rogue elements are not allowed to abuse workplace agreements. Probably then everybody would be better off. I feel that strongly.

I will comment on the employer-employee agreements. This Bill proposes that the EEAs will replace what were the workplace agreements. However, EEAs are probably Clayton's workplace agreements, because they seem to contain little flexibility. I understand that an EEA cannot be made when an industrial agreement is in place. This Bill clearly gives primacy to industrial agreements in the workplace. I object to the EEAs because they do not give flexibility. Few enterprises will not have an industrial agreement in place, and that will prevent employers from striking an EEA.

Mr Kobelke: The other way around.

Mr WALDRON: Have I got it the wrong way around? I do not think there will be the opportunity to have many of those EEAs. I can see what the minister is trying to do with them. It would be fine if they were applicable to more employers and employees.

I will harp on the values of workplace agreements and workplace contracts, because they have delivered many good things. I used to work at the West Australian Football Commission. Many people might say that it did not deliver some things that a lot of people wanted. However, I am talking about what it is like in the workplace and what really happens. Everyone in that workplace worked hard, but we had great flexibility. Our hours were virtually up to us. However, we were expected to do our job and be accountable for it. We were given flexibility for our family. The women were given maternity leave and those types of things. It was a great place to work and it had a good atmosphere, because people had that freedom and the incentive to perform to gain benefits for themselves at the same time as they were gaining benefits for the WA Football Commission. However, that applies in any employer-employee relationship. That worked very well. Great friendships were made, and when the pressure was on in the workplace, people banded together. Time and flexibility were given for people to socialise together and have family time together. All in all, that group of people produced. That is what workplace agreements are about. However, I believe that will be stifled.

This also applies in country Western Australia, especially in small businesses. On many occasions those businesses have only one, two, three or four employees. There must be flexibility in those country towns. Workplace agreements delivered that flexibility. In those country towns, everyone knows one another. There is a great deal of community spirit, and employers are flexible with their employees so that they can help at community functions. Last year was the International Year of Volunteers. I feel that that will be threatened under this new legislation.

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A couple of parts of the Bill prescribe minimum record-keeping provisions. These may place significant additional reporting requirements on employers. For example, I understand that the employer must record the start and finish times of employees on working days. This takes us back a long way. I cannot remember when I last saw that requirement. Once again, it seems to threaten the trust between the employer and the employee. That trust has been built up over the years, and it is threatened by this legislation. The Government should take that into account and think about it, because I do not see the need for that in the twenty-first century.

I will touch on the minimum wages, because the Minimum Conditions of Employment Act 1993 will be amended to improve weekly rates of pay and how they are set, and the minimum employment conditions will also be expanded. I have talked about fairness and equity, so I have no problem with reasonable minimum rates of pay and employment conditions. Although I do not always agree with unions, as other members have said, they serve the purpose of ensuring that people have those minimum rights and wages. However, it concerns me that the categories include apprentices and trainees. That was mentioned by a previous speaker. The cost of an apprentice will be increased, thereby making it potentially not viable in many cases for small regional businesses to hire apprentices and trainees. We want to give our youngsters opportunities. Apprentices and trainees play an important role in our country communities. Although they should be paid fairly and equitably, I am concerned that this legislation may price them out of the market in many cases, so that opportunities will not be available to them. Therefore, country Western Australia will lose to the city some of those youngsters whom it would otherwise be able to keep. We should encourage more apprenticeships and more training in country towns, because country WA has suffered over the past few years. It is a problem keeping people there, particularly young people. I will not go into all the resulting social problems, as we have been through them before, but it is affecting local sporting organisations and clubs. It is also affecting the local social life - as the member for Avon once described it, the boy-meets-girl situation. I want to encourage apprenticeships for the good of our towns and the people in them; however, I feel that the wage changes may have an effect. I will object to them. This is an area about which we should be very careful. A rural culture exists, and people in country Western Australia try to give opportunities to locals. They will always try to give them a chance, but that support will disappear if the cost of employing people becomes out of reach and businesses cannot afford to put on any more people.

The unfair dismissal process will be amended. Changes include allowing for reinstatement pending the resolution of a claim. Reinstatement rather than compensation will be the primary aim of the process. The Western Australian Industrial Relations Commission will be given discretion to hear claims outside the 28-day time limit for lodgment. This will provide employers with considerable uncertainty. They could be subject to an unfair dismissal claim months after the employee has left. I am not against unfair dismissal claims. We need some protection in that area. However, 28 days is a fair amount of time in which someone can lodge a claim. The situation could arise in which a claim is made after the employer has hired someone else, and the employer is directed to reinstate the first employee. What would happen then? It would dramatically affect a small business. I acknowledge something needs to be put in place to protect employees from unfair dismissal. Most people in country towns know everyone else; they know all the other families and play sport with them. My experience is that country employers are reluctant to dismiss someone unless it is necessary. They will always give the person a chance. I feel that 28 days is a fair amount of time in which to lodge an unfair dismissal claim, and the Government should re-examine this issue.

The mining industry is a big part of rural Western Australia. It employs many people and provides a great deal of income for the State. It is important, as I am sure the minister would acknowledge. My information is that a high percentage of employees in the mining industry are on workplace agreements and most of them are happy with those agreements. As many as 30 000 people in the mining industry are on workplace agreements. That industry produces a great deal for this State and has had very few industrial problems. The Government is taking a big risk tampering with it. I have spoken to the employees of mining companies, particularly in the north west, and they seem happy with the current system. The Government will meet some resistance to these changes from people in that area; many of whom are Labor supporters. The industry in the north west is seasonal in nature. The workers have embraced workplace agreements because they offer flexibility and have resulted in increased wages, safety and productivity and decreased disputation. That needs to be taken into account.

We are already seeing Rio Tinto Ltd move to the federal award system.

Mr McRae: No.

Mr WALDRON: I understand it has flagged that.

Mr McRae: It relies on a vote of its work force.

Mrs Cheryl Edwardes; Acting Speaker; Mr Colin Barnett; Mr John Kobelke; Mr Rob Johnson; Mr Arthur Marshall; Mr Brendon Grylls; Mr Bernie Masters; Mr Mike Board; Mr Paul Omodei; Mr Larry Graham; Mr John Bradshaw; Mr Matt Birney; Mr Rod Sweetman; Ms Sue Walker; Mr Bill McNee; Speaker; Mr Terry Waldron; Mr Tony McRae; Deputy Speaker; Mr Jeremy Edwards

Mr WALDRON: Yes; but the company has flagged that intention.

Mr McRae: It is discussing the issue with its employees.

Mr WALDRON: I may be wrong, and if so I will acknowledge it later, but I hear that many of the employees are happy with what is happening in that company.

Mr D'Orazio interjected.

Mr WALDRON: Members may find that the company will get that support from its employees and will move across to the federal system. Members may also find that other companies will move across. I do know whether that is a good thing for Western Australia. I have spoken to people in those industries, and that is the talk. If members are happy with that, that is okay.

Mr McRae interjected.

Mr WALDRON: The future will tell, but it does concern me. Finally, as a representative of my area, regional interests and Western Australia overall, I am concerned that this legislation will have an effect on small business. People out there are nervous. I am concerned about the confidence of some of the smaller employers in those country towns and the effect on tourism. Businesses see a threat from the increased union power and the reduced flexibility this will create. At the moment, flexibility and incentive are two of the greatest things we have.

Mr D'Orazio: How many small businesses in your country towns have individual agreements? If it is more than a handful I would be surprised.

Mr WALDRON: A fair few have. Some may not, but they virtually operate on contracts between themselves and their employees. That is a fair question. People say there are not many agreements in the mining industry, but that is not true either. I admit that not a huge percentage of businesses have individual workplace agreements.

I have made my main points. I ask members to bear in mind what I have said because I am genuine about it. This legislation relates to employers and employees. In country Western Australia we have more employees than employers, which is understandable. I cannot understand why the Government wants to change this legislation, and I urge a rethink.

MR BIRNEY (Kalgoorlie) [10.46 pm]: Here it is, Mr Speaker! This is it! The Labor Party has finally decided to shed its sheep's clothing and reveal the mighty big "U" that is stamped on the chest of each and every one of its members the moment they join. Members of the Labor Party have finally decided that the time is right to tell the community that they are not their own people but are the barrel boys for the union movement. For the past 12 months I have been saying that this Labor Government is unlike any Labor Government this State has seen in the past. What would Labor Governments of the past say about this gay law reform, under which we will hand over the children in Western Australia to an elite homosexual lobby? What would Labor Governments of the past think about disenfranchising those people who choose to live and work in country Western Australia?

Points of Order

Mr McRAE: I have been sitting in the Chamber and in the Chair this evening, listening to the debate from the opposite side. I know that the member for Kalgoorlie may have been driven to drink earlier this evening, but I raise the issue of relevance. The other matters that have been before this House -

Withdrawal of Remark

Mr JOHNSON: Mr Speaker, what the member said is unparliamentary.

Mr Birney: It is disgraceful. Sit down. You are a clown.

Mr McRAE: I draw your attention to the relevance of the debate, Mr Speaker.

The SPEAKER: The member's comments about drinking were uncalled for, and I ask him to withdraw.

Mr McRAE: I withdraw.

Points of Order Resumed

Mr JOHNSON: My colleague the member for Kalgoorlie has been on his feet for 60 seconds. That is all the time he has had to make a contribution in this debate. It is a matter for an individual member as to how he starts his contribution. As usual, the member for Riverton is too quick to get to his feet. I suggest there is no point of order.

Mrs Cheryl Edwardes; Acting Speaker; Mr Colin Barnett; Mr John Kobelke; Mr Rob Johnson; Mr Arthur Marshall; Mr Brendon Grylls; Mr Bernie Masters; Mr Mike Board; Mr Paul Omodei; Mr Larry Graham; Mr John Bradshaw; Mr Matt Birney; Mr Rod Sweetman; Ms Sue Walker; Mr Bill McNee; Speaker; Mr Terry Waldron; Mr Tony McRae; Deputy Speaker; Mr Jeremy Edwards

The SPEAKER: Thank you for your assistance, member for Hillarys. It is true that debates on the second reading must be directed to the legislation. It is also true that some leeway is given at the start of a speech. I am sure that the member for Kalgoorlie knows what the legislation is about and will direct his comments to the legislation.

Debate Resumed

Mr BIRNEY: Thank you, Mr Speaker. I am sure that you were not about to set what would be a fairly dangerous precedent on the advice of a backbench member of the Labor Party who essentially has very little to contribute to this Chamber. The rubbish he spoke about my being driven to drink was a disgraceful slur on my character. The member for Bunbury can tell members that I had a drink tonight, because he asked me to take my orange juice outside when I bought it into this Chamber. The member for Riverton might want to think carefully before making ridiculous comments such as that again.

Before the member for Riverton rudely interrupted me, I was saying that this Labor Government is unlike any Labor Government of the past; or that is what I thought. That is what I have said to people over the past 12 months because of the Government's stand on one vote, one value, gay law reform, drugs and other issues. The Government's stand on those issues shines like a beacon when compared with the stand previous Labor Governments have taken. It was too good to be true. The Government could not help itself, because after 12 months it has revealed its true colours. Its members are barrow boys for the union movement in this State. The Government has decided that the time is right to tell the people of Western Australia that that is the case.

The Government has decided to mess with an industrial relations system that essentially works very well. I refer to the Workplace Agreements Act. Some 270 000 workplace agreements have been signed in Western Australia since that legislation was passed. I refer once again to the member for Riverton and comments he made to me during an earlier stage of this debate. When I said that in excess of 250 000 workplace agreements had been signed, he said that I did not know what I was talking about and that I should stand up and say it. I am now standing up and saying it. What is the member for Riverton's response? He does not have a clue about industrial relations in this State. I am told that his background is in the union movement. He might want to read the legislation. I heard him tell the member for Moore to read it. The member for Riverton might want to read the legislation and get up to speed with the fact that 270 000 workplace agreements have been signed in Western Australia since that legislation was passed. He should also know that under the previous Labor Government, which was a heavily unionised Government, the average real wage growth for that seven or eight-year period was 0.43 per cent. The average real wage growth under the previous coalition Government was something like 2.7 or 2.8 per cent. Those figures speak volumes; they speak for themselves. The real wage growth under the workplace agreements system was some seven times higher than the real wage growth under the system that was implemented by the former Labor Government and that this Labor Government is seeking to impose once again.

In 1992 about 37 per cent of the work force were members of the union movement. That is a fairly significant figure. Sadly for the Labor Party and the union movement, only about 15 per cent of today's work force have decided to become members of the union movement. Why is that? Is it because people like the member for Riverton were involved in the union movement? I wonder if it might be because of the absolute thuggery and disgraceful way in which union officials in this State have conducted themselves over the past nine or 10 years. I leave members with that thought.

Why is this legislation being put forward? Why does the Labor Party want to change a system that has delivered seven times higher average real wage growth than the previous system? Why does it want to change a system under which some 270 000 workplace agreements have been signed? I cannot work it out. I had a good look through the legislation and came across section 97P of the Industrial Relations Act. Section 97P(4) of the Industrial Relations Act states -

An organization . . . shall not credit any moneys from a member's subscriptions to a political fund.

That is the current law. When I read the Bill, I saw that subsection (4) is proposed to be deleted. The Labor Party intends to delete the subsection that prohibits members of a union from contributing funds to a political party. Lo and behold, we have our answer. We now know why the Labor Party wants to tamper with a system that saw 270 000 workplace agreements signed and seven times higher average real wage growth. The Labor Party intends to delete section 97P(4) of the Industrial Relations Act, which will essentially give the union movement an open chequebook to donate money to the Labor Party. It is simple. I have been scratching my head for weeks since this legislation was introduced and I am pleased to now have the answer.

Mrs Cheryl Edwardes; Acting Speaker; Mr Colin Barnett; Mr John Kobelke; Mr Rob Johnson; Mr Arthur Marshall; Mr Brendon Grylls; Mr Bernie Masters; Mr Mike Board; Mr Paul Omodei; Mr Larry Graham; Mr John Bradshaw; Mr Matt Birney; Mr Rod Sweetman; Ms Sue Walker; Mr Bill McNee; Speaker; Mr Terry Waldron; Mr Tony McRae; Deputy Speaker; Mr Jeremy Edwards

I refer to no ticket, no start. The minute the Labor Party was elected to Parliament no ticket, no start signs popped up all over Perth building sites. It is illegal to prohibit somebody from working on a particular site because he or she will not join a union. Union thugs fly no ticket, no start flags, which essentially means that if someone is not a member of the union, he will not get a job. What have the Premier of Western Australia and the Minister for Consumer and Employment Protection done about that? When challenged on the Paul Murray show, the Premier said that he was not sure about the legality of that matter and would look into it. I can inform the Premier that it is illegal to prohibit people from obtaining employment because they will not join a union.

The unions fly no ticket, no start flags on building sites, but what has the minister done about it? He has done nothing but prove he is a barrow boy for the unions. That is an absolute and utter disgrace and will be recorded as such in history. Let it be noted in *Hansard* that the minister is smiling. He thinks it is humorous that he has taken no action over the no ticket, no start fiasco. The Government purports to represent workers and people who want to gain employment. How is it that an individual who wants to work on a building site but is not a member of a union and is not prepared to join a union is being represented equally and fairly by the Labor Party? When non-unionists who do not intend to join a union see a no ticket, no start flag on a building site, they know that that is one job they cannot apply for. However, the Labor Party sits by idly and does nothing about it.

I refer to the secret ballot provision. I accept that the secret ballot provision has not been used widely in the past. It is a breach of the law to not use the secret ballot provision in the Act. I am at a loss to understand why it was never followed through. I will discuss the secret ballot provision for a minute because it is very important and it underpins the Labor Party's position on this legislation. The secret ballot provision says to the rank and file members of the union that if they want to go on strike, they can fill in a secret ballot form and make their views known, and they will not be intimidated for having those views. The secret ballots are collected and then it is decided whether to go on a collective strike.

The Labor Party has decided to abolish the secret ballot provision. Essentially that means that each rank and file member must put his hand in the air and vote under extreme circumstances in which union officials and thugs are prepared to intimidate people to vote how the union wants them to vote. Perhaps by way of interjection the minister can give me a reasonable and sane answer as to why the Government wants to get rid of the secret ballot. There can be no good reason other than to take the power from the rank and file members of a union and hand it to the four or five blokes who sit at the front of the room. The abolition of the secret ballot provision underpins the Government's position to give power to the union officials and take it from those people who choose to be union members.

The member for Cockburn summed it up very well when we were sitting here before. Because I now sit a bit closer to the goon gallery I cop a few more of their comments, which is a bit unfortunate. When we were interjecting about this secret ballot provision before, he said - and I wrote it down because I thought it was quite an interesting comment - "you've got to be a man - you've got to show how you vote". The member for Cockburn said that while he was sitting across the Chamber. I wrote it down because I knew I would be making a speech later, and I thought that would sound fantastic in my speech. Not only does the member for Cockburn believe that, but those union thugs, the officials who sit at the front of the room, also believe it, and apparently so does the Labor Party and the minister. That is a very good comment, and I hope members heard it.

I have a lot more that I need to say, and I hope I will have time to do so, because I know members are very interested to hear what I have to say. I am concerned that I may run out of time.

When the legislation was first introduced to the Parliament, I had a good look at it, and I thought I would go and visit a few of the mine sites in my electorate, some of which are the biggest gold mines in Western Australia.

Withdrawal of Remark

Mr McRAE: I know it is a little time after the member made the reference, but he referred to members on this side of the House as being the "goon gallery". I wanted to check on the dictionary meaning of that. I consulted the *Pocket Oxford Australian Dictionary*, which defines "goon" as a person hired by racketeers to terrorise workers. I suggest that that impugns all members, individually and collectively, on this side, and I ask that it be withdrawn.

Mr JOHNSON: The Goons were also a very famous group of comedians in the United Kingdom, and popular in Australia. They were wonderful people. Some of them were Australian. Unfortunately, one of them died very recently - one of the most important goons.

Several members interjected.

Mrs Cheryl Edwardes; Acting Speaker; Mr Colin Barnett; Mr John Kobelke; Mr Rob Johnson; Mr Arthur Marshall; Mr Brendon Grylls; Mr Bernie Masters; Mr Mike Board; Mr Paul Omodei; Mr Larry Graham; Mr John Bradshaw; Mr Matt Birney; Mr Rod Sweetman; Ms Sue Walker; Mr Bill McNee; Speaker; Mr Terry Waldron; Mr Tony McRae; Deputy Speaker; Mr Jeremy Edwards

The SPEAKER: Members!

Mr JOHNSON: Whether he was Irish or English, I am not quite sure. The word “goon” can mean a number of things. I am sure that if the Leader of the House thought that the member for Kalgoorlie was contravening standing orders by referring to anybody in an adverse way, he would have risen to his feet, as he normally does. The Leader of the House has been here a long time, and he knows that that statement was not referring to any member on the other side. I was called a goose today by the Attorney General, but I did not raise a point of order. Some members can be a little sensitive, but I suggest that there is no point of order.

The SPEAKER: I thank the member for the point of order. I think there was probably no intention to offend. However, members on both sides in this debate should choose their words more carefully and should not use words that might offend. It does not take much intelligence to know what words might offend. I am sure the member for Kalgoorlie, with his vocabulary, can think of better words than those that cast aspersions on any group of people in this Chamber. I will not ask him to withdraw, but I will ask him to choose his words more carefully in the future.

Debate Resumed

Mr BIRNEY: I thank you, Mr Speaker, for your protection from the member for Riverton. I certainly did not intend to insult members of the Labor back bench. In the past I have called them all sorts of things, like “vegie patch”, and they have never been insulted by that, so I do not know why they would be insulted by the reference to goon gallery.

I went out into my electorate to speak to a number of mining companies that may be adversely affected by this legislation. I spoke to a very large mining company on the doorstep of my electorate. I would rather not name that company at this stage, because I am concerned that it might suffer some sort of retribution from the union movement. This company was very concerned when it saw the Labor Party’s industrial relations legislation, so the management took the issue to a meeting of workers. It told the workers they had two choices: a clear preference for the collective bargaining and unionism that was being introduced with the state-based legislation, or the company could switch over to workplace agreements under the federal system. Being a fair and equitable employer, the company put it to a vote. I am very pleased to announce to members that the vote was 87 per cent in favour of sticking to workplace agreements. I believe this involved 600 employees in the mining industry. I may stand corrected, and it might have been 500 or 700 employees, but in any case it was a significant number of employees. Some 87 per cent said that they liked workplace agreements.

Mr Murray: Was it a secret ballot?

Mr BIRNEY: I do not know. Is it somehow relevant that I do not know?

It is an absolute indictment of the union movement and of the Labor Party and its rubbish legislation that 87 per cent of a major work force would choose to stick with workplace agreements and give the union movement the flick. I will make a prediction now. I am happy to go on record as saying that over a period of time every major employer in Western Australia will move over to the federal system. All that Western Australia will have left is the minister’s hollow carcass of legislation swinging in the breeze, waiting for somebody to cut it down, because every major company will be under the federal system. What an indictment of a Government attempting to run the affairs of the State that it cannot even run its industrial relations system and nobody wants to stick with the state-based system. Thank God for the federal coalition Government, because I do not know what employees would have done had they not had access to workplace agreements.

The legislation provides for a \$5 000 fine for an employer who seeks to hinder a union official when the union official is on the employer’s site. I have turned the legislation upside down and looked underneath it, but I cannot see a similar fine for a union official who would seek to hinder an employer in the course of his duties. I put on record that I ask, why is it the case? Why is it that the Labor Party would seek to fine an employer \$5 000 for hindering a union official but it is not prepared to fine a union official \$5 000 for hindering an employer? Once again, there is the big “U” on the chest, and the Labor Party appears to be very proud of that indeed.

Employer-employee agreements are a bit of a joke and something the Labor Party made up when going into the election. It said that it would abolish the Workplace Agreements Act. Of course, that would cause quite a lot of confusion among employers and people who like workplace agreements, and they are many. The Labor Party needed something that it could say to those people and their local Labor candidates in its defence at the election. What did the Labor Party say? It said not to worry; it would have employer-employee agreements. It said that people could still vote for the Labor Party because it would have employer-employee agreements. It sounds like

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exactly the same thing, does it not? However, what the Labor Party did not tell people is that employer-employee agreements will not be offered while an industrial agreement is in place. If one person on a site decides to opt for an industrial agreement, the employer-employee agreement is out the window.

One of my National Party colleagues said that it is a Clayton's employer-employee agreement. That is exactly what it is. The agreement is still linked to the award through the no disadvantage test, so there is no flexibility. All flexibility has gone out of the window. The legislation specifically states that the Industrial Relations Commission can revoke or substitute the no disadvantage test for whatever reason it sees fit, on the application of an industrial peak body. Does that mean a union? I suppose it must mean a union. If the union movement makes a submission about the no disadvantage test, it may want a no advantage test. It may say it does not want someone who is on an employer-employee agreement to have an advantage. All of a sudden everybody will go onto the award and sign up with the union. This is a very dangerous piece of legislation that has not been thought through in any great detail.

The Australian Labor Party wants bribery of a union official not to be recorded as a criminal offence. Who wrote this stuff? Did Kevin Reynolds or someone else from the union movement write this? The Labor Party has said it will not be a criminal offence to bribe a union official. One has to ask, who wrote this rubbish? Was it the Labor Party or the union movement, which dropped it off on the minister's doorstep in a brown paper bag? Members might be surprised at the answer. Let us see which unions are involved in bribery, and how often. I will refer to a couple of newspaper articles. The first appeared in *The West Australian* of 13 December 2000, under the headline "Union boss in 'bribe hint'", and reads -

UNION leader Kevin Reynolds was alleged to have been the man behind a \$40,000 bribe to ensure industrial harmony at the Midland Gate shopping centre redevelopment.

The headline in an article in *The Australian* of Tuesday, 12 December 2000 is "Builder bribed unionist, court told". On Friday, 15 December an article in *The West Australian* reads -

Judge Kennedy said extortion was a serious crime and to threaten industrial disharmony for no other reason than to extort money deserved widespread community condemnation.

Another article in *The West Australian* is headed "Court told of union bribe" and reads -

A CONSTRUCTION company agreed to make secret payments of \$40,000 to the Builders Labourers Federation to ensure that a \$25 million shopping centre renovation would run smoothly . . .

It goes on to say -

Stuart MacGregor, formerly the construction manager of Fletcher Construction, told the court he gave a bag containing \$20,000 - half of the agreed payment - to Ronald Kinney, a union organiser with the BLF.

We can see that bribery is endemic in the union movement.

Several government members interjected.

Mr BIRNEY: Here is the proof! Do government members want to read it? The Labor Government is seeking to downgrade the offence of bribery -

Several government members interjected.

The DEPUTY SPEAKER: Members are making it extremely difficult for Hansard to record a proper debate in this Chamber, although I would not count this as a proper debate. Can we please have a little recognition of the work that is being undertaken by people in here. If members wish to interject - and the member with the call is welcoming interjections - they should try to do so one at a time.

Mr BIRNEY: I know government members do not want to hear this, but I am not making it up; I am reading from the newspapers. It seems I have touched a nerve with our friends in the vegie patch.

On Tuesday, 3 April the headline is "Union intimidation claim", and the article reads -

The signs which symbolised the power of the old Builder's Labourers Federation - 'No Ticket, No Start' - have reappeared on Perth building sites.

Employers say the signs are a form of intimidation and show unions are flexing their muscles with a Labor Government in office.

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The article continues -

CCI chief executive Lyndon Rowe said the ‘No Ticket, No Start’ signs were an industrial tactic, designed to intimidate.

An article titled “Union bashing” in *The Australian Financial Review* of Saturday, 28 July reads -

... six hooded trade unionists allegedly stormed the premises of Skilled Engineering and Johnson Tiles last month causing more than \$300,000 worth of damage ...

An article in *The Australian* of Wednesday, 25 April is titled “Union accused of enforcing membership” and reads -

Fresh allegations of union intimidation have surfaced, with claims that the state’s most powerful union has been pushing employers to sign enterprise bargaining agreements that enforce union membership.

It has been alleged the Construction Forestry Mining and Energy Union “shut down” a Perth construction site this week for 24 hours because a builder would not sign the agreements that contained pro-union clauses ...

However a CFMEU agreement read to Premier Geoff Gallop by Radio 6PR broadcaster Paul Murray yesterday contained a clause saying that “employers shall establish procedures so that all reasonable steps are taken to ensure that employees, including sub-contractors’ employees, are financial members of (unions) while working on sites. ...”

I am no lawyer, but that sails pretty close to the wind. Dr Gallop went on to say that he would have to take legal advice on the wording. Did he take that advice? I doubt it. *The West Australian* of Friday, 18 May contained an article headed “Call for union thugs probe”, which states -

AN INDEPENDENT and high-powered inquiry should investigate an entrenched culture of coercion, intimidation and corruption by unions in the building industry, a Federal agency has recommended ...

Allegations of money laundering, use of illegal immigrants, theft and resale of construction equipment, false invoicing, fraud and the involvement of well-known criminal figures are widespread ...

An article in the *Sunday Times* of 17 December headed “Union boss in enforcer row” states -

BUILDING union kingpin Kevin Reynolds has been quizzed over his relationship with alleged underworld enforcer Tom Domican ...

It was alleged Mr Reynolds phoned builder Baulderstone Hornibrook in Sydney about two months ago and threatened to disrupt the proposed \$245 million Woodside tower project - the biggest commercial development in Perth for a decade -

These are the people the Labor Party is supporting. Another *Sunday Times* article is entitled “Reynolds in hostile takeover”. Unfortunately I do not have time to read it to the House.

An article in *The West Australian*, headed “Builders: We’re scared”, states -

Companies fear reprisals in opposing union ‘intimidation’

BUILDING and sub-contractors are powerless to stop a push for union control on Perth building sites because they fear reprisals which could bankrupt them, according to construction industry figures.

A *Sunday Times* article published on 25 November and headed “don’t push us around, say police” states -

POLICE union president Mike Dean wants building unionists to stop “knocking police around”.

Mr Dean spoke out after police officers were punched and wrestled by CFMEU officials during Wednesday’s altercation at an East Perth construction site.

A 1 November article in *The West Australian* is headed “Union should be curbed, says builder”, and a 13 October article in the same newspaper is headed “Workers hit us, say unionists” and states -

POLICE were called to a South Perth building site after two union organisers claimed they were assaulted by workers.

A *Sunday Times* article published on 15 October is headed “Threats made to me: businessman”. Another *Sunday Times* article published on 25 November reports the Minister for Consumer and Employment Protection as stating that strongarm tactics hurt unions. We all know about the maggots found at the Anaconda Nickel site.

Extract from Hansard
[ASSEMBLY - Tuesday, 12 March 2002]
p8091b-8142a

Mrs Cheryl Edwardes; Acting Speaker; Mr Colin Barnett; Mr John Kobelke; Mr Rob Johnson; Mr Arthur Marshall; Mr Brendon Grylls; Mr Bernie Masters; Mr Mike Board; Mr Paul Omodei; Mr Larry Graham; Mr John Bradshaw; Mr Matt Birney; Mr Rod Sweetman; Ms Sue Walker; Mr Bill McNee; Speaker; Mr Terry Waldron; Mr Tony McRae; Deputy Speaker; Mr Jeremy Edwards

The former chief executive officer, Andrew Forrest, suspected all along that the maggots issue was a hoax. He stated -

We always considered that the maggots issue was nothing but a big cook-up. . .

Of course, someone tried to extort a hell of a lot of money out of Anaconda Nickel to stop workers finding maggots in their lunch boxes.

I have left myself enough time to read the crucial article. The *Sunday Times* of 22 October carried an article stating -

UNION heavyweight Kevin Reynolds says standover tactics and threats to destroy businesses are fine by him.

These are the people the Labor Party is supporting. In February, unionist Graham Pallot was convicted of making threats after verbal attacks on a landscaping subcontractor in 1998. The article states that John Allen and manager Kim Boyd would be forced to shut down if they did not get all their workers to join the union and pay them according to award. The contractors were smart and taped the conversation. The transcript reads as follows -

PALLOT: Take your blokes and f... off.

ALLEN: We're going to continue to work.

PALLOT: No you're not.

ALLEN: Yes we will.

PALLOT: Not f...ing likely. How much do you want to bet on that? Because if you stay and work, everyone else is going to be pulled off site.

BOYD: We can sort this out.

PALLOT: No we can't, because I'm an a...hole. You better get that straight right from the start I'm a f...ing big a...hole. You don't f... with me I f... with you. F... off. I told you I would be an a...hole and I don't put up with shit. I'm about to destroy this job. And I'm about to destroy every job of Holland's. They will never want to touch you guys again for 52 years. . .

ALLEN: The blokes won't join the union.

PALLOT: F... them off and get somebody that will. I'm sure I could get them to join the union. I don't have a problem, you want to play by the rule book. You've got a bobcat operating out there, where's your method statement for changing a tyre? You're in breach of the law. You better stop the bobcat. F.... Let's see if you've got your method statement. Where's your method statement for planting trees? You're in breach of the law. I'll fix you up mother f...ers. Where's all your data sheets for using chemicals?

ALLEN: We're not using chemicals on site.

PALLOT: You're in breach of the law.

He goes on and on using expletives, threats and intimidation. Sadly, the Government of Western Australia supports these people; sadly, 60 per cent of the Labor Party's voting power is given to people like that; and, sadly, the Labor Party, the Government of Western Australia, does not care about the working man and woman. All it cares about - I refer to my previous point - is the flow of money that comes from the union movement. This legislation has that written all over it. It is a disgrace. The minister is a disgrace and the Australian Labor Party is a disgrace.

MR EDWARDS (Greenough) [11.20 pm]: I also oppose this Bill. I probably will not be quite as emotional as my colleague from Kalgoorlie. I will start by quoting an article written by the Chamber of Commerce and Industry under the heading "Consequences for jobs and pay" -

Since 1993 when the Court government deregulated the labour market, WA's growth in incomes and jobs has been above the national average. It brought industrial peace and restored the state's reputation as a reliable supplier and a place to invest.

Mr Kobelke's Bill to rollback those reforms is prescriptive and interventionist and unquestionably will have consequences for jobs.

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The Bill gives no consideration to the needs of the state's industries and businesses for flexibility and competitiveness.

No wonder this legislation was a long time coming. It goes much further than banning workplace agreements. It is a carefully crafted set of rules designed to put trade unions and industrial courts back in control of workplaces.

The more complex the Government make its wage and employment laws, and the more that outside parties can intervene, the less is the incentive to employ.

Further on it states -

The Bill will require many businesses to reconfigure their operations to comply with the stipulations of outdated industrial awards, taking away their ability to develop a competitive edge through innovative practices and HR policies.

It is an out of date approach to give the unions what they want and shows the Government is out of touch with the community on this issue. It is certainly not an industrial relations policy for a go-ahead state like WA.

I have some experience of being a member of a union. In the early 1960s I worked on the slaughter floor of an abattoir in the meat industry. I was more than happy to be a union member, as was required. I had no problems with being a union member, although if some of the people I worked alongside found an excuse for dropping tools and stopping work they did so. I guess that reflects the early 1960s and the bad old days of the English union system.

I have also employed people and experienced "the other side". I employed up to 45 people and always had a good relationship with my employees. I believe I treated them fairly and they treated me fairly. We had agreements on pay and I often paid above award rates, but never below award rates, and I paid penalty rates and allowed for the criteria that went with that. We may be facing the possibility of paying penalty rates again.

I have not had the benefit of working within the new industrial laws that were introduced by the previous Government. However, they appear to be much more flexible and to give much more choice to the worker than this legislation. I wonder how many government frontbenchers have been employers. Although I know some have been employers, there are not too many. Sometimes it is easy to impose on people something of which we have not had experience ourselves. To some degree that is what Governments are about. The member for Ballajura has been an employer as I am sure have some other backbenchers, so I am somewhat surprised that they support this Bill.

I undertook some research and delved into the history of Australian unions. I discovered that in 1830 the Ship Rights Union was formed, in 1831 the Boat Builders Union was formed and in 1833 the Cabinet Makers Union was formed, and so it went over the next 170 years. Unions have been around for a long time. They were relevant and were needed and they helped to develop good work practices and to improve working conditions for working people. I am the first to appreciate that they brought about much needed reform. They were responsible for better working hours, wages and other conditions, such as annual leave and maternity leave. However, the tragedy of unionism is perhaps reflected in the eighteenth century and the working conditions under which the people in the Industrial Revolution worked. We have come full circle of course. In those days the employers were all-powerful. That is not the case now. Sadly, the unions have now been infiltrated by, I believe, people of questionable practices. The word "thug" has been used more than once here this evening, and that could well be an apt description. I find it totally unacceptable for a union official to threaten a Premier of a State. Everybody in this Parliament should find it totally unacceptable and I find it incredible that members opposite can sit there and take it. The minister may well smile, but we are in the twenty-first century and we have to put up with union people threatening the Premier and the Government of this State! That is what happened.

Mr Kucera: Are we talking about the Australian Medical Association?

Mr EDWARDS: The minister well knows whom I am talking about, and no smart remarks will change that. The union movement has been recognised. It was hard fought for. It must be recognised also that there are bad employers, and I accept that. There always will be bad employers; we will never get away from that. However, on the whole, that has improved over the years through the union involvement and better practices by employers. However, the world has moved on. We are 172 years away from 1830. We have moved on in the past eight years. Whether or not we like the legislation that was brought in, it is working very well. This State is the

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leading producer in Australia. We have better working conditions, and there is good employment, high production and, to some degree, a settled workplace. Sadly, I do not think the unions have moved on. They are not prepared to move on. They want to see us return to the 1950s under this legislation. Somebody mentioned the dinosaur age earlier. That is a very apt description. We are going back to the dinosaur age. It is a pity that we could not have tried to finesse the legislation under which we are currently operating. It would be far more sensible to try to finesse it, work around it a bit and build it up where it is failing and knock it down where it is in excess. However, to go overboard and throw out the whole legislation is like throwing out the baby with the bathwater. To take everything back to ground zero is drastic and unnecessary.

Mr Logan: Have you read the Bill?

Mr EDWARDS: Yes, and I believe that what I am saying is correct.

I hope that the minister will look carefully at the amendments put forward by the Opposition because there is certainly room for them. No economic impact study of the likely effect of the legislation on businesses has been done; that is a failing and an obvious thing to have done. It is possible that the Government is jumping in head first without having done enough homework on it.

Mr Johnson: It is not interested in business or businesspeople. It is interested only in unions.

Mr EDWARDS: I thank the member for Hillarys; I was coming to that. I have spoken to employers in my electorate who come from engineering backgrounds or have supermarkets or small service industries. They are all appalled by the fact that this legislation will take them backwards. Many are talking about putting off staff, as they are unsure of what the legislation will bring. As mentioned previously, it is not only a real threat for employers in country towns but also a real concern, because employment in rural Western Australia is suffering even without this legislation. Anything that will have a bearing on that employment must be examined very closely. The businesses I am talking about employ between three and 15 people. The businesspeople whom I speak to are happy and comfortable with the flexibility and options available to them under the existing legislation. This legislation appears to be change, not for change's sake but for the unions' sake.

Most young people today - I must be careful about saying this across the board - are intelligent and aware and they want to take advantage of the opportunities that are offered to them. They want to have the flexibility and choice that the current legislation offers them. That is why I again say to the minister that he must be careful about shutting out that flexibility and choice, which is what he will do if he continues with this legislation. As I said, the Chamber of Commerce and Industry of Western Australia and the mining sector have warned of the uncertainty that these changes will create. The changes will take away incentive and a lot of future opportunities in this State. As I said, they will send us back to the 1950s. I also believe that they will take away investment at both national and international levels.

Some of the more draconian clauses of the Bill do not sit comfortably with me. Why is the Government taking away secret ballots? What are the unions frightened about? What is so worrying about secret ballots that we must remove them? They give people the benefit of voting for whom they want. If I were a cynic, I would say it is because the unions are unable to use their standover tactics to intimidate their members.

A government member interjected.

Mr EDWARDS: The member may scoff, but in the public arena the impression of unions is exactly that. I do not care what government members tell me; that is the perception.

Mr Johnson: It is the reality.

Mr EDWARDS: It is not a perception; it is a reality and we have seen it. The member for Kalgoorlie read a litany of what unions have done in the past. It horrifies me to think that we will see a return to those sorts of activities. We have union people sitting in this House who know what happened in the past. They were involved in it yet they will allow it to happen again. I have to ask, why? I believe that this Bill, more than any other that has come through this Parliament to date, will have an impact that we will all have to live with for the next five years.

The privacy laws are questionable. I do not know of any other organisation or agency that can walk into premises and demand unrestricted access to employment records or anything else, regardless of whether the workers are in a union. I find it totally offensive. Any employer would find it totally offensive. To my mind, it is an invasion of privacy.

I am the last member to speak tonight and I know that everyone wants to go home to bed. This legislation has nothing to do with better conditions or improvements for the work force. It has everything to do with union

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power and filling the coffers of the Labor Party through compulsory union dues. It has been said before that the Labor Party comprises a distribution ratio of 60-40 in favour of union representation. I am very cynical and unbelieving about the end result we will all see from this legislation. I oppose it totally.

Debate adjourned, on motion by Mr Kobelke (Minister for Consumer and Employment Protection).

House adjourned at 11.36 pm
