

WESTERN AUSTRALIAN JOBS BILL 2017

Second Reading

Resumed from 17 October.

MR T.J. HEALY (Southern River) [12.53 pm]: I rise to support the Western Australian Jobs Bill 2017. I note that I am not the lead speaker. I want to make some comments on the bill in relation to Southern River and my community. It is fantastic that we finally have a government in Western Australia that is prepared to put WA jobs first and to stand up and ensure that local apprentices and local companies get work on important infrastructure projects.

This legislation is part of WA Labor's plan for jobs that was endorsed at the March state election. It was endorsed to the degree that there are more members in this chamber from the Labor Party than ever before. That was an incredible endorsement of WA Labor's plan for jobs. What does this bill do? It sends an expectation—a signal—to industry and to government to have a local sourcing strategy. It ensures that when government invests in infrastructure and when industry, at a variety of levels, makes investments to industry, they look at ensuring that local companies can get the work, that local apprentices can be trained and that we can procure goods from our local community. That keeps the money and jobs here, so that you and I will get the work.

This bill establishes an agency to support and advise small to medium-sized enterprises. I will refer to them as SMEs later in this speech. I think we are looking at an online interface as well as the ability of other resources to ensure that small to medium-sized enterprises—I believe that well over 90 per cent Western Australian businesses are SMEs—get help to link to tenders. The agency will help to inform SMEs when jobs, government contracts and other opportunities for procurement are coming up. This will benefit the SMEs in my electorate. It will support the small contractors and the small businesses in Canning Vale, Southern River, Huntingdale and Gosnells. I endorse what I said before: it is fantastic that there is a Western Australian government that is prepared to invest in this.

Participation plans will allow government to entrench local content and identify strategic projects. I will pass some comment on the previous government, because a number of projects could have been incredible opportunities to identify strategic projects and jobs that should have gone to Western Australian companies—jobs that local Western Australians should have had. Of course, these strategic projects, which the relevant minister has the ability to identify as a result of this bill, will mean that more local content requirements will be made. Local procurement, local training and local employment are aspects that were missing from the Barnett government years.

Mr A. Krsticevic interjected.

Mr T.J. HEALY: Southern River residents missed out on local projects, member for Carine. They missed out; it was horrible. I will refer to the Swan River bridge later on.

Mr A. Krsticevic: We were looking for workers. They said they were too busy.

Mr T.J. HEALY: The former government said, "We looked for the workers. We looked for them, but we couldn't find them." They were not in camouflage; they were not hiding from you! The bridge that was sent overseas is one example. There were many similar projects, and the Langouant inquiry will look at a number of them. The Swan River bridge to the stadium —

Mr A. Krsticevic: Believe it or not, the company that is building the bridge now said it couldn't do it. They were too busy.

Mr T.J. HEALY: I refer to comments made in the debate yesterday. People said, "We never knew it was going to be built overseas." Building the Swan River bridge was an opportunity to spend an estimated \$50 million here. Eventually, the contract went to a company or a contractor that outsourced it and it was outsourced again. How could the government not know that local people would not be employed in that project? My question is a bit of a trap: was it simple-mindedness or was it negligence? At which point does one say, "Here's \$50 million"? As a teacher, that is not pocket change to me. When we invest in such a large piece of infrastructure, there is an opportunity. The government awarded that contract. I again draw back to this bill. If this bill had been in place and any one of the ministers, advisers or members—a lot of men, of course—in the Liberal government had even looked at a local government bill, I think we would have seen some better outcomes. This bridge probably would have been built in Western Australia in the first place and it might even have been for the original \$50 million price tag. We are now spending more like \$70 million, because it was, of course, sent to Malaysia. As the member for Carine said, the Malaysian company could not do it. I come back to the question—again, please do not answer, because it is a trap—was it negligence or was it simple-mindedness? We have some incredible advisers and incredible departmental staff. We do not act alone in government. We have an incredible public service. How did the bridge get through the system but no-one knew it would be built in Malaysia? Did no-one do their research?

Mr W.R. Marmion interjected.

Mr T.J. HEALY: By passing this bill, member for Nedlands, a focus on local content will be put into law as part of the strategic development of these projects.

Mr A. Krsticevic interjected.

Mr T.J. HEALY: I will mention Metronet as an important project. The planning and construction of different elements of the Metronet program include the Canning Vale train line in Southern River, which heads out to Ellenbrook and up to Yanchep; the development of the railcars; the school and road projects; and the new buses. Before the election, the McGowan government said—I come back to the fact that it is great to do the things we said we would do—that it would introduce a bill to protect Western Australian jobs, and it is doing that.

Mr A. Krsticevic interjected.

Mr T.J. HEALY: This bill ensures that each of the project's stages will include a higher percentage of local content.

Mr A. Krsticevic: Are you guaranteeing Western Australian jobs in this bill, so a job won't go to any other state or any other country?

Mr T.J. HEALY: Is the member talking about railcars as a good example?

Mr W.R. Marmion: Yes; that'll do.

Mr T.J. HEALY: If we start off with railcars—I acknowledge the former Minister for Transport—the previous government's two per cent local content for the railcars, which was disgraceful —

Mr W.R. Marmion interjected.

Mr T.J. HEALY: We are starting from a low base. We have not said it will be 100 per cent.

Mr A. Krsticevic interjected.

Mr T.J. HEALY: We have said that we are going to increase —

Point of Order

Mr D.J. KELLY: I am having a little bit of trouble hearing the member for Southern River. There seems to be some malcontents on the other side. I am very keen to hear what the member for Southern River has to say.

Mr T.J. HEALY: Mr Acting Speaker, I am very happy to keep the interjections. They are part of my education process.

The ACTING SPEAKER (Mr S.J. Price): Thank you, member. There is no point of order but I know Hansard is struggling to hear the member as he contributes to this debate. Member for Carine and member for Nedlands, can you just give the member a bit of air time so everyone can hear what he is saying, please.

Debate Resumed

Mr T.J. HEALY: We are saying that we aim for at least 50 per cent local content but because we came in with such a low base, if we do anything, we are doing better than the previous government. Our election commitment was to establish, in the northern suburbs, a rail training unit. More and more of the percentage of these railcars can be made in Western Australia so members' constituents and my constituents will get the apprenticeships and training. The money will stay here in our economy—then, of course, it gets taxed, then it comes back again. Trust me; members opposite will be able to take credit. They will say, "You know what; we in the Liberal Party said we were so anti-jobs" but —

Mr Z.R.F. Kirkup interjected.

Mr T.J. HEALY: I am sorry, member for Dawesville. Liberal Party members said they were anti-Western Australian jobs. I apologise; I thank the member for Dawesville. It will not happen tomorrow but this bill will pass, and each of these aspects will come into play. When members opposite come to speak to their constituents, this bill will allow them to say, "Wasn't it fantastic that the Labor government passed these local content laws?"

Mr A. Krsticevic interjected.

Mr T.J. HEALY: Secretly and quietly, the member for Carine can take credit for it and that is just fantastic. Yesterday in question time a matter was raised and I believe it was about the former member for Morley, who said he had recommended that the railcars be made in Mumbai. It was then clarified that it was the Punjab. I was very excited because my grandmother was born in Mumbai. I thought it was fantastic. The former member for Morley is not here, but why —

Mr W.R. Marmion interjected.

Mr T.J. HEALY: Was the member for Nedlands the Minister for Transport at the time? Why did we pass up that opportunity? Why would a member of this Parliament—I am sure the Punjabi trains are fantastic—not seek to have them made here?

Mr W.R. Marmion: I don't know, but —

Mr T.J. HEALY: “I don't know”; that is the concern we have.

Mr W.R. Marmion: A member of Parliament can say whatever they like.

Mr T.J. HEALY: Okay; certainly —

Several members interjected.

Mr T.J. HEALY: I seek to clarify —

The ACTING SPEAKER: Members!

Mr T.J. HEALY: I will move on; I apologise.

The ACTING SPEAKER: Through the Chair thanks, member.

Mr T.J. HEALY: Which Minister for Transport sent the former member for Morley off to do this research?

Mr W.R. Marmion: No-one.

Mr A. Krsticevic: No-one.

Mr T.J. HEALY: No-one?

Mr S.K. L'Estrange: Backbenchers are allowed to travel on their own.

Mr T.J. HEALY: So there was no government endorsement? Okay.

Mr D.J. Kelly: The member for Morley should not have been allowed to travel on his own.

Mr T.J. HEALY: It sounds like it!

Several members interjected.

Mr T.J. HEALY: Okay; he did not travel alone.

Several members interjected.

The ACTING SPEAKER: Minister!

Mr T.J. HEALY: I will move on, Mr Acting Speaker, to opportunities at Elizabeth Quay.

At Elizabeth Quay, there were some opportunities for local procurement. Did I support Elizabeth Quay? It is a very pretty, beautiful place but was it essential? I do not know. It was certainly built with the tears, hopes and dreams of my students in Southern River. The rushed, dodgy water park—those aspects. If there had been a local procurement policy, it would be fantastic to see what that could have changed but, of course, the projects that I call the golden statues of the former member for Cottesloe all around Perth and Western Australia, like Elizabeth Quay and Roe 8, were done only because he wanted to get them done. He was not too fussed about ensuring there were Western Australian jobs.

The Perth Children's Hospital was a great project. Imagine if there had been a local jobs bill at that time. If there had been a local procurement policy and we had said, “Let's build it here in Western Australia and let's use local apprentices” we may not have had —

Mr W.R. Marmion: It was built here; it's in my electorate!

Mr T.J. HEALY: Then why did we import all these asbestos things from overseas? I think it would have been a fantastic idea to build and manufacture them here. Would having local content not have been a better option?

I will come back to opportunities with the “Premier's Palace”. Were local jobs and local procurement used there? I do not know.

Mr W.R. Marmion: It was built in WA!

Mr T.J. HEALY: If it was, that is fantastic, but with this bill, when we make decisions to build infrastructure—of course, they will also be evidence-based decisions; they will not be ego-based—it will be in law that we will employ local apprentices. We will ensure that those things happen.

Mr A. Krsticevic interjected.

The ACTING SPEAKER: Member for Carine.

Mr A. Krsticevic interjected.

Mr T.J. HEALY: I guess you may be referring to the Priority Start program.

The ACTING SPEAKER: Member for Southern River, through the Chair, please.

Mr T.J. HEALY: I think the member for Carine is talking about the Priority Start program, which means that for local projects, X dollars have to be allocated to apprentices. The Priority Start program was plagued; it was a horrible arrangement by the previous government. We will honour the program's original intent. The former government—as I like to say, the Barnett–L'Estrange government—allowed companies to count existing apprenticeships as part of their calculations. I am looking forward to the challenge. The previous government did a horrible job with Priority Start. We will ensure that as part of the procurement and the participation plan, there will be opportunities for local apprentices. Students, young people and even people re-entering the workforce in all our electorates deserve the chance to work on Western Australian government projects. They deserve the chance to work on industry-led projects. This bill will allow us to deliver on our election commitments. We encourage other industries and other aspects of government to follow suit. This bill is going to make a difference in my community and others, and I commend the bill to the house.

MR S.K. L'ESTRANGE (Churchlands) [1.09 pm]: It is wonderful to have the opportunity to follow the member for Southern River, a new member of Parliament in this place, who is clearly enthusiastic and pro-jobs. Why would he not be? We are all pro-jobs because we would not be very good members of Parliament if we were in this place and did not support local jobs for the people in our electorates. It would be a very brave member of Parliament who would try to advocate sending jobs interstate or even overseas. It would be a very brave member of Parliament to think that was a good idea. Of course, we on this side of the chamber strongly support jobs growth for Western Australians. We advocate very strongly that if a bill is to come into this place, it should be robust and able to deliver on its intent. Clearly, Premier McGowan and the Labor backbenchers who have so far made speeches are telling the people of Western Australia that the solution to the one-third extra people on the dole queue over the last three years up to right now exists in the Western Australian Jobs Bill 2017. Unfortunately, members, if we take a little extra time to dig into the detail of this bill we will find that it does not achieve what the Premier and backbench are saying it will. I will take a few moments of members' time today to step through the reasons this bill fails to do so.

The first is that it is simply not a believable framework to grow local jobs because, for example, part of the bill requires the minister to develop and implement a Western Australian industry participation strategy. That is a key component of this bill. But when the opposition was briefed on this bill the other day, we asked where the Western Australian industry participation strategy that underpins everything this bill purports to do is. The adviser said it has not yet been written. We asked when it would be written and the adviser said they did not know. We asked for a ballpark figure of when the Western Australian industry participation strategy would be written. The adviser said maybe by March 2018. That was the answer we got. The Western Australian industry participation strategy—a key aspect of this bill that will deliver local jobs—has not been written. That is the first and key point, member for Southern River. That strategy is a key, key point.

The second example, as stated in the bill, is that the Minister for State Development, Jobs and Trade is to determine that the Western Australian industry participation strategy supply is a strategic project if it meets the criteria prescribed in regulations. That is the second aspect. The Western Australian industry participation strategy and the regulations must be there for this to work. Neither are there. We are debating a hollow bill. It is a bit like an empty box. The government presented this shiny box. The people of Western Australia are being presented with a box with really good glossy advertising around the outside—"Here is the box that will deliver jobs"—but when we open the box and look inside, it is empty. I think we are the only members in this chamber who seem to either have opened the box to have a look or are prepared to stand in this place and say, "Do you know what? We are dealing with an empty box." We need to make sure the box has the stuff in it that the government is saying will deliver these jobs to the people of Western Australia. Members, it does not have it. Fundamentally, it does not do what it purports to, and that is a very, very great shame. I will tell members why: because leading up to the election now Premier McGowan and the then Labor opposition said their number one priority for the people of Western Australia was jobs growth and they went to the election with a jobs plan for WA. Clearly, part of that jobs plan was to present a bill that would solve the problem that they identified in that during the Liberal-National government some government contracts went offshore. They said they would fix that with a jobs plan and a bill to deliver on that, and that was their number one priority.

The real shame here is that the plan is not ready. It is October and it is not ready. The Western Australian industry participation strategy has not been written or completed and the regulations do not exist. Here we are in October 2017—remember that prior to the election this was the number one priority—hearing that maybe the Western Australian industry participation strategy will be ready in March 2018. That means this government, which went to the election with jobs for the people of Western Australia as its number one priority will wait a full

year before the Parliament of Western Australia will be able to critically analyse that plan because the plan is not yet there. This bill, which states that it needs to have a plan, does not have a plan.

Mr D.J. Kelly: Eight years without a plan.

Mr S.K. L'ESTRANGE: Member, the Labor Party went to the election —

Mr D.J. Kelly: Yes, I know, mate.

Mr S.K. L'ESTRANGE: — saying its number one priority was a jobs plan.

Mr D.J. Kelly: They threw the Liberal Party out because it had eight years without a jobs plan.

Mr S.K. L'ESTRANGE: Yes, but the people of Western Australia know that. The member is not telling us anything we do not know.

Mr D.J. Kelly: Well, apparently you don't.

Mr S.K. L'ESTRANGE: No. I am saying the Labor Party presented to the people of Western Australia —

Mr D.J. Kelly: You're cranky that we haven't done everything in the first six months!

Mr S.K. L'ESTRANGE: — that it would come to the election with a jobs plan, it told the people of Western Australia its number one priority would be to bring a bill into this place that would help fix jobs for local Western Australians —

Mr D.J. Kelly: And we are! We are!

Mr S.K. L'ESTRANGE: The government is not! The a bill does not contain —

Mr D.J. Kelly: It is a bill!

Mr S.K. L'ESTRANGE: No, the member is not listening! The bill does not contain a Western Australian industry participation strategy, which the bill says it has to have to work. It does not have it!

Mr D.J. Kelly: And my point was that you didn't have a strategy for Western Australian jobs for eight years.

Mr S.K. L'ESTRANGE: Let me get this right: the minister's defence for having nothing is because we did not do what the Labor Party said it would do at the election. That is the minister's defence.

Mr D.J. Kelly: No, you're not listening. You're not listening.

Mr S.K. L'ESTRANGE: That is what the minister is saying.

Mr D.J. Kelly: You're not listening.

Mr S.K. L'ESTRANGE: That is what the minister is saying.

Mr D.J. Kelly: You're not listening.

Mr S.K. L'ESTRANGE: The accountability for the Labor Party's commitments to the people of Western Australia lies with the Labor Party because they are its commitments. It is accountable for its commitments, not us! The people of Western Australia need to be made aware of that. It is about time they started putting a bit of pressure on the government so that it delivers on what it said it would.

Mr D.J. Kelly: Sorry; who's going to put pressure on us?

Mr S.K. L'ESTRANGE: The people of Western Australia.

Mr D.J. Kelly: So you're cranky at them now, are you?

Mr S.K. L'ESTRANGE: No, I am not cranky at them.

Mr D.J. Kelly: Okay.

Mr S.K. L'ESTRANGE: I am saying it is about time they became aware that they are being sold an empty box, because that is what the government has presented them with in this bill.

Mr D.J. Kelly: I though you said it was about time they put pressure on us.

Mr S.K. L'ESTRANGE: I will try to progress my speech.

Does this come as a surprise to us? Of course it does not. We have a pattern of behaviour of the Labor government that is all about spin—promising one thing, then either backflipping or not delivering. One or the other. I will go through an example for members.

Ms S.F. McGurk: Fully funded, fully costed. Fully funded, fully costed.

Mr S.K. L'ESTRANGE: The minister can go back to the election commitments of the former Liberal–National government two elections ago, but this government is accountable right now. The Labor Party said no new taxes and no increases in taxes, full stop. This Premier said it, the Labor Party backed it up and straightaway after the election and, having lied to the people of Western Australia, they backflipped on that commitment. That is the first one.

The second one was that the government said it would increase real wages and job security. An example of that commitment was that prior to the election the Labor Party went to the Western Australian police force and said it would commit to a 1.5 per cent wages rise this year. It committed to that, but when it came into power it said that was off the table and there would be a \$1 000 a year flat rate increase—no 1.5 per cent increase—and told the police force to take it or leave it; that is now going through the courts.

Mr W.R. Marmion: They're not happy.

Mr S.K. L'ESTRANGE: They are not happy. That was another backflip and another example of the government deceiving a sector of the Western Australian community.

The third one is that the government said it would have a competitive taxation regime that would encourage investment in employment. A competitive taxation regime is not increasing a gold tax by 50 per cent or increasing payroll tax, thereby making Western Australia the highest taxed business sector of the entire country. That is not competitive. If the government thinks that is being competitive, maybe we misunderstood it. We thought “competitive” meant being the best or lowest; maybe the government thinks “competitive” is just make it the worst in the country and we win. That is what is happening with that commitment made going into the last election.

The fourth one is a limit on annual increases to state government tariffs, fees and charges. The Labor Party said there would be a limit. Well, it came straight in to power and whacked about 10 per cent on the non-discretionary tariff level for electricity. I think overall increases in rates and charges to the people of Western Australia went up over 11 per cent. They thought they were getting this wonderful new government that would reduce the costs and burden on households and support businesses and grow jobs; so far, all we have seen is the government going back on everything it committed to going into that election, and actually deceive a number of sectors of the Western Australian community, and the people more broadly, with its policies. Of course, the final thing, and the most serious of them all, is that the Labor Party went to the election with this spin saying that it had a debt reduction strategy and that it had set up a debt reduction account. When quizzed by the media on what this debt reduction strategy would be, the Labor Party said that it would grab 50 per cent of the iron ore royalty and put that into the debt reduction account when iron ore reaches \$85 a tonne and the GST reaches 65 cents in the dollar per capita. That was never going to happen in this financial year. I will be very surprised if it ever happens at all. The Leader of the National Party is crossing her fingers. We are all crossing our fingers for that to happen, but that is the Labor Party's debt reduction account. That was it. That was not going to happen. Out there in the community, we call that a pipedream. That is what the Labor Party took to the election and sold as spin. People thought, “These guys have got a plan. The Liberal–National government does not have a plan, but they've got a plan”, even though the plan was never going to work. Then—this is the *pièce de résistance*—the Labor Party won the election and presented its first budget, and that debt reduction strategy account now does not exist and has been replaced with a new one. This one is almost unbelievable. It is a line in budget paper No 1 that simply states that the government will set up a debt repayment account and the money put into the account will pay off the \$11.3 billion of extra debt that the government is putting into the budget with unanticipated or windfall revenue. That is a quote from the Treasurer's budget paper No 1—“unanticipated or windfall revenue”. Guess what? The community calls that winning lotto. The government has gone from a pipedream to winning lotto as its debt reduction strategy. When the Labor government comes into this place with a jobs bill, professing to give more jobs to Western Australians and that it will solve the unemployment problems in Western Australia, its track record of spin and rubbish is pretty extensive and we have not even been a year into this Labor government yet. The government has a pretty extensive spin history and this is just another example. This is number six on the government's “spinometer”—or whatever we want to call it—of spin. It is a real shame, because although it does not come as a surprise to us on this side of the chamber, as we look quite closely at what the government does, sometimes people in the community are just too busy living their lives to drill down and look closely at what the government is presenting as answers to the problems that face them and their communities every day. I think it is a real shame the government is doing this.

Mr D.J. Kelly: If they were only as smart as you!

Mr S.K. L'ESTRANGE: They are very, very bright out there, but whether they have the time to dig into the government's legislation and identify the flaws in it is another question. I will read from the Premier's second reading speech given on 6 September. I quote —

Mr Terry Healy; Mr Dave Kelly; Mr Sean L'Estrange; Mrs Lisa O'Malley; Mr Peter Rundle

This bill that I lay before the house today fulfils a key commitment of the McGowan Labor government under the plan for jobs—that is, to ensure that money spent by the Western Australian government on goods and services is used, wherever possible, to support local industry and create local jobs.

He said that this bill “fulfils”.

Mr W.R. Marmion: All done.

Mr S.K. L'ESTRANGE: It is not done. It does not fulfil that commitment at all.

Mr D.J. Kelly: You are getting a bit desperate.

Mr S.K. L'ESTRANGE: In fact, the use of the phrase “wherever possible” is in itself sneaky and the minister knows it. It is sneaky, it is cunning, it is devious and it is no different from the five former sneaky things that we have already talked about today. On the face of it, Western Australians looking for work will listen to the Premier and his backbench and they will read the phrase “support local industry and create local jobs” to mean that in the seat of Kingsley, they can get a job in their local area, or if not in Kingsley, certainly close by in metropolitan Perth. That is where these jobs will be; that is where this will happen. Likewise, they will think that in Joondalup, Murray–Wellington, Kalamunda and Burns Beach.

Mr W.R. Marmion: In Bicton.

Mr S.K. L'ESTRANGE: They will think that in all those seats. They will think that that is what that means. They will think of jobs for people who live in Western Australia with their families and their children attending local schools and universities. They will think that this is about jobs for them in the local area. The key word here is “local”, because that is what the Premier and members opposite are selling to the people of Western Australia. But will this bill do what the Premier and the people opposite are saying it will do?

Dr M.D. Nahan: It cannot.

Mr S.K. L'ESTRANGE: The Leader of the Opposition is right: it cannot. Let us go to clause 3 of the bill. This is opening up the box; let us look what is inside. I recommend that members all have a good look at clause 3 and the definition of “local industry”. It states —

local industry means suppliers of goods produced, or services provided, in Western Australia, another State, a Territory or New Zealand;

Ms S.F. McGurk: Not Malaysia.

Mr S.K. L'ESTRANGE: That is how this Premier and this Labor government have defined “local industry”. When the people in the community hear the government say that it has a local jobs policy, they think it means local, but the government has defined “local” as New Zealand. That is not local; that is overseas. When the government harps on about the Malaysia bridge situation, it actually falls into the same trap. The government is saying that it went to the election with the promise that this stuff would not be built overseas, but the government’s bill states that things can be built in New Zealand.

[Member’s time extended.]

Mr S.K. L'ESTRANGE: That is the first thing. In his second reading speech, the Premier also made the following point, and I quote —

The bill requires the strategy to be consistent with section 92 of the commonwealth Constitution. The implementation of the strategy will also need to be cognisant of the state’s obligations under treaties and other international agreements to which the commonwealth or the state is a party.

That is another interesting thing when we open up the box of this bill and have a look inside. Let us see what that tells us.

Mr D.J. Kelly: We have to abide by the Constitution; even you would understand that. It is a bit of a given.

Mr S.K. L'ESTRANGE: What do members think that means? Let us have a read of section 92 of the Constitution. It states —

92. Trade within the Commonwealth to be free

On the imposition of uniform duties of customs, trade, commerce, and intercourse among the States, whether by means of internal carriage or ocean navigation, shall be absolutely free.

That is the first bit. One of the treaties the Premier referred to is the Australia and New Zealand Government Procurement Agreement, so let us have a look at that, because that is inside the box of this bill. Let us read that bit about the objective of this agreement. I quote —

The objective of the ANZ Government Procurement Agreement is to create and maintain a single ANZ government procurement market in order to maximise opportunities for competitive ANZ suppliers and reduce costs of doing business for both government and industry.

This will be achieved by:

- ensuring the opportunity exists for ANZ suppliers to compete on an equal and transparent basis for government contracts in the Commonwealth of Australia Government, Australian States and Territories, and New Zealand Government;
- ensuring the absence of inter-state and trans-Tasman application of preference schemes and other forms of discrimination in government procurement, based on the place of origin of goods and services;

There we go. The Premier's second reading speech is sneaky, because on the one hand he is selling the cover—local jobs bill for the people of Western Australia. Read his second reading speech and dig into the bill, and there is no such thing; it is actually a fiction. It is a play on the emotions of the people of Western Australia and it is a play on the emotions of the thousands of Western Australians looking for work right now. It is shameless spin, and it is shameless spin at a time when over the last three years the dole queue has increased by one-third. That is disgraceful.

Mr D.J. Kelly: That is something you can be proud of.

Mr S.K. L'ESTRANGE: The Labor Party won the election, minister, by coming in on a number one priority, which was a jobs bill, and this is what it has dished up. The minister and his Premier have dished up nothing more than spin to not only this Parliament, which is shameful, but also the people of Western Australia, and they know it. So far, all this jobs bill means to us on this side of the chamber—it should mean this to the people opposite and to the people in the broader community—is that we need to read the fine print, because when we read the fine print, we come across the definition of “local industry” stating that it is not local; it can be New Zealand. We come across the requirements under the Australian Constitution, which means that what the government is publicly proposing to do cannot happen. It means that the government needs to look at the Australia and New Zealand Government Procurement Agreement because we are not allowed to breach it. It goes on to mean that we need the WA industry participation strategy, a core component of the Western Australian Jobs Bill that has not been written yet. It means also that we need the regulations to be written because the regulations will underpin, with the Western Australian participation strategy, what industries can or cannot do regarding procurement. None of that exists in this bill because it has not been written. This bill is nothing more than heavy on political spin and very light on substance, facts and reality.

Part 2 of this bill is also reliant on the development of a Western Australian industry participation strategy. I will look at some of those components, and it is interesting that in part 2, clause 5 of the bill states in part —

- (1) The Minister must develop and implement a written strategy about the participation by local industry in activities for or in connection with a supply that meets the criteria prescribed for the purposes of this subsection.
- (2) The strategy is to be called the Western Australian Industry Participation Strategy.

No businesses have seen this yet; it has not been written. According to the summary of the briefing on the bill, each prospective supplier is required to submit a participation plan in the course of the procurement process for supplies that meet criteria prescribed in regulations, known as a WAIP supply. The participation plan is to outline the supplier's commitments to local industry participation. Even the suppliers cannot write their plans yet because they have to base their plans on the government's plan, which has not been written. That is in the bill. Further key requirements are that agencies must assess and consider the participation plan in the procurement process, in accordance with the WAIPS.

Mr W.R. Marmion: It must be the worst piece of legislation that has ever been brought in here.

Mr S.K. L'ESTRANGE: It must be, mainly because of the spin it proposes. How will these prospective suppliers' participation plans work?

Mr W.R. Marmion: We don't know.

Mr S.K. L'ESTRANGE: We do not know. Why do we not know? We do not know because they cannot be written. We do not know the workability of this bill because the content of this bill is missing—it does not exist. It cannot be critiqued; it cannot be tested. Finally, in the Premier's second reading speech, he said —

I, as the responsible minister, will report annually to Parliament on the implementation of the legislation and the strategy.

That will be an interesting report. He cannot do it this year, because if this bill goes through this place, how can he report on it when the contents of the bill—a key component of the bill—are missing?

Mr D.J. Kelly interjected.

Mr S.K. L'ESTRANGE: I will take that interjection. Notwithstanding the spin of this bill, let us say the industry participation strategy is written by March 2018, let us give them until March 2019. What will be the key performance indicators that the Minister for State Development, Jobs and Trade will report on? Will he report on the number one KPI he took to the election, which was that he would create 50 000 new jobs for Western Australians? That is what the people think this bill can do. I hope that the number one KPI the minister decides to report on annually is how he is progressing the 50 000 new jobs and link it to this bill. If he does not come up with 50 000 new jobs linked to this bill and basing 50 000 new jobs only on an upswing in the economy, which has nothing to do with his industry participation strategy, this bill will prove itself to be nothing more than what I have outlined today, and that is absolute spin. It is a shame for everyone in this place to have to waste their time debating a bill that is shallow and that has no substance.

Ms S.F. McGurk: You had eight years. Gorgon went ahead and you guys required no local content at all. Everyone knows that.

Mr S.K. L'ESTRANGE: All the member for Fremantle has to do to be true to herself and to her government is deliver on what this bill purports to deliver and I will be happy to stand up in this place and congratulate her.

Ms S.F. McGurk: Great. I look forward to it.

Mr S.K. L'ESTRANGE: I can tell her right now that the bill the government presented to this Parliament to be debated here and now is absolutely shameful, and she knows it.

Ms S.F. McGurk: I met engineers who had to go overseas to get work on Gorgon under your government.

Mr S.K. L'ESTRANGE: The member can sit there and continue to throw interjections as though she is in opposition. She is not in opposition anymore; she is in government and when in government, members have a responsibility to the people of Western Australia and to prove to the people of Western Australia that this bill can work. They cannot sit in this place today and tell anyone it can work, because it is absent of the fundamental elements the bill needs to work—they have not been written. The bill also contains definitions that tell everyone that it cannot do what the government says it can do. That is why, minister, this bill is nothing more than token spin and the government is simply waiting for the economy to recover so that it can try to connect its spin to an economic recovery and tell the people of Western Australia, “See, we fixed it.” We know what the government is up to. It is a disgrace and it has to stop.

MRS L.M. O'MALLEY (Bicton) [1.36 pm]: I rise to add my contribution to the debate on the Western Australian Jobs Bill 2017. This bill is, in essence, about one thing—more jobs for WA. This bill is about enabling local job growth by way of supporting increased participation of the small and medium business sector in the delivery, development, supply and maintenance of goods and services within and for the government sector. This bill is about opportunity and optimism. It is about increasing participation.

I have to say that listening to the negative comments from members opposite about our job-growing initiative is disappointing, but that is something I am becoming used to. Many of the negative comments from members opposite centre on the issue of free trade agreements. This bill acknowledges the challenges around FTAs imposed by the commonwealth on preferencing Western Australian businesses. This bill will not alter those FTAs, and nor should it. That is a matter for the commonwealth but this bill manages those challenges effectively within regulations and strategic targeting and by identifying exemptions through its focus on small and medium businesses. But it seems that members opposite would have us wait and go slow in facilitating opportunities for small and medium businesses. The people of WA witnessed eight years of the go-slow approach of the previous Liberal–National government and they rejected it in favour of a government committed to getting on with things. The people of this state elected the McGowan Labor government because we are committed to taking action on jobs for WA. The passing of this bill will enable this government to get on with that commitment. This bill will have a direct and beneficial impact in WA's small and medium business sector, a sector that plays a vital role in the economy of this state.

Small and medium businesses are defined in the bill to be consistent with procurement policies of other Australian jurisdictions, which is a business with under 200 full-time equivalent employees. A staggering 97 per cent of Western Australian businesses fall into the SME category. This bill will open up incredible opportunities for WA businesses and the people they employ. It will enable Western Australian SMEs to grow. It will grow WA jobs.

There are approximately 1 948 small businesses in the electorate of Bicton and in some parts of my electorate, as many as 40 per cent of my constituents own a small business. There is no doubt that the Western Australian Jobs Bill 2017 will have a positive impact on the business owners of Bicton, with the flow-on effect of an enlarged workforce to cater for this growth not to be underestimated.

Coming from a world of small business ownership, I am particularly excited about the emphasis on participation. This bill provides something that is critical to successful participation: opportunity and support through the establishment of the industry participation advisory service. This service will provide an incredibly important function in supporting small to medium-sized enterprises with the process of tender for government contracts. This legislation will be supported by regulations and the Western Australian industry participation strategy—the WAIPS. Several checks and balances are also contained within the bill to ensure value, accountability and transparency in the process. Head powers, obligations and requirements of agencies are included in the legislation. This bill sets up WA's SMEs to succeed, and that is something we should all be excited about. I am proud to represent the business owners of Bicton in this place and I am proud to have built a small business with my husband over 15 years throughout both challenge and success. I get what it is to step away from the security of a regular pay cheque and to take a chance and pursue the dream of small business ownership. WA's small businesses employ around 512 000 people, and the passing of this bill will see that already impressive number grow.

The comments made yesterday by the member for Vasse about this government not supporting small business are simply untrue; this bill is proof of that. Her comments are also highly insulting to those small business owners who voted alongside the vast majority of the voters of this state to bring the McGowan government to office. It is likewise an insult to the many small business owners of Bicton who voted for me to become their member of Parliament—a Labor local member in a Labor state government. It is not easy to be a small business owner; I know that firsthand. The SMEs of Bicton and right across this state need two things to thrive: the opportunity to participate and the support system to maximise the potential for success. This bill contains both and I am very pleased to support it. I commend this bill to the house.

MR P.J. RUNDLE (Roe) [1.42 pm]: I rise to make a brief contribution on the Western Australian Jobs Bill 2017. As our leader said yesterday, the Nationals will be supporting the jobs bill, but we have a substantial number of concerns, some of which I will bring to the attention of members. The first one, as the member for Churchlands mentioned, is about the WA industry participation plan, which plans to increase local content on government contracts. The problem is that it has not yet been written and it is very hard for us to ascertain how this will play out as time goes on. That is a real weakness of this jobs bill. The bill requires government agencies to develop a plan on how local industry can compete for government contracts, which will apparently be tabled in Parliament. I certainly look forward to that in the future under this bill. Under this legislation, businesses supplying to government agencies must have a participation plan that will encourage local businesses to compete. Ministers will be able to determine which projects are strategic projects, and that criteria will be covered by the regulations. However, there are still many questions to be answered on that. I remember the member for Kalgoorlie last night talking about this local criteria. Under the Australia and New Zealand Government Procurement Agreement, “local industry” means suppliers of the goods produced or services provided in Western Australia and other states and territories or New Zealand. The most disappointing part about this would probably have to be the many examples and opportunities whereby we can really focus on Western Australia. I would like to bring one of those examples to your attention, Madam Acting Speaker.

I have been speaking to the Minister for Emergency Services about a local issue partly in my electorate and partly in the electorate of the member for Collie–Preston. A business called WA Fire Appliances in Narrogin has supplied our government and the Department of Fire and Emergency Services with firefighting vehicles for many years. It is a fantastic company that employs 12 local people and provides apprenticeships. It has been working with DFES for many years now and built a fantastic local business. It has now been informed, “Sorry; your tender is not up to scratch despite the fact that you have been working for the state for many years. We are looking towards a company in Newcastle.” This contravenes the whole scenario about local jobs. I would be surprised if the member for Collie–Preston, who also has a company in this electorate with 18 employees —

Mr D.T. Punch: This bill will fix that.

Mr P.J. RUNDLE: I would be very concerned about a particular company in our friend the member for Bunbury's region that looks to be losing somewhere in the order of 18 jobs because this local contract will be going to Newcastle in New South Wales. I look forward to the Minister for Emergency Services, the member for Southern River, whom we heard from a few minutes ago, and the Fire and Emergency Services Commissioner intervening, because this comes back to the basics about local employment.

I will make a couple of other points. Under the previous government's Building Local Industry policy, all government-funded projects or contracts over \$20 million or with capital equipment of over \$1 million required an industry participation plan. Apart from the fact that the industry participation plan has not been written, the

main difference is that the thresholds, which we have not seen or do not know about, are much smaller and the policy will be legislated, with mandated reporting requirements. Despite playing out a mantra of providing more jobs for Western Australia, the state government does not seem to really understand the opportunity that it is throwing away by cutting important job-creating projects in the regions. I draw the attention of members to one particular project that affects my electorate of Roe. The great southern housing alliance project is, or was, a fantastic project, with nine local governments getting together and providing up to \$4 million of cash and in kind. The plan was for the federal government to supply a matching \$10 million and the state government, as committed to by the previous cabinet, to also supply about \$11 million. I asked the Premier a few weeks ago whether he was comfortable with sacrificing \$10 million of federal money for this project. The response I got was something in the order of "Are the Nationals happy about Elizabeth Quay?"

That has absolutely no relevance. I am concerned because the federal member for O'Connor, Rick Wilson, has gone in to bat for this project and has managed to source \$10 million of federal funding, but now the state government has bailed and left this whole project in jeopardy. That is a real disappointment. Apparently, there is a \$22 million competitive fund out there in the forward estimates and various aged care and independent living projects now need to put their hat in the ring for that money, when we had this project within arm's reach. We had local jobs and this whole program was set out, but there we go. Now it is totally in jeopardy. Those projects may or may not be able to access that \$22 million in the forward estimates. Who knows whether that will get pushed out further? I do not know. I think this is a great opportunity —

Mr D.J. Kelly: Do you take any responsibility for the state of the finances that you left us with when you complain about these projects?

Mr P.J. RUNDLE: I would love to concentrate on what I am focusing on here, and this is very relevant to the Western Australian Jobs Bill. It is such a contradiction that the government's public sector agency review will cut 3 000 jobs as part of slashing the number of departments from 41 to 25. Straightaway that contravenes the electoral promise with 40 per cent of departments amalgamated or abolished under the plan, which is aimed at creating a more efficient public sector. I understand the concept, but it is contravening the policy for local jobs because 3 000 jobs have gone out the door. Another thing I think has been underestimated is how difficult it is to get these departments working. It will be another three, four or five years down the road before we streamline departments and have them working under this scheme. As the Treasurer said, of course, when we reform government to the extent that it will be reformed, there will be some job losses. He said that the Labor Party made that clear before the election. All I heard about was the 50 000 jobs that were going to be created. I do not know where that is coming from. Another example is the Perth Freight Link project; 3 000 jobs have been lost as a result of the government cancelling the Perth Freight Link project.

Then we look at the payroll tax. Our leader spoke about payroll tax yesterday. It is probably one of the most insidious taxes that we can have. This will probably contribute to another 2 000 or 3 000 jobs being lost. Quickly adding up, somewhere in the order of 8 000 jobs will be lost whereas the Labor Party's pre-election advertising was all about creating 50 000 jobs. I go back to the gold royalty rate increase. The government's lack of understanding of the gold sector is threatening job creation and exploration in the gold sector. The Treasurer told government that he was unaware that thousands of jobs in the gold sector would be lost if the gold royalty was hiked up by Labor. The Premier said that not a single job would be lost if the gold royalty hike got the nod. There seems to be so many contraventions. When we look at the figures that were produced, we see that 3 500 jobs across four of the most marginal goldmines in Western Australia will be lost, just for starters.

I draw members' attention to a couple of the more regional scenarios that are playing out. The community resource centres are very close to my heart, after having been on the Western Australian Regional Development Trust. The member for Bunbury would be well aware of that trust. We did a review into the community resource centres several years ago and made 26 recommendations, but we could certainly see the value of the resource centres in regional communities. Now we have a \$10 million cut over two years to the community resource centres, which I am really worried about. The community resource centres provide significant opportunities for young people in the regions such as traineeship opportunities. Some young people start a job at the CRC and stay there for maybe a year or two and then they move on to the local government. Really, that is a start in life for them. I would certainly like to draw members' attention to that.

Another thing that I would like to point out is that in tandem with this bill the state government needs to change its mindset. I spoke to the Minister for Small Business about this. I know the government is aware of this, but we need to not only improve local jobs, but also police the bullying and the tactics employed by many head contractors and middle contractors, I call them, in government projects. Members are aware of the situation at Perth Children's Hospital. I point them to some examples within my electorate. A couple of the larger hospitals are being redeveloped in the Katanning and Narrogin areas. They are \$35 million projects and when those projects were announced as part of the royalties for regions program, the local communities thought that was fantastic because

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it was great for the community. They were really looking forward to it but it is turning into a disaster for local contractors because head and middle contractors are now turning into an art form how not to pay locals for genuine work. One scenario is an invoice is received that has a spelling mistake or something that is not quite right, so it is sent back and it might be paid in the next few months. Another scenario is that an invoice is sent and three or four per cent is taken off if the contractor wants it paid within 14 days. This is not good enough when a local contractor has done the work in good faith; we need to have some protection for those contractors. As I said, I have been, and will be, talking to Minister for Small Business.

I know that the government is keen to look into this. As I said, not paying a percentage for work that has been done has been turned into an art form. To be honest, I do not think that it is good enough. Building Management and Works is controlling these projects and it is really important that we look at not only this local jobs bill, which as I said, we support as a National Party, but all the things that go in tandem with it.

I previously referred to some other projects, but I think the Liberal–National government invested in many job-creating projects. Seizing the Opportunity Agriculture had \$350 million worth of projects. The member for Warren–Blackwood, as the previous Minister for Regional Development, would be well aware of that. That project created many local jobs and many opportunities for people in the regions and in the nine development commissions throughout the state. Another example is the \$14 million Water for Food program, of which the Minister for Water is well aware. That was another great job-creating opportunity.

I welcome the Western Australian Jobs Bill, as I said. I would like ministers to lead by example. The Minister for Sport and Recreation has some great opportunities with suppliers for Perth Stadium. As the member for South Perth said last night, I am encouraged by certain elements of local jobs and local companies.

Debate interrupted, pursuant to standing orders.

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